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Meany Offers Alternative To Wage-Price Guidelines

AFL-CIO president George Meany said here Monday there are better ways to fight inflation than by following President Johnson's suggested 3.2 per cent annual wage-price guidelines.

One of the best ways, Meany said, would be to "make money more available at reasonable (interest) rates."

Banks across the nation, including Chicago banks, last week raised the prime rate of interest on commercial loans from 5 3/4 to 6 per cent.

"High interest rates," said Meany, "means that housing costs much more."

Speaks Of Prices

Another way to combat inflation, said the labor leader, would be for companies to hold down prices of their products whenever possible.

"In many cases prices could be held down," he observed, "and companies fail to hold them down despite enormous profits."

Speaking at a press conference at the Ambassador West Hotel, Meany said the recent wage settlement in the airlines industry will have an effect in

negotiations with other unions.

The International Assn. of Machinists claimed it won 6 to 8 per cent a year increase in wages and fringe benefits for its 35,400 members.

Call 'Unrealistic'

Gardner Ackley, President Johnson's chief economic adviser, said the union got a 4.9 per cent annual increase.

Meany termed it unrealistic for the President to set a specific figure on how much wage increases should be, since the ability of various industries to pay their workers is not uniform.

There are unions, he said, that would be happy to get a 3.2 per cent wage increase for their members, while in other cases that would not be enough.

Meany was in Chicago to preside at a meeting of the 29-member AFL-CIO Executive Council, which will be in session most of the week.

Council Backs AIFLD

He announced the council had voted to reject "the campaign of vilification that has been conducted" against the American Institute for Free Labor Development (AIFLD).

The institute was established in 1962 to train Latin American labor leaders. It is sponsored by the AFL-CIO, 64 American businesses and the U.S. government.

Meany said AIFLD has been charged with fomenting revolutions in Latin America, serving as an arm of the State Department, and being connected with the Central Intelligence Agency.

One of its chief critics has been Victor Reuther, head of the international affairs department of the United Auto Workers and an assistant to his brother, Walter, UAW president.

Meany, who serves as AIFLD president, said Reuther's charges have been investigated and that AFL-CIO officials found that the UAW official was "misinformed."

Beirne At Session

One council member attending the sessions is Joseph A. Beirne, president of the Communication Workers of America, whose union is in critical negotiations with Western Electric Co. on wages and benefits.