

tinues to recognize exceptions from the general wage guidepost "that serve an economic function by assisting in the reallocation of labor toward shortage occupations and industries," it points out that "the remaining labor shortages this year will be concentrated in unorganized professional and technical occupations."⁵⁰ The Council also seeks to confine the "comparable wages" exception from the general wage guidepost.⁵¹

But the Council's continuing attempt to prevent the flexibility that must be part of any wage-price policy from becoming the means to defeat the policy itself is negated this year by the practicalities of the situation the Council faces. It does not believe that any firm rules will or can be applied for the movement of either wages or prices in 1967.

In fact, no overall wage-price policy formulated by the President or Congress can be expected to set forth clear guides to action in every case. The more general and more flexible the statement of such a policy, the more difficult it will be to apply it to any particular industry or firm and therefore the more difficult it will be to judge whether a particular wage or price decision is in accord with the policy.

A proposal for administrative implementation of the overall policy adopted by Congress

To tailor the overall wage-price policy adopted by Congress to the circumstances and needs of particular industries and firms is an administrative task. In my opinion, this function should not be assumed by Congress, the Joint Economic Committee or the Council of Economic Advisers. It should be given to an administrative agency. However, a tripartite committee—representing labor, management and the consuming public—should be appointed by the President for each industry to advise the agency in the formulation of a specific wage-price policy for that industry. It is important that such advisory committees be set up as quickly as possible in those industries in which wage agreements will be newly negotiated in 1967. In addition, the agency should be required to hold public hearings on the wage-price policies proposed for particular industries and to issue written statements justifying the policies adopted for each industry. In time, this agency should have valuable advice to offer to all concerned with the formulation of the overall wage-price policy, which should be under constant review by the Congress.

Determining whether a particular price or wage decision accords with the wage-price policies adopted for the industry

If there is to be voluntary compliance with the wage-price policies thus formulated for an industry—and if the force of public opinion is to be brought to bear to help secure compliance—then labor, management and the public must be able to know whether a particular wage or price decision accords with the policies laid down. The administration of the guidepost policy to date has not assured the availability of such knowledge. Indeed, the Council of Economic Advisers admits that when it meets privately with producers about price increases, "it ordinarily does not have the detailed information which would permit a clear judgment as to the appropriateness of the proposed price change on either the basis of the guide post standards or other relevant considerations."⁵² Nor has such detailed information been made available even in those cases in which the Council has issued formal statements to the public commenting on particular wage or price decisions. Yet in many cases, labor and industry spokesmen have challenged the Council's application of the guideposts to their situations. For example, the steel industry in 1962 and 1966, the aluminum industry in 1966 and the machinists in the airline industry in 1966 challenged Council conclusions.

A proposal for hearings to determine propriety of particular wage or price decisions

To determine whether a particular wage or price decision accords with the stabilization policies laid down is a task that must be performed by an impartial, respected public body. It requires a judicious approach which should include a full and fair hearing for the interested parties, including public representatives.

⁵⁰ 1967 Annual Report of Council of Economic Advisers, at 130.

⁵¹ *Id.* at 130-131.

⁵² *Id.* at 126.