

# Texts of Nixon's Ordres on Freeze and Surcharge

NAT 8-17-71

WASHINGTON, Aug. 16 (UPI)—Following are the texts of President Nixon's executive orders issued today providing for stabilization of prices, rents, wages and salaries and imposing a 10 per cent surcharge on all dutiable imported goods.

Whereas, in order to stabilize the economy, reduce inflation, and minimize unemployment, it is necessary to stabilize prices, rents, wages and salaries; and

Whereas, the present balance-of-payments situation makes it especially urgent to stabilize prices, rents, wages and salaries in order to improve our competitive position in world trade and to protect the purchasing power of the dollar:

Now, therefore, by virtue of the authority vested in me by the Constitution and statutes of the United States, including the Economic Stabilization Act of 1970 (P.L. 91-379, 84 Stat. 799), as amended, it is hereby ordered as follows:

SECTION 1. (A) Prices, rents, wages and salaries shall be stabilized for a period of 90 days from the date hereof at levels not greater than the highest of those pertaining to a substantial volume of actual transactions by each individual, business, firm or other entity of any kind during the 30-day period ending Aug. 14, 1971, for like or similar commodities or services. If no transactions occurred in that period, the ceiling will be the highest price, rent, salary or wage in the nearest preceding 30-day period in which transactions did occur. No person shall charge, assess, or receive, directly or indirectly in any transaction, prices or rents in any form higher than those permitted hereunder, and no person shall, directly or indirectly, pay or agree to pay in any transaction wages or salaries in any form, or to use any means to obtain payment of wages and salaries in any form, higher than those permitted hereunder, whether by retroactive increase or otherwise.

## Public Records Required

(B) Each person engaged in the business of selling or providing commodities or services shall maintain available for public inspection a record of the highest prices or rents charged for such or similar commodities or services during the 30-day period ending Aug. 14, 1971.

(C) The provisions of Sections 1 and 2 hereof shall not apply to the prices charged for raw agricultural products.

SECTION 2. (A) There is hereby established the Cost-of-Living Council, which shall act as an agency of the United States and which is hereinafter referred to as the council.

(B) The council shall be composed of the following members: the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Director of the Office of Emergency Preparedness, and the Special Assistant to the President for Consumer Affairs. The Secretary of the Treasury shall serve as Chairman of the council and the Chairman of the Council of Economic Advisers shall serve as Vice Chairman. The Chairman of the Board of Governors of the Federal Reserve System shall serve as Adviser to the council.

(C) Under the direction of the Chairman of the council, a Special Assistant to the President shall serve as Executive Director of the council, and the Executive Director is authorized to appoint such personnel as may be necessary to assist the council in the performance of its functions.

## Powers Are Conferred

SECTION 3. (A) Except as otherwise provided herein, there are hereby delegated to the council all of the powers conferred on the President by the Economic Stabilization Act of 1970.

(B) The council shall develop and recommend to the President additional policies, mechanisms and procedures to maintain economic growth without inflationary increases in prices, rents, wages and salaries after the expiration of the 90-day period specified in Section 1 of this order.

(C) The council shall consult with representatives of agriculture, industry, labor and the public concerning the development of policies, mechanisms and procedures to maintain economic growth without inflationary increases in prices, rents, wages and salaries.

(D) In all of its actions the council

will be guided by the need to maintain consistency of price and wage policies with fiscal, monetary, international and other economic policies of the United States.

(E) The council shall inform the public, agriculture, industry, and labor concerning the need for controlling inflation and shall encourage and promote voluntary action to that end.

SECTION 4. (A) The council, in carrying out the provisions of this order, may (I) prescribe definitions for any terms used herein, (II) make exceptions or grant exemptions, (III) issue regulations and orders and (IV) take such other actions as it determines to be necessary and appropriate to carry out the purposes of this order.

(B) The council may redelegate to any agency, instrumentality or official of the United States any authority under this order, and may, in administering this order, utilize the services of any other agencies, Federal or state, as may be available and appropriate.

## Agencies Must Cooperate

(C) On request of the Chairman of the council, each executive department or agency is authorized and directed, consistent with law, to furnish the council with available information, which the council may require in the performance of its functions.

(D) All executive departments and agencies shall furnish such necessary assistance as may be authorized by Section 214 of the act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).

SECTION 5. The council may require the maintenance of appropriate records or other evidence, which are necessary in carrying out the provisions of this order, and may require any person to maintain and produce for examination such records or other evidence, in such form as it shall require, concerning prices, rents, wages and salaries and all related matters. The council may make such exemptions from any requirement otherwise imposed as are consistent with the purposes of this order. Any type of record or evidence required under regulations issued under this order shall be retained for such period as the council may prescribe.

SECTION 6. The expenses of the council shall be paid from such funds of the Treasury Department as may be available therefore.

SECTION 7. (A) Whoever willfully violates this order or any order or regulation issued under authority of this order shall be fined not more than \$5,000 for each such violation.

