

NIXON MAY BEGIN CAMPAIGN TO STEM WAGE-PRICE RISES

Believed Likely to Announce
Today a Commission for
Publicizing Increases

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WASHINGTON, June 16—

President Nixon will embark on a more formalized "educational" campaign tomorrow to help check the rise in prices and wages, officials indicated today.

The precise mechanism to induce more restraint by business and labor was not certain tonight. One possibility was a commission, including private citizens and officials, that might go so far as to identify the inflationary consequences of specific wage and price actions.

The President will address the nation on the economy at noon tomorrow. The speech will be televised.

In advance of the message the Senate Democratic Policy Committee unanimously approved today a four-part resolution that included a call for a revival of the long-defunct wage-price "guideposts." These attempted to set numerical rules for price changes that would balance increases with decreases.

Mr. Nixon is regarded as highly unlikely to adopt such an approach, and it is doubtful that Congress could force it upon him.

The other points in the Senate Democratic resolution in-

Stock Market Climbs

The stock market, pinning its hopes on President Nixon's economic address scheduled for noon today, scored its best advance yesterday since its spectacular rally at the end of May. The Dow-Jones industrial average, finishing at its highest level of the session, climbed 18.90 points to 706.26. Details on Page 63.

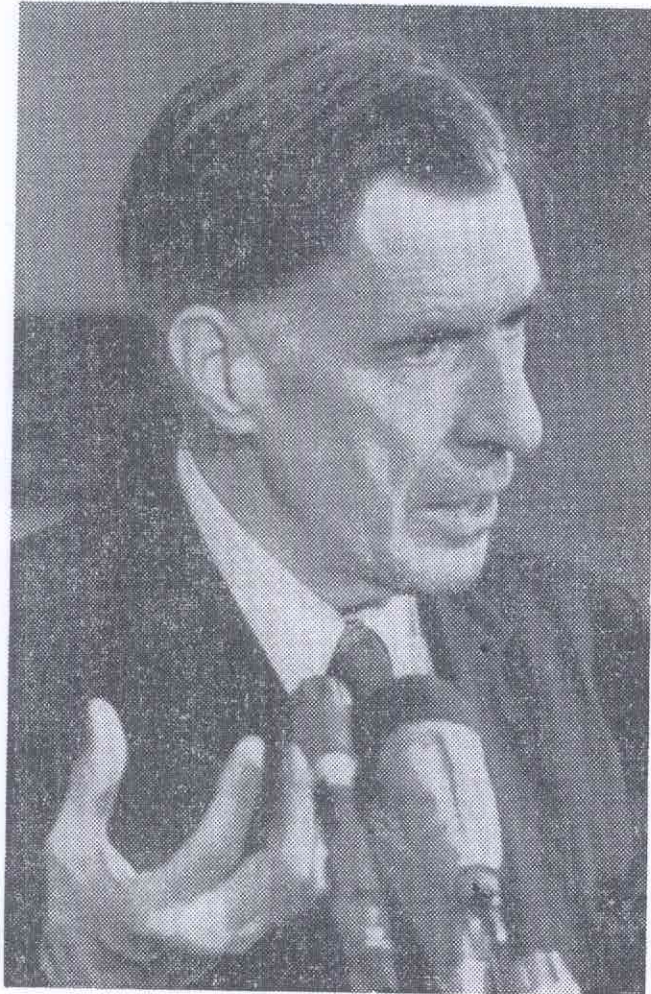
cluded a call for a "national conference on inflation and unemployment," a demand that the President start using his standby authority to ration credit and thus make more funds available for housing, and a request that "the Administration join with the Congress in such other measures as may be required to check the decline in the economy."

In the House today the Banking Committee began hearings on a measure that would give the President authority until next February to freeze prices and wages at the level of May 25.

The opening witness was John Kenneth Galbraith, the

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Associated Press

URGES FREEZE OF WAGES AND PRICES: John Kenneth Galbraith, Harvard economist, speaking to newsmen yesterday at break in House hearing at which he testified.

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Harvard economist. He called for a permanent system of statutory controls, but only over the prices of large corporations and the wage bargains of major unions.

Six-Month Freeze

Mr. Galbraith supported the idea of an emergency freeze of all prices and wages for about six months, after which there would be decontrol of prices and wages that are subject to market competition. He said:

"All retail prices, all farm prices, all wages not covered by collective bargaining contracts, all prices of firms employing fewer than a hundred (possibly even a thousand) workers should be released from control."

Mr. Galbraith termed "fraudulent" all efforts to induce restraint by big business and big labor short of statutory controls. Any of the proposed voluntary methods, including the guideposts, will not work, he said.

While he conceded that his plan would pose administrative difficulties, he said its limited application—to "only a few hundred collective bargaining contracts and a few thousand larger corporations"—would enable the system to be handled by "a few hundred people."

"Needless to say," he added, "all of this action needs to be combined with a speedy liquidation of our adventure in Indochina."

Inflation Rate of 6pct

The President's message comes at a time when much of the economic news has not been encouraging. The rate of inflation, while not getting any worse, has remained for months at an annual rate of about 6 per cent, as measured by the consumer price index. Unemployment has risen to 5 per cent of the labor force, and long-term interest rates, after a decline earlier this year, have risen above last winter's peaks.

Lawrence F. O'Brien, the Democratic National Chairman, said today he would request free broadcast time for a reply to the President by Democratic members of Congress. He said: "The President's preference for benign economic neglect is no longer sufficient to the crisis at hand."

He urged that the President support legislation giving him standby authority to control prices and wages for use "if the economy continues to deteriorate."

ported to a meeting of the committee on their own efforts at restraining prices and wages through close cooperation of government, industry and trade unions.

Inflation has now become a general problem in virtually all the industrialized world. Price rises in the 22 O.E.C.D. countries will average 5 per cent this year, according to a recent study by the group's staff.