

## UNITED MINE WORKERS OF AMERICA

By W. A. BOYLE, PRESIDENT

We appreciate the opportunity to present our views on the Economic Report of the President and the Report of the Council of Economic Advisers.

This year we would like to confine our remarks to four general areas:

1. Wage-price restraints.
2. Governmental fiscal policy.
3. International trade.
4. Research and development.

### WAGE-PRICE RESTRAINTS

Over the past several years the question of wage-price control measures has appeared in much of the economic literature. The President himself has added to this literature in his periodic messages on the subject and through the Council of Economic Advisers.

The thrust of the concept as advocated by the President and the CEA is that restraint on the part of business and labor is necessary if we are to avoid a wage-price spiral. Following this line, a strong suggestion is made that national productivity should be the guiding limit on wage increases and that companies should refrain from unnecessary price increases.

There are, of course, several inconsistencies in this policy.

1. We do not believe it to be necessary. In fact, wage-price control has historically proven to be ineffective short of wartime conditions and even then of only marginal benefit. We suggest that there are several very stringent avenues to prevent runaway inflation, avenues which inspire a far greater discipline than any conceived under either voluntary or mandatory controls. These are the disciplines of:

- (a) The marketplace—where consumers may choose not to buy if price and quality are not to their liking.
- (b) Competition—where a new and better way imposes ceilings on the price levels in the private sector.
- (c) Commonsense—which leads reasonable men to consider the well-being of the Nation, as well as their own in any action which they take.

We in the coal industry are prima facie evidence of the effectiveness of such disciplines. Since 1948 the price of coal has declined. During this period wage levels of coal miners have increased and the general price level has skyrocketed. But the chilling impact of stringent competition, the presence of alternate fuels, and the statesmanlike realization on the part of industry leaders that the future security of the industry was at stake held down coal prices.