

The question of legislative function is, however, more one of pragmatic than of either philosophical or constitutional considerations, and a certain presumptuousness attends any testimony I might offer here on this point.

I commend to the Subcommittee for its consideration the August 18, 1966 report to the President by his Advisory Committee on Labor-Management Policy, and attach it to this statement as Appendix I.

This Advisory Committee report reflects the *unanimous* conclusions of this tri-partite group regarding the validity of the wage-price guideposts as they were originally enunciated. It makes clear the important implications of the distinction between (i) guidepost statements of economic policy, and (ii) rules to be applied in every case. It suggests the constructive possibilities of broader participation in the further development of these policies. It also proposes what I would consider a more effective procedure for review of particular situations than the legislative review proposed in H.R. 11916. Indeed, it would perhaps be recognized generally that if the procedure outlined in the Advisory Committee report became operative, the original purpose of H.R. 11916—so far as the review of particular cases is concerned—would be substantially served.

In any event, the action of the President's Advisory Committee confirms the essential wisdom of the underlying proposal in H.R. 11916.

In short, I conclude that there is very real promise in the proposal in H.R. 11916 for the formulation of general guidepost policy as a basis for voluntary private decision-making and as a means for the public to make up its mind when it wants to; but that the provision for price-wage guideposts that "shall take effect" misconstrues their real nature; and that the proposal for formal determinations in specific situations warrants reconsideration.

I suggest, finally, that the future will testify to the foresight of the sponsor of H.R. 11916 in his recognition that by declaring our independence of the doctrines of economic determinism, and by asserting the human authority and ability to control economic as well as physical forces, we have assumed a responsibility to direct certain key economic actions on a much more rational basis than before. Recognition of the importance of sound public fiscal, monetary, and budgetary policy requires fuller realization than there is yet about the related necessity of "guiding" such decisions as those regarding wages and prices to some still undefined extent.

H.R. 11916 is a pioneering proposal for making the free economy work.

Secretary WIRTZ. It had to do with the bills which were then before the Congress involving the question of whether there should be established by legislative action special review procedures. The proposal at that time contemplated review procedures which would go into the fact of particular cases and also into the general economic implications of what was going on. My testimony was to the effect that I would oppose—would recommend against legislation which at this stage would go into particular cases. But would support or would recommend favorably with respect to a procedure which would involve any economic review of the situation. This is a reference to that.

Senator SYMINGTON. I understand, and will read that testimony with interest.

In your statement you also say that you believe we should do our best, voluntarily, both business and labor, to conform to the concept of the guidepost principle. Is that a correct interpretation?

Secretary WIRTZ. It would be.

Senator SYMINGTON. Your last point. In effect, you do not want to develop specific guideposts as to prices and wages, for the future; is that correct?

Secretary WIRTZ. That is right.

Senator SYMINGTON. That differs from what has been done in the past; does it not?

Secretary WIRTZ. As a practical matter, yes; I think it is a fair interpretation to be placed on the 1966 experience—was that the country