

note: I suspect this is the Theris memo referred to by Hartmann in his book as the internal W.I.V. proposal

THE WHITE HOUSE

WASHINGTON

August 30, 1974

This strip was physically cut out, not blacked out!

MEMORANDUM FOR: THE PRESIDENT

FROM:



VIA:

SUBJECT: INFLATION FIGHTER PROGRAM

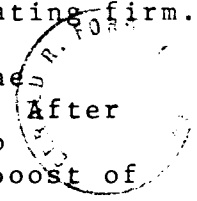
Since no one has yet come up with an economic solution to the problem of inflation, here is one which is so simple, it just might work. I suggest:

1. That you go on nationwide radio and television next week to announce the establishment of the "Inflation Fighter" program. Under this program, each company which signs a pledge not to raise prices on its products for one year would be awarded an "IF" pennant to fly over its plant (similar to the Army-Navy "E" flags presented to companies for their production efforts in World War II). At first, you should visit a number of these participating plants to personally present flags. Later, letters or telegrams of commendation could go out over your name to participating firms. Workers at these plants could be presented with "IF" buttons to wear in their lapels.

2. The use of the "IF" symbols would not be limited to manufacturing plants. Retail stores, gas stations, service companies, etc., which sign a pledge to hold their prices intact for one year would receive a decal to paste on the store window, indicating this is an Inflation Fighter shop. The decal could consist of a large "IF" in the center and a slogan or motto around it stating something like this: "IF you want a better America, patronize stores which display this emblem."

3. As firms sign up, the White House would release to the news media their names and locations along with a message of appreciation from you, generating publicity in their own localities for their action. A special presidential message of commendation should be sent to each cooperating firm.

4. Labor unions which sign a pledge to hold the line on wages should be accorded similar recognition. After all, a halt to the present inflation rate of twelve to fourteen percent a year would be tantamount to a pay boost of the same amount.



5. The program could be broadened to get everybody into the act. Congressmen who vote to hold the line on spending could be presented with "IF" lapel pins by you. Consumers could display small "IF" flags or decals in their windows, proclaiming they have signed up as inflation fighters and will refuse to patronize stores which fail to display the "IF" emblem.

6. As part of your televised announcement of this program, you would call on consumers and housewives and all Americans to purchase products only from companies which pledge to hold the price line or from retail stores displaying the "IF" emblem. You could announce that you are directing the Federal government itself, which is the single biggest buyer in the country, to purchase only from participating firms.

7. The economic pre-summit and summit meetings could be used to explore further ways to combat inflation, including tax benefits for firms which sign the price pledge. For example, participating companies could be provided with tax advantages sufficient to give their employees a pay increase at the end of the year. To stimulate productivity, companies which participate could be given rapid tax depreciation allowances on new plants they build and on expanded production facilities.

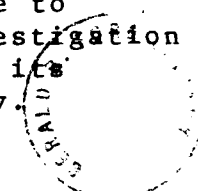
In sum, the incentives to participate in this program cut across America:

For the consumer--lower prices.

For the manufacturer--increased salability of his product and acceptance of his company as a combatant in the war on inflation--not to mention possible tax benefits because of his participation.

For the worker--lower prices at the marketplace (which is another pay increase) and the possibility of a real pay increase at the end of the first year.

One final point: This program would not require a vast new Federal Bureaucracy to administer. In fact, it could be done with existing personnel. The American people would serve as policemen to make sure the program works. A toll-free "hot line" could be installed at the White House to receive reports of violations of the pledge. An investigation could then be made and if the firm is proven guilty, its "IF" rating would be lifted amid widespread publicity.



If properly promoted, with ample groundwork laid before the announcement by you, the "IF" program could capture the imagination of the American people and halt inflation in its tracks.

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