

So, we feel that the precedent of reliance upon that statute at that time would still be available to us today, even though our planning does not contemplate it. We would seek legislation at the appropriate time.

Mrs. SULLIVAN. Of course, at the time President Roosevelt adopted this device in the summer of 1941 we did not have on the books a whole pattern of congressional legislation pertaining to various aspects of emergency regulation of our economy. Since that time Congress has spoken on this subject by enacting several laws including the Defense Production Act, containing legislative authority for consumer credit controls. It seems to me that the administration is on very thin ground in relying on a 1917 law for such executive authority when Congress as recently as 1950 provided such authority in the Defense Production Act and in 1953 deliberately and consciously allowed such authority to lapse.

Don't you think that there was a clear intention here by Congress, at least in a limited emergency situation, that the President should not exercise any such authority without coming to Congress first, as President Truman did in 1950?

Mr. MERKER. That is why our planning contemplates we would come to Congress. We mentioned it only in connection with the most extraordinary situation which might arise which would be more than a normal limited situation where we could appear before Congress. This authority is still on the books and is still available, but is certainly not the approach that we are taking, as we have indicated.

Mrs. SULLIVAN. As I have said, this is the whole reason why I have been trying to have this issue brought up in a calm situation, when we are not in an emergency.

Certainly, the President, or the Federal Reserve Board, would not use such authority under any except the most urgent circumstances. So the whole problem should be reviewed by Congress now, not when it is necessary, or when we are in a hot war, or in a situation where something legislatively would have to be done quickly, and perhaps too hastily.

As I stated before, the Korean war started in June, but we didn't get this act passed until fall, and most of it couldn't be put into effect until the following January. I can remember very, very clearly what happened to prices at that time. People rushed out to buy things they were afraid would be scarce. There was no regulation as to how much of a downpayment they had to make on these things. And we did go into an inflationary spiral.

Mr. MERKER. The approach we have taken has been the agency's position for about 10 or 12 years, and the reason for that is that at the time we developed this approach, it was felt that if we proceeded for legislation without the relatively immediate need for legislation, that we might have restrictions written into the law, such as the restriction that is in here at the moment concerning real estate credit, and other restrictions which might not give us the generally broad authority which the President ought to have if he is to institute a program of consumer credit controls.

Mrs. SULLIVAN. What would prevent you from sending up a bill and letting us explore it? As I say, things are calm right now. There would be no fear that this power was about to be exercised.