A.F.L.-C.I.O. IS FIRM

Executive Board Says It Has 'No Faith' in Nixon's Program

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WASHINGTON, Aug. 19—The A.F.L.-C.I.O. said today that it had "absolutely no faith in the ability of President Nixon to successfully manage the economy of this nation" and announced it would refuse to cooperate with the new wage-price freeze.

George Meany, the president of the American Federation of Labor and Congress of Industrial Organizations, declared that workers whose benefits were denied or postponed in the 90-day freeze period would have had their contracts "nullified" by the President and should feel free to walk off the job.

He also appealed to Congress to defeat Mr. Nixon's proposed corporate investment tax credit as "a blatant tax giveaway to big business."

A Series of Exchanges

The day was marked by a series of acrimonious exchanges that suggested a nearly total breakdown in the once promising relationship between the Nixon Administration and the most powerful segment of organized labor.

Earlier in the week, after Mr. Meany expressed preliminary objections to the new economic plan, Secretary of Labor James D. Hodgson said the federation president was "out of step" with the needs and desires of his rank and file.

Today Mr. Meany told newsmen that he had not deigned to discuss that charge with Mr. Hodgson. "I don't pay much attention to the Secretary," he said. "If you have a problem with the landlord, you don't discuss it with the janitor."

On the National Boadcasting Company's "Today" show this morning, Treasury Secretary John B. Connally referred impatiently to the "M and M" critics of the President's policy—Mr. Meany and Senator Edmund S. Muskie of Maine.

Declares They Shifted

Both men, Mr. Connally said, had earlier been advocates of wage and price controls but turned "180 degrees" as soon as Mr. Nixon imposed the freeze.

Asked to comment on Mr. Connally's role, Mr. Meany said he had not talked with him either. "I think what he's looking for is the enforcement concession," he said. "He wants the horsewhip concession so he can sell horsewhips. Connally doesn't know anything about the people's problems," he added. "He has no poor friends so far as I know."

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Meany, Assailing Nixon, Refuses to Back Freeze

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The unusually strong language of labor's denunciation was a disappointment to the Administration, which had sent George P. Shultz, director of the Office of Management and Budget, and Labor Secretary Hodgson to appeal before the A.F.L.-C.I.O.'s Executive Council today for "a moderate kind of support."

Particularly if striking unions refuse to go back to work, Secretary Hodgson said this morning, labor is in a position to do "great damage" to the President's program for controlling inflation.

At the same time, the immediate practical consequences of the A.F.L.-C.I.O.'s refusal to cooperate were unclear — apparently even to Mr. Meany.

"We're not advocating defiance," Mr. Meany told a news conference after the Executive Council meeting. "We're just not cooperating. If they can put it over without our cooperation I guess they will."

Meanwhile, the 1.8-million-member International Brotherhood of Teamsters, which is the largest union outside the labor federation, said it would "cooperate fully" with the new program, even though the union feels the policy could be improved with controls on corporate profits and interest rates.

Late in the day, the United States Chamber of Commerce joined the fray with a statement from its executive vice president, Arch N. Booth.

"It ill behooves union leaders who have had the major part in causing the inflation to throw a monkey wrench into the machinery designed to stop it," Mr. Booth said, mentioning Leonard Woodcock, president of the United Automobile Workers; Harry Bridges, president of the International Longshoremen's and Warehousemen's Union; and Mr. Meany, who rose through the plumbers' union and the New York State Federation of Labor to prominence in the A.F.L.-C.I.O.

"Apparently today's economic policies are too complicated for a plumber's Stone Age economics," Mr. Booth said for the chamber.

The A.F.L.-C.I.O. Executive Council had printed a 2,500-word critique of President Nixon's economic package even before the meeting with Mr. Nixon's representatives.

The council said that labor had pledged cooperation with wage and price controls more than five years ago, but only if the restraints were enforced across the board on corporate profits and executive benefits, as well as on wages, prices and rents.

"The President's program simply does not meet that test of equity," the executive council said today, noting that new housing and some food items are exempt from controls. No program would be fair, the statement suggested, that did not also cover such things as expense accounts and stock market gains.

"We support the President's actions on the dollar," the council said. "However, we believe honesty and candor would have been best served if the President had admitted that his actions amounted to a devaluation of the dollar on the international money market. There is nothing to be gained by playing word games with the American people."

Emerging from the meeting, Mr. Shultz and Secretary Hodgson declined to call the talks encouraging or discouraging, saying only that discussion had been "helpful" and the questions "intelligent." Asked if there had been any meeting of the minds, Mr. Meany said simply, "No."