

WASHINGTON

Merry-Go-Round

by Jack Anderson



WASHINGTON - Sources close to President Nixon say he is in a fighting mood. More and more, his anger is directed at Congress which has been using Watergate to whittle away his powers.

The President has told associates that he intends to hold his ground against Congress. He will order his subordinates to hit back at Congress. He still believes that in politics as in war, the best defense is an offense.

Several weeks ago, he ordered his new counsel Fred Buzhardt to prepare countercharges against the Democrats. Buzhardt investigated charges, for example, that George McGovern's campaign aides bribed black voters three dollars a head in some states. This turned out to be false; the money was spent legitimately to register black voters.

Buzhardt inquired into other reports that the President Johnson carted off truckloads of White House property, including 50 TV sets, when he left the White House. The reports, however, could not be verified.

President Nixon, therefore, has pretty much given up the idea of blasting back at the Democrats with countercharges. Instead, he will take the offensive against Congress. He will accuse Congress of using Watergate irresponsibly to undermine the presidency.

He will hold Congress responsible for anything that may happen in Cambodia because of the congressionally ordered bomb halt. He will also try to blame Congress for high prices and consumer shortages.

Richard Nixon, apparently, hasn't changed his combative nature.

Prices and Politics: White House sources claim that President Nixon ignored the advice of his economic advisers and tried to play politics and prices. The has resulted in an economic squeeze which will send the

prices of food, clothing, gasoline and home heating skyrocketing this fall. Here's what happened.

The President's voluntary economic controls, under Phase III, failed to hold down consumer prices. So the President in a political panic, clamped down on a 60-day price freeze.

His top economic advisers, Treasury Secretary George Shultz and chief economic adviser Herb Stein, warned the President not to do it. They pointed out that demand exceeded supply and predicted, therefore, that the consumer clamor would create shortages and black markets.

The warning was right. The price freeze forced bakeries to go out business, poultry producers to kill their baby chicks and ranchers to stop butchering their cattle. This increased the shortages, leaving the demand greater and the supply smaller.

Now the President has been forced to lift the lid off prices. The more he lifts, the higher prices will shoot out of control. Perhaps it proves that economics know more than politicians about economics.

- High Cost of Homes: The news that the government has spent nearly \$10 million on President Nixon's homes came at a bad time. Never has housing been so expensive for the President's homes in California and Florida. Yet the average American can't afford a new home for himself.

Land prices have been multiplying across the country. The cost of lumber, wall board and other basic housing materials has shot up more than 30 per cent in the past year.

Worst of all are the interest rates, which have now hit a record high. This has added thousands of dollars to the cost of most homes. The home builders report that every time the interest rate goes up another percentage point, it drives 3.5 million

families out of the housing market.

All of this has created a housing crisis. A study shows that a \$6,000, 1948-model home in New York City's Levittown is now selling for \$40,000. In the Miami area, homes that sold for \$16,000 as late as 1966 are now going for \$42,000. In Chicago, homes that cost \$21,000 in 1962 are now on the market for \$43,000. And in Los Angeles, the cost of homes has jumped almost \$5,000 in the past six months.

As a result, millions of Americans have given up the dream of better housing at the same time that they find out the President has been squandering the taxpayers' money on his own homes.

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