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# *Labor and the Freeze*

The leaders of organized labor are not among those who seem to regard the President's wage-price freeze as necessary medicine, to be swallowed with a grimace and perhaps a wry remark about the doctor's lateness, but without serious complaint. Amid the general shocked acquiescence, labor's shrill protest strikes a discordant and deeply disquieting note.

The President's announcement of the 90-day freeze drew an immediate negative reaction from AFL-CIO President George Meany who described it as "patently discriminatory" against working people. Mr. Meany says it will prove impossible to freeze prices and therefore "the entire burden is likely to fall on workers covered by highly visible collective bargaining contracts." A similar blast at the freeze came from the Longshoremen's Harry Bridges, who also announced that the West Coast dock strike would continue despite the President's plea for suspension of strikes during the freeze period.

Mr. Meany and Mr. Bridges, however, sounded almost temperate beside United Automobile Workers President Leonard Woodcock who castigated with equal fervor not only the President, whose "hand wielded the dagger," but also "the leading Democrats in Congress" for passing the law that put the "dagger" in the President's hand. Mr. Woodcock said his union would go to court to challenge the President's right to make union members give up contractual wage increases during the 90 days. "If they want war," he said, "they can have war."

Other labor leaders have joined the protest and yesterday the AFL-CIO issued a statement that read like an announcement of open hostilities. "The freeze," it said, "is unequitable, unjust, unfair and unworkable." They point out that interest rates, profits, stocks, the price of land, capital gains and dividends are not covered by the freeze. And they do not believe that business will obey either the letter or the spirit of the freeze order:

> "Executive compensation, through a variety of gimmicks such as deferred income, stock options and expense accounts, remains wide open for abuse . . . With no machinery for enforcement of a price freeze, the consumer is at the mercy of corporate pricing systems and unscrupulous businessmen. Wages, on the other hand, are effectively frozen because the individual employer has complete control over paychecks."

We do not share labor's pessimism about the likelihood of business compliance with the price freeze. We are not alleging that the robber barons of labor's youth have become angelic or unselfish —only that the American business community is acutely aware these days of the force of public disapproval. Conscience, it has been said, is the still small voice that tells you someone is looking. Thanks to Ralph Nader, public interest law and the consumer movement, business now knows a lot of eyes are watching. We tend to agree with Secretary Connally that it is "inconceivable" that major corporations will flout the freeze.

Nor do we see that the freeze, if it works, is discriminatory against labor, although it certainly may seem so since wage increases are far more likely to be scheduled in advance than are price increases. Giving up an expected wage increase written into a contract is a far more visible sacrifice than giving up the price increase that *probably* would have taken place at about the same time.

It is true, as we have pointed out in this space, that some unions and some businesses will be hit harder than others. Any freeze is necessarily arbitrary. It is also true that not all prices can be controlled under existing law or perhaps under any law. While we do not expect interest rates or dividends to rise, there is no practical way that prices of unique items such as land or new houses can be brought under the freeze. The major cause of inflation, however, does not lie in these exceptional cases, but in the general spiral of wages and prices. The spiral can be halted if both labor and business cooperate in halting it.

There are plenty of valid reasons for the labor movement to attack the President's economic policy as a total package. His tax proposals, for example, with their heavy reliance on investment credits, are strongly pro-business. But that is a different question and one for which there is a clear legislative remedy. Congress still has to act on the tax proposals and labor should be right in there lobbying for preferable ones. To oppose the freeze, however, strikes us as irresponsible.