Redord as pres

On September 5, 1973, Nixon announced he would veto ~~xx~~ the minimum-wage bill passed by Congress. The next day he did. ~~Andxthexdayxaftx~~ It was Nixon'd claim that increasing the minimum wage from $1.60 an hour to $2.00 an hour, to be followed by an increase to $2.20 an hour, would be "inflationary". Had lower-income workingp people not been denied this increase, the head of a family, fully employed, would then not have earned what would have kept his family in deceny prior to the enormous infl tion over which Nixon had presided. For ~~xxxy~~ many families, if not most, <u>after</u> the raise Nixon prevented in the minimu minimum wage, their standard of livinb would have been what the government itself c lls the "pver "P "piverty" level.

Then the very next day, through his "Cost of Livinb Council" Nixon did grant an increase to tge largest and wealthiest corporations, the "Big Four" auto makers. They were given permission to raise the cost of vehicles for the ~~19~~ coming model year by up to $74.00 per unit.

The Washington Post of the eighth, reporting this, had as its lead story,"Food Prices Soar by Record Figure." The subhead reports an increase in joblessness. And the beginning of the story recounts, from official statistics,"An explosion in farm and food prices...6.2 percent last month..." Seasonally adjusted, the increased cost of food that month was approximately $20 20 percent.

Actually, some prices had almost doubled, some had escalated by more than that, and thenjump in thewolesale prices of foods for t e previous month had about equalled ~~its~~ the total of the year before under Nixon's inflation.

At the rate of increase for the month prior to Nixon's denial of a wage improvement for those with the lowest level of income, their ~~purchasingxpower~~ ability to buy food was diminished by about 75 percent. Other costs of living were skyrocketing simultaneously, but food is t e most essential of all living costs.

Food Prices Soar By Record Figure

9/8/73

Car Firms Granted Increase

By James L. Rowe Jr.
Washington Post Staff Writer

The Cost of Living Council yesterday told the nation's Big Four automakers that they could increase prices on their 1974 model cars and trucks, but not as much as they wanted.

The council also took a surprise action and moved up by three days its rules permitting the food industry to raise prices to account for cost increases other than those at the farm level. The new food price regulations also lift the ceilings on beef prices which have been in effect since March 29.

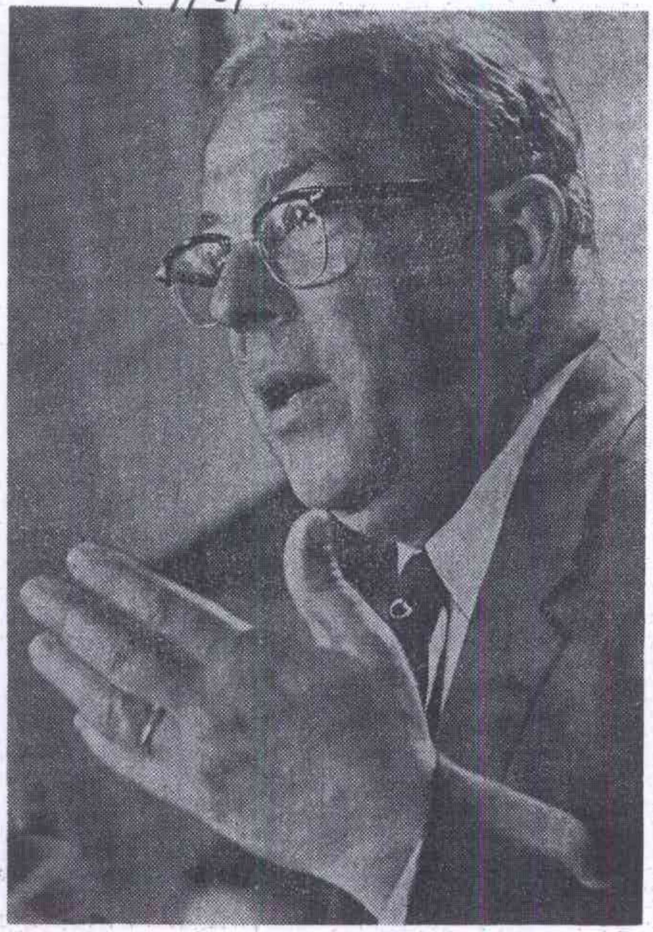
The new Stage B rules will now go into effect at 11:59 p.m. Sunday, instead of next Wednesday as scheduled.