(B) The council shall in its discretion request the Department of Justice to bring actions for injunctions authorized under Section 205 of the Economic Stabilization Act of 1970 whenever it appears to the council that any person has engaged, is engaged or is about to engage in any acts or practices constituting a violation of any regulation or order issued pursuant to this order.

## Import Surcharge

Whereas, there has been a prolonged decline in the international monetary reserves of the United States, and our trade and international competitive position is seriously threatened and, as a result, our continued ability to assure our security could be impaired;

Whereas, the balance-of-payments position of the United States requires the imposition of a surcharge on dutiable imports;

Whereas, pursuant to the authority vested in him by the Constitution and the statutes, including, but not limited to, the Tariff Act of 1930, as amended (hereinafter referred to as "the Tariff Act"), and the Trade Expansion Act of 1962 (hereinafter referred to as "the TEA"), the President entered into, and proclaimed tariff rates under, trade agreements with foreign countries.

Whereas, under the Tariff Act, the TEA, and other provisions of law, the President may, at any time, modify or terminate, in whole or in part, any proclamation made under his authority;

## Proclamation Made

Now, therefore, I, Richard Nixon, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes, including, but not limited to, the Tariff Act, and the TEA, respectively, do proclaim as follows:

(A) I hereby declare a national emergency during which I call upon the public and private sectors to make the efforts necessary to strengthen the international economic position of the United States.

(B) I hereby terminate in part for

such period as may be necessary and modify prior Presidential proclamations which carry out trade agreements, insofar as such proclamations are inconsistent with, or proclaim duties different from, those made effective pursuant to the terms of this proclamation.

(2) Such proclamations are suspended only insofar as is required to assess a surcharge in the form of a supplemental duty amounting to 10 per cent and valorem. Such supplemental duty shall be imposed on all dutiable articles imported into the customs territory of the United States from outside thereof, which are entered, or withdrawn from warehouse, for consumption after 12:01 A.M., Aug. 16, 1971, provided, however, that if the imposition of an additional duty of 1 per cent ad valorem would cause the total duty or charge payable to exceed the total duty or charge payable at the rate prescribed in column 2 of the tariff schedules of the United States, then the column-2 rate shall apply.

(C) To implement Section B of this proclamation, the following new subpart shall be inserted after Subpart B of Part 2 of the appendix to the tariff schedules of the United States:

## Temporary Modifications

Subpart C—Temporary modifications for balance-of-payments purposes.

Subpart C Headnotes:

1. This subpart contains modifications of the provisions of the tariff schedules proclaimed by the President in Proclamation 4074.

2. Additional duties imposed.—The duties provided for in this subpart are cumulative duties, which apply in addition to the duties otherwise imposed on the articles involved. The provisions for these duties are effective with respect to articles entered on and after 12:01 A.M., Aug. 16, 1971, and shall continue in effect until modified or terminated by the President or by the Secretary of the Treasury (hereinafter referred to as the Secretary) in accordance with Headnote 4 of this subpart.

3. Limitation on additional duties.—The additional 10 per cent rate of duty specified in rate-of-duty column numbered 1 of Item 948.00 shall in no event exceed that rate, which, when added to the column numbered 1 rate imposed on the imported article under the appropriate item in Schedules 1 through 7 of these schedules, would result in an aggregated rate in excess of the rate provided for such article in rate-of-duty column numbered 2.

4. For the purposes of this subpart—

(A) Delegation of authority to Secretary.—The Secretary may from time to time take action to reduce, eliminate or re-impose the rate of additional duty herein or to establish exemption therefrom, either generally or with respect to an article which he may specify either generally or as the product of a particular country, if he determines that such action is consistent with safeguarding the balance-of-payments position of the United States.

### Register to Be Modified

(B) Publication of Secretary's actions.

All actions taken by the Secretary hereunder shall be in the form of modifications of this subpart published in the Federal register. Any action re-imposing the additional duties on an article exempted therefrom by the Secretary shall be effective only with respect to articles entered on and after the date of publication of the action in the Federal register.

(C) Authority to prescribe rules and regulations.—The Secretary is authorized to prescribe such rules and regulations as he determines to be necessary or appropriate to carry out the provisions of this subpart.

5. Articles exempt from the additional duties.—In accordance with determinations made by the Secretary in accordance with Headnote 4(A), the following described articles are exempt from the provisions of this subpart:

Item—948.00

Article—Articles, except as exempt under Headnote 5 of this subpart, which are not free of duty under these schedules and which are the subject of tariff concessions granted by the United States in trade agreements.

Rates of duty: One—10 per cent ad valorem. (See Headnote 3 of this subpart). Two—No change.

D. This proclamation shall be effective 12:01 A.M., Aug. 16, 1971.

In witness whereof, I have hereunto set my hand this 15th day of August in the year of our Lord 1971 and of the Independence of the United States of America the 196th.