

House, 381-19, Votes to Extend President's Wage-Price Power

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WASHINGTON, March 10 — The House approved today a two-year extension of a law giving President Nixon stand-by authority to impose wage, price and rent controls.

Only token opposition was offered as the bill cleared the House by a vote of 381 to 19. Senate approval is expected before the existing act expires on March 31.

The Nixon Administration had vigorously opposed enactment of the stand-by authority last summer. Republicans accused Democrats at that time of trying to "pass the buck to the President" as a pre-election "campaign ploy."

However, in recent weeks, the Administration reversed its stand and endorsed extension of the act.

In endorsing extension of stand-by authority to impose administration apparently felt it should keep open its options for stiffer action if construction costs continued to spiral.

Levels of Last May 25

Under the House-passed bill, the President would continue to have stand-by authority to issue orders to stabilize prices, rents, wages and salaries at levels not less than those prevailing on May 25 last year. Such orders would impose ceilings. There would be nothing to prevent prices from falling below such ceilings.

The bill would limit any wage-price freeze ordered by the President to just six months, unless Congress specifically approved a longer period.

This does not mean that the Administration intends to invoke wage-price controls. Testifying two weeks ago before a Congressional committee, Secretary of the Treasury John B.

Connally Jr. pledged that President Nixon would not invoke such controls "short of an all-time national emergency."

The President, too, made this position clear when he chose a more limited approach to curbing inflation in the construction industry, rather than invoking the wage-price freeze that some of his advisers had proposed.

The more limited move was suspension of the Davis-Bacon Act of 1931 requiring that prevailing union scale wages be paid to workers on Federal and federally assisted construction projects.

Secretary Connally has said that the Administration would not order even a six-month freeze without further mandate from Congress.

The bill also authorizes \$20-million to administer any controls that might be ordered. The existing law carries no provision for financing controls.

Curb on Labor Envisioned

WASHINGTON, March 10 (AP) — Dr. Arthur F. Burns, chairman of the Federal Reserve Board told Senators today that it might be necessary to tighten some of the nation's labor laws to reduce the power of unions to force wages up.

Such action might be essential "to protect the workers themselves," he said while testifying on the state of the economy before the Senate Banking and Currency Committee.

Some unions have become so powerful, he said, that they have won settlements that actually cost jobs and thus were against the interests of their members.