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Office of the White House Press Secretary

THE WHITE HOUSE

The President today signed an Executive Order requiring evaluation of the inflationary impact of major legislation, regulations, or rules. The President first disclosed his intention to require such statements for major initiatives by the executive branch in his speech to the Congress on October 8, 1974.

The Executive Order designates the Director of the Office of Management and Budget to develop criteria for identifying those major initiatives which require inflation impact evaluations and to prescribe the procedures for evaluating impacts. The Order also provides for delegation of its functions by the Director of OMB to the head of any department or agency. This delegation authority is provided to ensure maximum department and agency responsibility in evaluating potential inflationary impacts of their actions.

The order identifies several general categories of significant inflationary impact which shall be considered in developing more detailed criteria. They are:

1. Cost impact on consumers, businesses, markets or Federal, State, or local governments;
2. Effect on productivity of wage earners, business, or Government;
3. Effect on competition;
4. Effect on supplies of important products or services.

The statements will increase awareness by Federal managers of the full economic impact of their proposed programs. It will also assure that the economic effects of prospective government actions are fully analyzed before being put into effect.

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