

Reuss Suggests a 'Trusteeship' To Conduct U.S. Economic Policy

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By James L. Rowe Jr.

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Rep. Henry Reuss (D-Wis.) suggested yesterday that the administration hand over conduct of economic policy to a "trusteeship" of public officials.

The small group of leaders, who would be appointed by House Speaker Carl Albert (D-Okla.) and Senate Majority Leader Mike Mansfield (D-Mont.), would likely be Democrats who would work with Congress rather than continue the present "competitor" relationship with economic policy makers.

Reuss, speaking to a National Press Club luncheon, likened his proposed "trusteeship" to the summons of top Republican businessmen to Washington by President Roosevelt to broaden support of his administration's conduct of World War II.

As part of his plan, Reuss suggested that Rep. Paul Sarbanes (D-Md.) might return to the Council of Economic Advisers, where he once was a staff economist. He also mentioned Reps.

John Seiberling (D-Ohio), Pete Stark (D-Calif.) and Barbara Jordan (D-Tex.) as likely candidates for a trustee slot.

In Columbia, Mo., meanwhile, Sen. Henry M. Jackson (D-Wash.) came up with a different plan.

"I think what the President should do is ask the Vice President to head an economic council with a group of Missouri farm officials.

Saying the President has been crippled in his ability to deal with the economy, Jackson said: "What is needed now is a real economic czar, a man who will have the confidence of agriculture, business, the financial community and labor."

Under his plan, Reuss said, the trustees could adopt an economic program based on a "social contract" between government and workers, in which the administration "pledges to concern itself with the economic problems of Americans—the cost of living, jobs and taxes" in return for a moderation of wage demands by labor.

Reuss is a member of the House Banking Committee and the Joint Economic Committee.

In another statement on the economy yesterday, the AFL-CIO said that considering the combination of falling real wages, rising prices and increasing business profits coupled with "the lack of any credible policy from the administration—workers and their unions have no alternative other than to seek larger wage increases and cost-of-living escalator protection for the sake of their families and their living standards."

The labor organization's Executive Council, meeting in Chicago, said the Federal Reserve Board's tight monetary policy "has pushed the national economy to the brink of disaster."

"There is an urgent need for much lower interest rates, combined with a selective monetary policy based on social and economic priorities. The extension of available credit should be eased for high-priority objectives and tightened for low-priority purposes."



By Larry Morris—The Washington Post

Sen. Robert Griffin: "Both in the national interest and (the President's) own."