

FOR IMMEDIATE RELEASE

JULY 26, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the third quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the past few months in monitoring wages and prices in the private sector and reviewing various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies of steel and metal can prices, cost-of-living escalator clauses and marketing spreads for food products. In addition, it contains a discussion of wages and prices during the first quarter of 1975 and the outlook for the rest of the year. Also included is a special chapter prepared by the Department of Health, Education, and Welfare on the cost of medical care.

Although it requires continuing attention, progress has been made in reducing the rate of inflation. With price increases now decelerating, moderation in wage settlements becomes very important. Wage increases that substantially raise unit labor costs could create new inflationary pressures. Moreover, the recovery of the economy should not be used as an occasion for business to raise prices in anticipation of stronger demand. The Council on Wage and Price Stability also will continue to monitor closely actions taken by the Government and will call to public attention unjustified activities that could have an adverse impact on price levels.

GERALD R. FORD

THE WHITE HOUSE,
JULY 26, 1975

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