In other moves, the council:

- Suspended price increases proposed by the tire, paper and soap and detergent industries until it could hold public hearings on the boosts later this month.
- Got ARCO (Atlantic Richfield Co.) to roll back increases in home heating oil and gasoline until the council can determine whether the boosts are justified.

The automobile price increases range from a $51 average per vehicle increase for Chrysler Corp. to $74 a car for Ford Motor Co. General Motors Corp. may raise prices an average of $73 a vehicle, while American Motors Corp. may increase them $55.

Under rules of Phase IV of the President's economic controls program, companies with annual sales of more than $100 million must give the government 30 days warning before raising prices. If the Cost of Living Council does not intervene within that time, the prices may go into effect.



By Douglas Chevalier—The Washington Post

George P. Shultz: ". . . We have seen the worst . . ."

In trimming back increases yesterday, the council followed a precedent set in Phase II last year by the now-defunct Price Commission. All four companies were permitted to increase prices enough to pass through the precise costs of federally mandated bumper and safety equipment on 1974 model vehicles.

The council trimmed $32 from the Ford increase, $29 from GM, and $6 from American and Chrysler boosts. The council told each company its full proposed increase was "of such magnitude and would have such an impact upon the economy as to be unreasonably inconsistent with the

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Detroit Gets Go-Ahead for '74 Price Rises

PRICES, From A1

goals of the economic stabilization program."

Chrysler was trimmed an additional $13. That represents the costs the company faced in meeting 1974 emission standards for the state of California, which it tried to spread over all the cars it produced.

John T. Dunlop, director of the Cost of Living Council, said the action "protects the American consumer from paying a higher than necessary price for automobiles while permitting the companies to recoup essential costs arising from federally mandated changes in cars."

Because the auto companies filed their pre-notification forms with the Cost of Living Council on different days, the price increases go into effect on different days.

As a practical matter, however, each company may bill its dealers at the higher prices for every 1974 model they turn out.

American Motors may even rebill its dealers, who have been selling 1974 models since last Wednesday, for models they have already sold.

The other auto companies are not schedultd to introduce their new models until after the price increases are in effect.

Dunlop told newsmen that beef and other food prices would rise when the new Phase IV rules take effect at 11:59 p.m. Sunday, but that the rises would not be nearly as steep as those which occurred in late July and early August.

On July 18 the President relaxed the price freeze on all food prices except beef to permit processors and retailers to pass along the rising cost of farm products.

The wholesale price index released by the Labor Department yesterday showed that food prices exploded in August, climbing at a seasonally adjusted rate of 19.3 per cent in one month.

Dunlop said that prices have come down substantially since the statistics were collected for the August index. He said that those increases reflected sharp boosts in farm product prices. The cost increases which the food industry can pass along starting Sundey night will be of much smaller magnitude than farm price boosts, he said.

In addition, food processors with annual sales of more than $100 million will have to give the government 30 days notice before raising prices at all. Retailers and wholesalers, who are controlled with respect to the percentage markup they add to their costs, will not be subject to the 30-day pre-notification.

In suspending price increases by rubber, tire, paper and soap and detergent companies, Dunlop said public hearings are necessary before decisions can be made.

He said nine rubber companies gave advance notice of price increases averaging 6.5 per cent on tires and tubes. The companies have 75 per cent of tire sales.

