Meany Critical of Freeze; Businessmen Hail Moves

NYTimes AUG 17 1971

Harm to Workers Feared

By DAMON STETSON

George Meany, president of the A.F.L.-C.I.O., charged yesterday that the Administration's 90-day wage and price freeze was "patently discriminatory" against working men and women.

"In the absence of effective machinery to insure enforcement on the price front and equity to the workers on the wage front," Mr. Meany said in a statement in Washington, "the entire burden is likely to fall on workers covered by highly visible collective bargaining contracts."

The federation leader, who observed his 77th birthday yesterday, said that labor was prepared to sacrifice as much as anyone else so long as there was equality of sacrifice. But the Administration's program as it relates to the domestic economy, he said, "is certainly not equality."

Labor leaders generally were critical of the freeze and some acknowledged confusion about how it would be applied in various perplexing situations.

Mr. Meany called a meeting

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Psychological Lift Seen

By ROBERT D. HERSHEY Jr.

Business leaders applauded yesterday, with varying degrees of enthusiasm, the sweeping proposals announced by President Nixon Sunday night designed to spur the economy, blunt inflation and strengthen the dollar.

Many hailed particularly the psychological lift they anticipated from the "decisive" program to tackle basic economic problems.

"The bold move taken by the President to strengthen the American economy deserves the support and cooperation of all groups," declared W. P. Gullander, president of the National Association of Manufacturers, although his statement was hedged to avoid complete endorsement of all the specific moves, it seemed to reflect a broad spectrum of business sentiment.

Numerous top executives, moreover, pledged to be guided by the spirit of the Administration's program as wall as by the letter of its requirements.

These included bankers, sav-

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ings and loan officials, insurance men and other lenders who indicated they were unlikely to raise interest rates, even though the price of money was specifically excluded from the freeze.

The C.I.T. Financial Corporation, the nation's largest independent finance company and also owner of a bank, said in a telegram to Secretary of the Treasury John B. Connally, "We agree with the spirit" of the urgings to hold down rates.

No Increase Imagined

Norman Strunk, executive vice president of the United States Savings and Loan League, said in Chicago, "I can't' imagine savings and loan associations would be increasing their interest rates within this 90-day perod." The league's members are the nation's biggest lenders for residential housing.

The American Bankers Association termed the President's moves "courageous" and issued assurance its "resolve to cooperate in the national effort."

Meanwhile, a subsidiary of the Chase Manhattan Corporation that specializes in computer studies of the economy disclosed that a model run incorporating the Administration's latest moves had produced, according to Michael K. Evans, its president, a "spectacular" economic advance in 1972.

Higher Growth Seen

The "real" growth of the economy — adjusted for inflation—which would have been about 4 per cent without the program, would be about 6½ per cent with the program in force, the analysis showed.

Gabriel Hauge, head of the Manufacturers Hanover Corporation and an economic adviser to President Eisenhower, was among those who suggested the psychological element in the President's action might be paramount.

This series of moves "lanced the boil of pessimism," Mr. Hauge declared.

Uncertainty Cited

Charles B. McCoy, president and chairman of E. I. duPont de Nemours & Co., Inc., observed that "an important aspect of his program is the elimination of uncertainty. Widespread concern about such matters as wage and price controls and the price of gold have held down consumer spending in this country and encouraged foreign speculation against the dollar."

The reservations voiced by many centered on doubts that the underlying problems would be solved by the announced measures and concern that some of them could become long lasting.

"I would hope that there would be some long-range fundamental corrections which would replace the expedient measure," commented William F. May, head of the American Can Company. "I would hope that we would have a study of an implementation of labor-law reform and that we not drift into wage and price controls."

The chairman of the General Motors Corporation, James M. Roche, said he was "pleased with the President's approach" to the nation's economic troubles.

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for Thursday of the 35-man executive council of the 13.6-million member American Federation of Labor and Congress of Industrial Organizations. He said that council members would ask Administration spokesmen to outline in detail all aspects of the President's move and to answer many questions that had been left unanswered.

Major contracts in the telephone industry, steel, copper and railroads have already been settled. But pacts involving about 500,000 workers in coal, aerospace, airlines and longshore industries are scheduled to expire in the next few months.

The wage freeze appeared likely to nullify, at least for the time being, union-negotiated pay increases scheduled to go into effect during the next three months for postal, railroad and other workers.

The freeze will block the second of five $250 annual pay raises that postal unions negotiated in July for 750,000 employes in their first contracts with the new United States Postal Service.

A Mixed Reaction

Joseph A. Beirne, president of Communications Workers of America, had mixed views toward President Nixon's move. Except for a dissident group of 35,000 plant employes, the C.W.A. members ratified their new pact last September and therefore the raises will not be affected.

"Over-all," he said, "we'd certainly agree the President's program is as bold and sweeping as they say. However, as far as the wage-price freeze is concerned, this does not appear to be nearly as well thought out as other parts of the program.

"If it means that progression wage increases now due will not got into effect, it just won't work. It would create consternation in our industry," he added.

Raymond R. Corbett, president of the New York State A.F.L.-C.I.O., said that the President's proposals did not include either controls on corporate profits or interest rates.

"Further, the whopping proposed 10 per cent investment tax credit for industry looks like a further giveaway and advance payoff to big business for industrial investment," Mr. Corbett said.

William Pollock president of the Textile Workers Union of America with headquarter in New York, called the freeze "unjust and inequitable" because it ignored the problems of workers in substandard, low-wage industries such as textiles.

The President's freeze, Mr. Pollock said, "slams the door" on hundreds of thousands of textile workers who were expecting "long-overdue wage increases to compensate them for the 4 per cent cut in real wages which they have suffered as the result of rising living costs between July, 1969, and June, 1971."

John F. Griner, president of the American Federation of Government Employes, said that he estimated that 100,000 Federal workers would lose their jobs as a result of the President's plan for a 5 per cent personnel reduction.

Kenneth T. Lyons, president of the National Association of Government Employes, criticized the proposed personnel cuts and also for the freeze on pay increases.

"What sense does it make to lay off over 100,000 Federal employes only to dump them on to relief rolls?," Mr. Lyons asked.

William W. Winpisinger, a vice president of the International Association of Machinists who is currently leading negotiations for 22,000 railroad workers, was defiant.

"I don't propose to take it laying down," he said with reference to the prospect that his members would be denied a pay increase until mid-November.

Paul Jennings, president of the International Union of Electrical Workers, characterized President Nixon's general approach as "the outmoded and discriminatory trickle down theory" of giving direct benefits to business in hopes that it will result in some "crumbs for the people at some later stage."

John Henning, president of the California State Labor Council, A. F. L.-C. I. O., said that he was dubious about how the freeze would work.

"Our biggest objection," he said, "would be to having no profit control. We have been calling for wage, price and profit controls all along."

Morris Less, chief negotiator for the Teamsters Union in a Northern California strike that has idled 50,000 construction workers, expressed doubt that the wage and price freeze would affect contract negotiations.

"If wage and price controls are administered fairly," he said, "there should be not objection, but I doubt that they will be fairly administered . . . look over the facts of past history.

"The President is trying but he's not making a big enough swat," Mr. Less said. "In my opinion, it looks like a pebble in the lake. What about a limit of profit margins of corporations?"