

Retired Employees Hear Lundine

MAR 12 1980

BATH — Congress was called upon to forge a stronger national strategy against inflation by Rep. Stanley N. Lundine, D-Jamestown, in an address March 10 to the National Association of Retired Federal Employees.

"Inflation threatens the confidence that people have in the American system, and the belief that greater prosperity lies ahead in the future," Lundine said.

The congressman emphasized eight essential steps that are necessary if the inflation rate is to be restrained.

Lundine's national strategy calls for a balanced federal budget, "as a symbol to the nation and the world that the public sector is showing restraint." But he emphasized that balancing the budget will not alone solve the inflation problem.

He also urged that the nation both strengthen and continue the effort begun under the wage-price guidelines that President Carter put into effect in October 1978. However, he strongly emphasized that mandatory wage and price controls would not work, and that they are likely to result in long term harm to the economy, were they to be put into effect.

"In anticipation of mandatory controls, there would most likely be wage and price boosts that could very well negate any impact that these controls might have," Lundine said. "I maintain that controls are an administration nightmare. The substitution of a bureaucratic agency for the free market system will cause inefficiencies, inequities and shortages," he said.

On the subject of voluntary guidelines, however, Lundine endorsed the concept of real wage insurance, which would give tax credits to those who stay within the established voluntary wage-price guidelines.

The congressman cited the need to increase productivity, as an anti-inflation measure, stating that "without improvements in productivity, wage increases will be translated completely into higher prices, adding to the inflationary spiral."

He also stressed the development of a strong and effective national energy policy to decrease our dependence on OPEC oil through conservation and increased emphasis on alternate energy sources.

Turning to the need for regulatory reform, Lundine noted that, "We need a systematic re-examination and revision of government regulations that limit competition and drive costs up." He cited the recent deregulation of the airline industry as an example of how a competitive marketplace can function successfully without excessive government regulation.

Two other steps Lundine recommended as anti-inflationary measures were the encouragement of an open and fair international trading system, and hospital cost containment, to reduce rapid increases in health care costs.

Concluding his remarks, Lundine stated that "We don't have to look forward to another decade of high inflation, and we don't have to settle for a diminished stan-

dard of living. But we do have to exercise discipline, and begin to get the public and private sectors, labor and management, young and old, Democrats and Republicans, the Administration and Congress all moving in the same direction toward development of a comprehensive strategy to reduce inflation."