Twenty paper companies, controlling 35 per cent of sales, gave notice of increases averaging 5.7 per cent on paper and paper products, while five major soap companies, with 70 per cent of industry sales, announced price boosts averaging 20.3 per cent on soap and detergent products.

Protest Yacht Sails Back to A-Test Site

PAPEETE, Tahiti, Sept. 7 (AP)—The American protest yacht Fri sailed back toward the French nuclear test site at Mururoa Atoll today after 18 days of rudder and mast repairs.

"Radio reports indicate France plans two more nuclear tests before the end of the month," Captain David Moodie said. "This possibility leaves us no choice but to go back to the test area."

Jobless Figures Inch Up

By Peter Milius
Washington Post Staff Writer

An explosion in farm and food prices drove the wholesale price index up 6.2 per cent last month, almost as much as it rose in all of last year, the Labor Department said yesterday.

At the same time, the department reported, the nation's unemployment rate inched upward from 4.7 to 4.8 per cent.

The rise in the farm and food price index was a seasonally adjusted 19.3 per cent, far and away the most since the government started publishing such adjusted figures in 1947.

The index reflected the surge in prices that occurred after President Nixon lifted his June-July food price freeze on July 18. August wholesale prices were sampled on Aug. 14.

The administration noted that many food prices have fallen back sharply since then; Agriculture Secretary Earl L. Butz said "half of the gain in wholesale farm prices announced today has been wiped out."

Treasury Secretary George P. Shultz pointed out to reporters at the White House that soybean prices have dropped 47 per cent since Aug. 14, wheat 10 per cent, corn 30 per cent, cattle 15 per cent, hogs 35 per cent and chickens 27 per cent.

He said that the August sampling caught prices at their peak, and that "my instinct is we have seen the worst of the food price problem."

He conceded, however, that there remains a big wholesale food price increase that is going to be reflected in retail prices in the weeks ahead.

Shultz's effort to put a good face on the figures did nothing to mollify AFL-CIO president George Meany, who declared in an angry outburst that "these figures are beyond belief."

Harking back to the President's Thursday veto of the minimum wage bill, Meany asked, "How in the name of simple decency could the President deny the worst-paid workers in America an increase in their minimum wage when they have to pay these prices when they reach the retail level?"

"The President has made a mess out of the economy," Meany said, "and he can't pass the blame to Congress, to workers . . . or to anyone else. He created the mess. He has perpetuated it. He has no plans for ending it . . . All his economic game plans, freezes and phases are an absolute ailure."

The 6.2 per cent rise in the wholesale index was a seasonally adjusted figure, and it, too, was the highest on record since the department began making adjustments. The

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unadjusted figure was 5.8 per cent, the highest since 1946.

The huge August increase followed a drop-off in the wholesale index in July, the month when prices were frozen.

The increase lifted the wholesale index to 142.7, which means that wholesale prices have now risen 19 per cent in a year and that it cost $142.70 last month to buy at wholesale goods that cost $100 in 1967.

In all of 1972, the wholesale index rose only 6.5 per cent.

The Labor Department said that the upward farm and food price leap accounted for 95 per cent of the overall rise in August. Industrial commodities prices, meaning wholesale prices in the non-farm, non-food sector of the economy, rose an adjusted 0.4 per cent for the month.

Most industrial prices were frozen until Aug. 12. In the five months before the freeze, industrial prices were rising at an average of well over 1 per cent a month.

The biggest price increases in the farm and food sector were in animal feed and animal products.

Grains were up 69.5 per cent for the month, and 166.9 per cent higher than the year before. The comparable increases for poultry were 42.3 and 152.5 per cent, and for livestock, 22.1 and 64.3 per cent. The livestock rise was largely in hogs. Beef prices were not unfrozen on July 18; they are going to be set free Sunday.

At the retail end of the wholesale chain, food prices rose 10.8 per cent in August after adjustment. They were 28.8 per cent higher than the year before. Wholesale prices of "finished goods" other than food were up 0.2 per cent for the month. and 6.4 per cent over the last year.

