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Nixon Freezes Wages, Prices, Maps Path to 'New Prosperity'

Top of the Morning

Narcotic Discovered In Longacres Horse

Discovery of the narcotic opomorphine in the urine of a horse trained by Longacres' leading conditioner, Kathy Walsh, has led to a denial of her right to enter horses at the Renton track. Page 23.

INTERNATIONAL

AN AMERICAN PLEDGE for a breakthrough in the Suez Canal negotiations was reported by a source in Cairo. Page A.

CAMBODIA, reacting to reports of atrocities against civilians, demanded withdrawal of most South Vietnamese troops. Page A.

JAPAN PRAYED for peace on the anniversary of its World War II surrender amid concern about new charges of militarism. Page A.

NATIONAL

A DECADE of expansion of welfare programs has come to a halt, with many states seeking to cut costs. Page A.



SECRETARY of the Interior Rogers Morton, left, has reduced the power of Commissioner of Indian Affairs Louis Bruce as part of a realignment of the controversial agency. The order has angered active Indian leaders, who view the action as undercutting what they considered a mandate from President Nixon to help Indians gain a larger role in managing their own affairs. Page 4.

A GIGANTIC PARTY in Vancouver's Gastown district, center of a bloody riot a week ago, went off without a hitch. Page 6.

REGIONAL, LOCAL

A PRISONER was slain at the troubled Idaho State Prison apparently because of his peace-making efforts during recent rioting. Page 17.

STRIKING LONGSHOREMEN in Seattle loaded wheat on a vessel bound for Pakistan. Page 3.

A MASSIVE STUDY of heart disease was conducted at University of Washington by a research team. Page 17.

WEATHER - Partly cloudy through tomorrow. Highs near 73; lows about 55. **YESTERDAY** - High 76; low 50. Record: 96, Aug. 15, 1942. Table, Page 25.

Furnaces Need Tune-ups Too!

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United Press International

WASHINGTON - Dramatically charting a new economic course for the nation, President Nixon last night imposed a 90-day freeze on all wages, prices and rents, asked Congress to cut taxes by \$6.3 billion this year, and acted to permit devaluation of the dollar in some international trade.

The President also imposed an immediate 10 per cent surcharge - in effect, a duty - on about one half of all goods imported into the United States.

In a 20-minute address, telecast and broadcast nationally, the President appealed to Americans to join him in creating new jobs, curtailing inflation and restoring confidence in the economy through "the most comprehensive new economic policy to be undertaken in this nation in four decades."

Calling on the "greatness in a great people" to make his broad program work, Nixon spelled out his new plan to revitalize the sluggish economy after a weekend of deliberations with his top advisers in the

- Asks for a \$6.3 Billion Tax Cut
- Adds 10 Pct. Surtax on Imports
- OKs Dollar Devaluation in Trade

solitude of his mountain retreat at Camp David, Md.

He said his three economic calls are to create more jobs, to halt the inflation which has dogged administration and to protect the dollar in international trade.

Nixon's most dramatic action, the wage-price-freeze, will go into immediate effect and last until Nov. 12. Administration sources, however, held out the possibility it might be extended if the President felt it was necessary.

He said the time had come to act to create "a new prosperity without war" and to eat away at the problems that threatened the nation's prosperity - a doggyish

inflation rate hovering around 6.6 per cent a year, a stubborn unemployment rate of nearly 6 per cent and an international attack on the dollar by those who felt it is over-valued and vulnerable.

"We are going to take that action, not timidly, not half-heartedly and not in piecemeal fashion," the President said.

"We are going to move forward to the new prosperity without war as befits a great people - all together and along a broad front."

Although he did not mention it, Nixon's actions were designed, too, to defuse the issue which Republicans and Democrats alike see as the foremost threat to his reelection next year. In so doing, he reversed policies emphatically spelled out June 29 by Treasury Secretary John B. Connally Jr.

To the average American, Nixon's program means: No increases for at least the next 90 days in wages, even if one was scheduled; no increases in most prices or in rents; an increase of 10 per cent, and perhaps more, in the price of most imported goods and - if Congress goes along - fewer dollars withheld for federal income taxes from paychecks starting next Jan. 1 and a 7 per cent cut in the price of new cars. Businesses will benefit from other tax cuts designed to stimulate employment.

In addition to the wage-price-freeze which will go so far as to forbid price and wage increases already decided upon but not put into effect, the President:

- Imposed the 10 per cent surcharge on some imported goods. This step was aimed at bringing reins on the flow of dollars abroad by increasing the prices of imported goods. The country imports about \$45 billion worth of products a year and sells that much abroad.

- Called on Congress to enact a \$6.3-billion tax cut, including a speed up of the income tax cut - already scheduled to go into effect Jan. 1, 1973 - which will increase the personal exemption to \$750 and the standard deduction to a maximum of

To Page 2, Column 1

What New Policy Means for Public

UPI, New York Times

WASHINGTON - Your rent won't go up between now and Nov. 12. Neither will your paycheck nor, if you own stocks, your dividends.

But most prices for most goods - excepting food - will stay stable. Too, American cars will cost considerably less, foreign cars considerably more and your taxes may fall more than was planned, starting Jan. 1.

Those are some of the effects of President Nixon's new economic policies on the average American if Congress does everything he has asked of it.

