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COUNCIL ON WAGE AND PRICE STABILITY
TAKES ACTION ON ANTI-FREEZE AND ZINC PRICES

Michael H. Moskow, Director of CWPS, announced today that he has written to the Union Carbide Corporation regarding its decision to increase the price of Prestone anti-freeze on November 1. It has been reported that the price increase is 67 cents per gallon or 22%. This price increase appears to be a response to anticipated cost increases over the next few months.

In making the announcement, Mr. Moskow said, "While our immediate concern is with this very large increase in anti-freeze prices, we have a much broader concern about price increases based upon an anticipation of cost increases. We feel such actions, which reflect inflationary expectations, have the potential of exacerbating these expectations and causing higher prices for consumers."

In a related announcement, Mr. Moskow said that the Council staff was now actively monitoring zinc prices. "We have been watching activities in the zinc market very closely and feel now is an appropriate time to intensify our efforts." So far, one zinc producer has announced a 5% increase in its list price effective October 10th despite the preponderance of excess capacity in the industry.

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