The 0.1 per cent increase in the unemployment rate in August was not big enough to be statistically significant, and the Labor Department described the rate as "essentially the same as it was in June and July."

More important, perhaps, the department said that, by one measurement, the number of jobs in the economy failed to increase significantly for the second month in a row. A sustained failure to generate new jobs would be a sign of recession. By another and sometimes more dependable measurement, however, the number of jobs went up substantially.

The President's goal for the year is to cut unemployment to 4.5 per cent, which is what it has averaged since World War II, but is still well above what is commonly called "full employment," an unemployment rate of 4 per cent.

The White House has argued that 4 per cent may be an unrealistic goal, and Shultz in his news conference described August's 4.8 per cent as "very low."

The point is that women and teen-agers—both of whom have chronically high unemployment rates—now make up a greater percentage of the work force than they used to. If the work force's make-up today were the same as it was in 1955-56, Shultz said, the unemployment rate would be only 4.1 per cent.

Shultz pointed out that the unemployment rate for what he called the "hard core" of the work force—married men—was only 2.1 per cent.

In addition to raising some question about whether total jobs increased much last month, the Labor Department said the average workweek and use of overtime both declined fractionally from July.

Clayton Fritchey

Post 9/4/73

Changing White House Personnel

On Dec. 11, 1968, Richard Nixon, then the President-elect, staged the first of his many "firsts." In an elaborate television ceremony on prime time, he presented his new Cabinet to the public in living color. As master of ceremonies, he introduced the appointees individually, noting that each possessed an "extra dimension of leadership."

Times change. These supposedly indispensable men—all 12 of them—have now been eased, greased or forced out of office. William P. Rogers, who retired as secretary of state Monday, is the last for whom the bell has tolled. He outstayed the others, chiefly because he never confused himself with the real secretary of state, Henry Kissinger.

Not in the history of the United States has there been such a sweeping shake-up of top officials. The cabinet is only the tip of the turnover. Since the beginning of Mr. Nixon's second term, for instance, there have been 65 assistant secretaries and bureau chiefs. Of 125 White House staff members appointed by the President, 72 have left since January. Also, of 94 posts as heads of agencies or members of the cabinet, 27 are held by newcomers and four are still vacant.

U.S. News and World report reckons that "of the nearly 400 top-level jobs in the Nixon administration—the positions used by the President to put his own stamp on government—more than half are either vacant or held by people on the job less than four months."

