

APRIL 20, 1972

TO: SENATOR HUMPHREY
FROM: MARK EPSTEIN
SUBJECT: WOMEN'S GROUP COST OF LIVING DISCUSSION
KING OF PRUSSIA, PENNSYLVANIA
SATURDAY, APRIL 22

*Sent
8:15 p.m.
April 20, 1972*

HERE ARE SOME FACTS AND FIGURES FOR YOU TO USE. SANDY BREGMAN WILL BE MODERATING THE SESSION AND SHE WILL BE MAKING OPENING REMARKS, FOLLOWED IMMEDIATELY BY QUESTIONS FROM A PANEL AND FROM THE AUDIENCE.

1. GNP GROWTH AND INFLATION

THE GNP ROSE IN THE FIRST QUARTER OF 1972, 11.8 PERCENT -- BUT THE BIGGEST LEAP IN INFLATION SINCE 1970 CUT THIS RISE TO 5.3 PERCENT. AND THIS IS ONE-HALF PERCENTAGE POINT DROP FROM THE LAST QUARTER OF 1971.

THE ADMINISTRATION HAD PREDICTED IN JANUARY THAT REAL GROWTH THIS YEAR WOULD BE 6 PERCENT -- RIGHT NOW, WE'RE NOT EVEN COMING CLOSE.

2. PRICES - GENERAL

FROM JANUARY TO MARCH, PRICES ROSE AT AN ANNUAL RATE OF 6.2 PERCENT -- ALMOST DOUBLE THE ADMINISTRATION PREDICTION IN JANUARY OF AN INFLATION RATE FOR 1971 OF ABOUT 3 1/4 PERCENT.

--THIS INCREASE IS HIGHER THAN ^{THE} 4.6 PERCENT INCREASE IN ALL OF 1970.

--THIS INCREASE IS HIGHER THAN THE 4.7 PERCENT DURING THE 7 MONTHS BEFORE THE WAGE-PRICE FREEZE.

3. CONSUMER PRICES

CONSUMER PRICES IN THE FIRST QUARTER OF 1972 ROSE AT A YEARLY RATE OF 6.2 PERCENT.

FOOD PRICES IN FEBRUARY ROSE AT A YEARLY RATE OF
24 PERCENT -- THE GREATEST INCREASE IN 14 YEARS.

FOOD -- HAMBURGER IS UP -- IN SOME PLACES 25¢-35¢
A POUND. COFFEE IS UP 10¢ A POUND. AND YOU NAME IT:
STEAK, FLOUNDER, TOMATOES, GREEN BEANS -- EVERYTHING COSTS
MORE.

RENTS -- UP 15 TO 20 PERCENT IN SOME PLACES.

HEALTH -- MEDICAL COSTS ARE UP 8.4 PERCENT.

CLOTHES -- UP MORE THAN 3 PERCENT.

4. PRICE COMMISSION

WE ARE SUPPOSED TO HAVE PRICE CONTROLS. BUT LOOK AT
WHAT IS NOT CONTROLLED:

--LIFE INSURANCE PREMIUMS

--MORTGAGE INTEREST PAYMENTS

--PRICES OF LAND

--PRICES OF HOMES

--USED CARS

--COLLEGE TUITION

--3/4 OF ALL RETAIL STORES

--UNPROCESSED FOOD PRODUCTS

--ALMOST HALF OF ALL RENTAL UNITS

--INTEREST RATES

--PROFITS

THE NIXON PRICE CONTROLS ARE A SHAM:

--CORPORATIONS HAVE SUBMITTED MORE THAN 7,500 APPLICATIONS
FOR PRICE INCREASES.

--THE ADMINISTRATION HAS TURNED DOWN ONLY 142.

CORPORATIONS ARE RAISING THEIR PRICES AT A RATE MORE
THAN DOUBLE THE PHASE II PRICE COMMISSION TARGET OF 2.5
PERCENT.

AND LAST WEEK, C. JACKSON GRAYSON, PRICE COMMISSION
CHAIRMAN, SAID THE COMMISSION WAS ORDERING PRICE ROLLBACKS
BY AN UNSPECIFIED NUMBER OF FIRMS WHOSE PRICE INCREASES
WERE TO OFFSET WAGE HIKEs THAT NEVER OCCURRED.

GRAYSON ALSO SAID 8 - 10 PERCENT OF THE BIGGEST U.S. CORPORATIONS WILL BE FORCED TO ROLL BACK PRICES IN TRIPLE AMOUNTS AND FORCED TO COMPENSATE CUSTOMERS AS A RESULT OF EARNING ILLEGAL EXCESS PROFITS.

5. CORPORATE PROFITS

51 OF THE LARGEST 129 COMPANIES REPORTING TO THE PRICE COMMISSION HAD EXCESS PROFIT MARGINS IN PHASE II AND THE 100 LARGEST CORPORATIONS HAD PROFIT INCREASES OF 76 PERCENT LAST YEAR.

6. TAXES

THE TAX SYSTEM IS RIDDLED WITH SPECIAL LINES, SPECIAL LOOPHOLES, AND SPECIAL DEALS.

--IN 1969 AND 1970, OVER 300 AMERICANS MAKING BETTER THAN \$200,000 PAID NO INCOME TAX AT ALL.

--GIANT OIL COMPANIES MAKING OVER \$8 BILLION A YEAR PAY A SMALLER PERCENT OF THEIR EARNINGS IN TAXES THAN A WORKING MAN MAKING \$8,000 A YEAR.

FOR MOST AMERICANS, BY THE TIME YOU FINISH PAYING SALES TAX, STATE INCOME TAX, CIGARETTE TAX, GASOLINE TAX, AMUSEMENT TAX, PROPERTY TAX, FEDERAL INCOME TAX -- YOU ARE GOING TO WORK 15 HOURS OUT OF A 40-HOUR WEEK, OR 3 HOURS OUT OF AN 8-HOUR DAY TO PAY YOUR TAX BILL.

THAT MEANS YOU HAVE TO WORK 3 MONTHS OUT OF EVERY YEAR JUST TO PAY YOUR TAXES.



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