Wage or price increases which had been scheduled to go into effect during the next 90 days - such as a 6 per cent rise for the nation's rail workers due to take effect on Oct. 1 - must be postponed at least until Nov. 12. But wage improvements which took effect before last night - including the in-

crease won by steelworkers on Aug. 2 - will not be affected.

The White House did not include interest rates in the freeze on the theory that they cannot properly be kept under a fixed ceiling. Although describing the freeze as "voluntary," officials noted there was a provision for court injunctions and fines as high as \$5,000 for failure to adhere to the ceiling.

The freeze could be extended after 90 days if Nixon should decide it still is needed. This authority to impose a ceiling will expire on April 30.

The prices of raw agriculture products also were exempted from the freeze. So if you are a farmer, the price you receive for your hogs might rise despite the freeze if you are a potential homebuyer, mortgage rates could still continue to fluctuate.

But the Administration said it was

To Page 3, Column 1



PRESIDENT NIXON
 "Time... for new economic policy"

Nixon Action Favored On Key Fronts

WASHINGTON - (UPI) - Many businessmen and politicians welcomed President Nixon's imposition last night of a wage-price freeze and other steps to combat the nation's economic ills.

A. W. Clausen, president of the Bank of America, the world's largest, said Nixon had obtained additional time to arrive at long-term solutions. But Clausen said the program the President outlined was "short term and tactical. A strategy still would seem to be needed."

Chrysler and General Motors praised Nixon's proposal to repeal the 7 per cent auto excise tax. GM chairman James Roche said removal of the tax would be a good step in the right direction that will help make our cars more competitive with foreign imports.

The White House said after Nixon's speech that it received "a unanimously strong reaction. The phone lines were jammed."

The White House quoted Jesse Calhoun, president of the National Maritime Engineer Beneficial Association, as saying Nixon's action was "basically a bold and forthright move to meet the needs of the country."

The White House said that William Batten, chairman of J. C. Penney and chairman of the semifictional Business Council, stated that "some kind of positive and dramatic action had to be taken. It's a calculated risk, but well worth it under the circumstances."

"Every business leader who called the White House pledged full cooperation," the White House said.

The AFL-CIO and the Teamsters Brotherhood, the largest single union in the nation, declined immediate comment. But a spokesman for the AFL-CIO pointed out that Nixon's program did not meet the conditions that his executive council and president George Meany have set for its support.

For several years Meany as well as Teamster president Frank E. Fitzsimmons have said they would support wage-price

To Page 4, Column 1

Climbers Feared Break in Weyerhaeuser Killed in Slide Strike; Union Vote Slated

Susan Jean Deery, 24, of Longview, Cowlitz County, and John H. Hall, 26, of Portland, apparently were killed in Canada's Yukon Territory last Wednesday by an avalanche which engulfed them and two other Americans.

They were climbing 18,000-foot Mount St. Elias near the Alaska border approximately 150 miles northwest of Whitehorse when the tragedy happened, the Canadian Press reported.

The other apparent victims were Stanley D. Adamson, 27, of Oak Ridge, Tenn., and his wife, Lucille, also 27.

Word of the accident was radioed by the sole survivor, Leslie Wheeler, 22, of San Francisco, after he had struggled back to the party's base camp two days later.

Wheeler, badly shaken by the tragedy but uninjured, was air-lifted by Pilot William Upton to the Canadian Arctic Research Institute Camp at Kluane Lake, Y.T., near the Alaska Highway, where the climbers had left their belongings.

Wheeler told Royal Canadian Mounted Police that the climbers, led by Hall, heard the avalanche coming and dug in their climbing picks in an attempt to hang on.

But afterward Wheeler could find no trace of them.

SALEM, Ore. - (UPI) - Gov Tom McCall announced yesterday a major breakthrough in bringing about an end to the 15-week-old strike by the Association of Western Pulp and Paper Workers against the Weyerhaeuser Co.

Union and company bargainers in the strike agreed to submit to a settlement recommended by the Governor's Mediation Committee.

McCall announced yesterday afternoon, following a two-hour meeting in the morning, that negotiators for the company and the Association of Western Pulp and Paper Workers would have a reply to the settlement proposal by tomorrow night.

McCall said the union planned a referendum election today and tomorrow in Springfield, Ore., and Everett, Cosmopolis and Longview, Wash., where 2,400 workers have been idled since May 5.

Union spokesmen said they would give the settlement proposal every fair chance for passage short of unqualified endorsement.

And company negotiators said they would ask the board of directors of Weyer-

haeuser Co to give the proposal its' most serious consideration.

The governor, who called the negotiators into session for 11 hours Friday, and again yesterday morning, said the meetings had produced a compromise proposal on the pension plan, the major issue in the long strike.

In urging the company and the union to ratify the proposed settlement, McCall said: "We are convinced it will resolve fairly all issues in dispute."

The governor went on to say, "Let's make no mistake about it, the economy of the Pacific Northwest simply cannot tolerate this and other work stoppages and our formula to end this strike is one to which reasonable men cannot fail to subscribe."

Prior to the meetings with the Governor's Mediation Committee, the union and the company had negotiated intermittently since the start of the strike.

Today's Chuckle

A lot of people just can't stand prosperity - but then, most people don't have to.