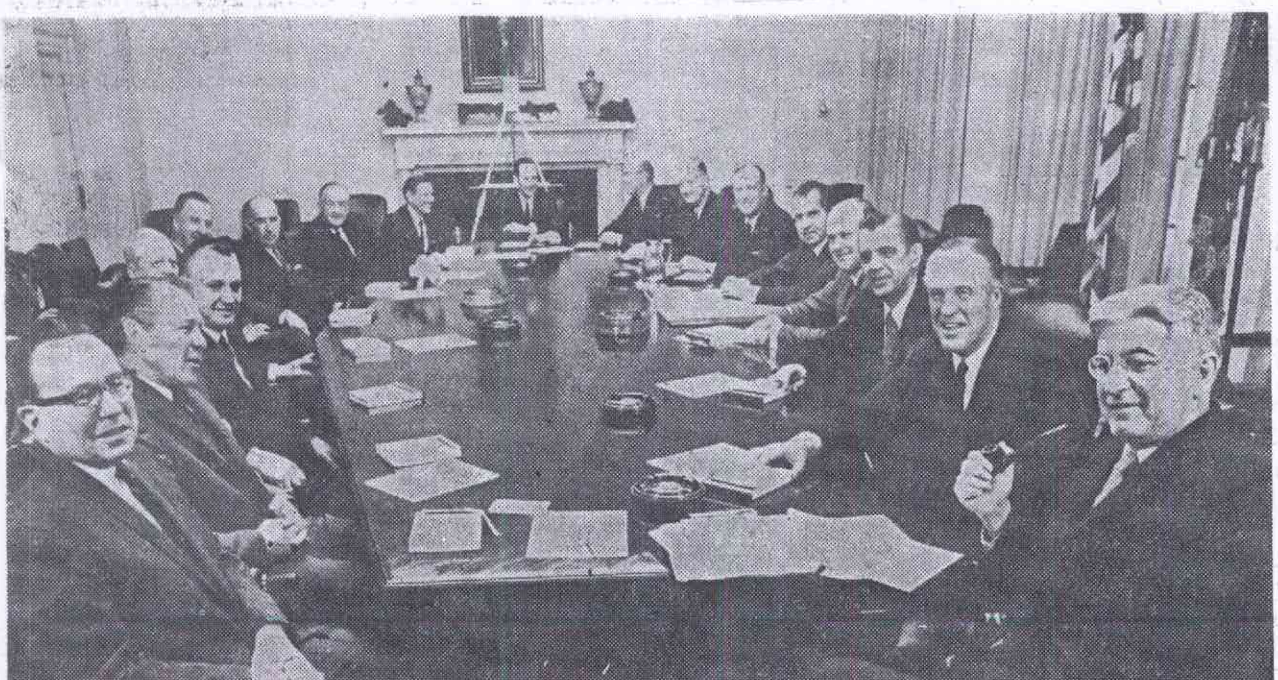
So far, Mr. Nixon has made 29 cabinet appointments, easily breaking the previous record of 26 set by President Ulysses S. Grant in eight years. Even in four terms, Franklin Roosevelt named only 25 to the cabinet. Dwight Eisenhower named 20 in two full terms.

"I have picked big men," said Mr. Nixon as he introduced his first cabinet. "We are not going to have a cabinet that will be basically made up of yes men." And he added, "Everyone is an independent figure."

Some of the new appointees foolfishly took Mr. Nixon at his word, including Robert Finch, the administration's first secretary of health, education and welfare. Having been praised by the President for his "compassion," Mr. Finch set out to run HEW compassionately, to the consternation and embarrassment of the White House. He finally had to be removed.

Despite this warning, there were still some who persisted in speaking up, notably Walter Hickel, secretary of interior, and George Romney, secretary of housing and urban development. Hickel got the ax when he urged the President to stop isolating himself. Romney, a friend of civil rights, also complained he could never see the President. It was a mistake. When he was allowed in, the President accepted his resignation.

The purge reached its climax shortly after Mr. Nixon's landslide re-election, when he asked for and accepted resignations across the board. The changes



President Nixon's Cabinet, meeting for the first time in January 1969.

were rather impersonal, mostly incidental to the objective of reducing the power of the major departments, while centralizing that power in the White House on a scale never before known. In the process, however, Mr. Nixon ended up with having named three different men to head up each of these departments: Defense, Treasury, Commerce, Labor, Justice, HEW. Also, State, Interior, Agriculture and Transportation, each have had two secretaries.

There have been three Nixon ambassadors at the United Nations, while the directorships of the FBI, CIA, the Internal Revenue Service and the Bureau of the Budget have also changed three times. Others missing in action include the head of the Civil Rights Commission, the director of the Arms Control and Disarmament Commission, the chairman of the Council of Economic Advisers, the commissioner of education, the head of the U.S. Information Service, the White House communications director, two presidential science advisers and three chairmen of the Republican National Committee.

If there is a silver lining, it is that Mr. Nixon, in an effort to restore confidence in his administration, has recently been filling the most important posts in the government with men of some standing who, hopefully, may be more independent than their predecessors, especially now that the White House "politburo" is in disarray. The new heads of State, Defense, Justice and the FBI all have an opportunity to make distinguished personal records.