Mr. SHEAHAN. Of the cases in which the guideposts were quite clearly important in making decisions, I thought two or three were rather awkward. Cases I mentioned were the copper industry and the limitation on exports of hides to hold down the prices of shoes. There were a couple of other cases which were, you might say, borderline issues, in which the industries were near full-capacity operations and were probably experiencing rising costs. But, I think the copper industry is one of the most striking, in which a relatively flexible price was put under more administrative restraint as a result of the guideposts.

I think that such cases can be identified. I think the Council explained the decision on copper primarily in terms of an expectation that the market was under temporary strain and was going to ease quickly. That kind of case can readily be avoided and I don't think in the last year we have had anything resembling that kind of thing.

If the office we are talking about, if that office had only one instruction given to it, to hold down prices, it would make many such mistakes. Its instruction should be to try to make markets work better, and, if there are real reasons for prices to go up, let them go up. With such an objective I don't think they would make many such mistakes.

Representative RUMSFELD. My time is up. Thank you.

Chairman PROXMIRE. Mrs. Griffiths?

Representative GRIFFITHS. Thank you very much. And thank you, Mr. Chairman, for having this hearing.

I am particularly interested in looking at some of these suggested remedies for a more stable economy and I might say I have sat and listened to everybody's opinion on what to do.

One of the reasons I am interested in the price-wage guidelines is because I think it is quite laughable to receive a letter from a highly organized union that has just received the biggest wage benefit package ever given a union from an industry that has just raised its prices, and both groups write and say, "Dear Martha, we think that you ought to vote for the 10-percent surcharge to hold down inflation." [Laughter.]

Representative GRIFFITHS. To me, there is something really quite funny about it.

What did they do when they were up to bat? And how do you do something about it?

Now, I think when we talked about a tax decrease to stimulate the economy, there was one part of that that was very entertaining to me, too. The part I enjoyed the most was where the banking fraternity came in and suggested that it would be a great idea to decrease taxes and permit them to increase interest rates, so that we could take care of the balance-of-payments problem.

Now that we have the highest interest rates in a hundred years, I haven't noticed any great improvement in the balance-of-payments problem.

I don't buy, either, the argument—and I haven't seen anybody ask the question—if you put on a 10-percent surcharge—and all of you gentlemen are suggesting that actually the fiscal and monetary way is the way to go—if you put on a 10-percent surcharge, and then you go add to that a reaction to the clamor currently within Congress that besides the surcharge you cut expenditures heavily. I have never heard it answered, really; what is the overkill? I thought we were