

Secretary WIRTZ. You put it in the form of a question. I know your view on it. Mine is to the contrary. I think we are not more likely to get them absent a specific figure. And I think that in a very real way.

Chairman PROXMIRE. What kind of restraint is there on a union not to try to match the Ford settlement, or not to try to exceed the Ford settlement? After all, the President says we hope you will restrain your wage demands. But, unless there is a figure, what does it mean?

Secretary WIRTZ. Well, I do not know, Mr. Chairman, whether we are talking economics or the language, because my answer would be when you say what restraint is there—if against our mutual legal background by restraint we mean something that stops a person, and says you just cannot do it, it is against the law—the answer to your question is “No.”

Now, if we go to a broader area of restraint, I do not believe I am under any illusions about the inclinations of both price setters and wage setters, or price bargainers in this country, to try to get all that they can in a particular situation.

I think the answer to whatever extent there is restraint in the broader sense, as a pragmatic answer, has got to come from the pressures on the other side. In both of those cases, it is the consumers pushing the pressures on the price side, and it is the employer pressing against the wage pressures on the union side. And I believe we kid ourselves if we think that there is any accepted or recognized articulated, clearly identified concept of a public interest that any union or any seller brings to bear when he decides what the wage demands will be, or how high his prices will be set. I believe it is only the influences of the marketplace.

Now, I believe that the consumers' pressures on price—against price increases—are greatly increased by the Government saying, “Now, look, this thing is in such a situation where right now you better fight as hard as you can against price increases.”

Chairman PROXMIRE. Wouldn't you agree there are circumstances under which wage-price guidelines can be effective; that they were effective from 1962 to 1965?

Secretary WIRTZ. I think they were, too, in that period.

Chairman PROXMIRE. What you are arguing for now, Mr. Secretary, is fiscal restraint and monetary restraint. But you do not provide what the wage-price guideline experts said—you should also have it if you have this—which is a restraint in the area of wage settlements and price determinations—

Secretary WIRTZ. I have never been very timid about expressing questions as to whether the experience with the decimal point guidelines was in itself much of a restraint.

Of course, the increases in violation of the productivity principle were a good deal higher on the price side during that period than they were on the wage side. The wages stayed roughly in line for the first 3 or 4 years of this decade—5 years—they stayed roughly in line with the productivity principle while prices went higher. But, as far as I can give you, what is again necessarily a subjective judgment, I do not believe that except for perhaps the steel case in 1963, 1964, and possibly the General Electric case the following year, I do not believe that the fact of the decimal point figure could be translated into the dynamics of that bargaining as I saw it.