8-15-1974

Hobart Rowen

...But Mr. Ford Is on the Right Track

So far, so good: President Ford has made all of the right moves as he takes charge of the nation's pressing economic problems, including a call for a summit on inflation "in full view of the American public," and a sharp rebuff to General Motors for an outrageous price increase on 1975 cars.

To be sure, the hard decisions lie ahead, including what kinds of spending cuts will be made if the defense budget is to be held sacrosanct. And the President will have to infuse new life in his economic team if it is to make any progress beyond useless incantations on the "old time religion."

Beyond that, the President will sooner or later have to bite the bullet on wage-price restraints of a formal nature. A restored Cost of Living Council to monitor wage-price abuses will help. But without enforcement powers, the President will be reduced to "jawboning" with declining effectiveness.

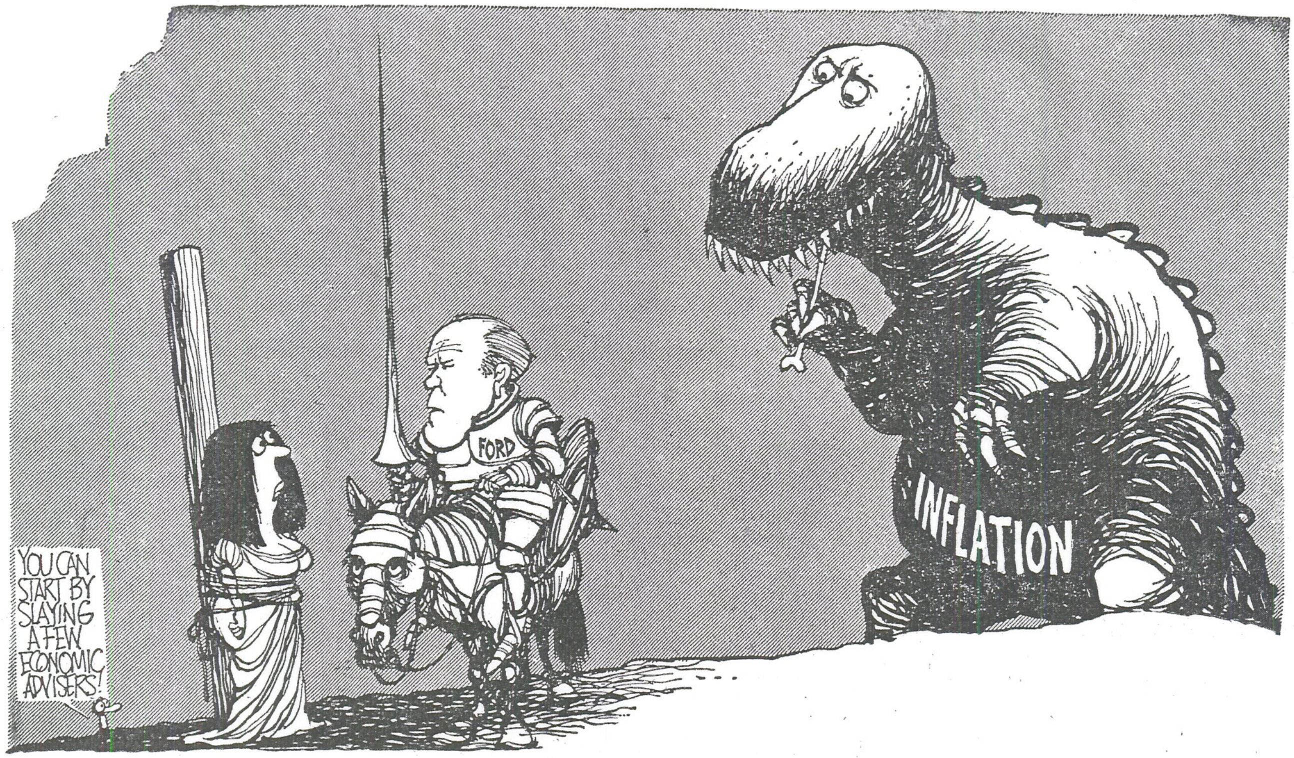
One of the keenest observers of the economic scene in Washington has counseled the new President that he has only three months to come up with answers that will prevent a breakdown of the economic system.

But a new and hopeful mood in Washington is a palpable thing. Once again, there is a fulltime President in the White House, apparently ready to provide the leadership which has been so painfully absent. Plainly, he gives more than an "expletive deleted" about economic affairs.

The notion of putting the economic summit meeting on television—said to be Ford's own idea — could be a ten-strike. Like the members of the House Judiciary Committee, labor and business leaders, with the American people looking in, may choose to show their statesmanlike side.

Happily, President Ford gave short shrift to such fatuous assessments as Economic Council Chairman Herbert Stein's that the public is to blame for inflation. Similarly, he dismissed Nixon's suggestion that the public trim its spending by 1.5 per cent, saying "it does no good to blame the public for spending too much when the government is spending too much."

Ford's "no nonsense" approach was conveyed quickly to his hold-over team of economic advisers just hours after



By Oliphant for the Denver Post

'I'm new at this . . . What's the situation?'

the inaugural last Friday. When some asked for a week's time to deliver a memorandum outlining what should be done about inflation, Ford told them bluntly that he couldn't wait.

In effect, he said—if you don't know now what the problems are and what should be done, you'll never know. He got the memoranda on Monday, 72 hours later.

He has given all economic aides the assurance that they can deal with him directly, not through layers of a White House bureaucracy, as in the past. The contrast with the Nixon Watergated White House is stark: Federal Reserve Chairman Arthur F. Burns, for example, hadn't seen Nixon privately for a solid year.

It now seems probable that after a short transition period, Ford will rebuild his economic advisory team with Treasury Secretary William E. Simon and CEA Chairman-designate Alan Greenspan the chief holdovers. Budget Director Roy L. Ash and Coordinator Kenneth Rush aren't expected to be around for long. Bill Seidman, an accountant, lawyer and close friend, will play an important role. Former Economic Council Chairman Paul W. McCracken, another Michigander, has Ford's ear. He is held in high esteem. And wisely, Federal Reserve Chairman Burns will be restored to a high place in economic discussions.

Hopefully, some of the new faces will broaden out the range of President Ford's economic advice and advisers. As Greenspan acknowledged during his confirmation hearing, the present group think much alike, and all have close ties to big business. Refreshingly, Greenspan promised to bring the views of other economists into White House discussions.

Another dividend of Greenspan's presence as CEA chairman should be the return of the Council to a professional, analytical role. As Rep. Clarence Brown (R.-Ohio) said last week, the CEA chairman should not be "a mouthpiece for the economics collateral to a political policy . . . (he should) have the courage to call the shots as he sees them."

That's good advice, much sounder than the advice given by one of my journalistic colleagues that Greenspan merely "shut up." The problem has not been in speechmaking by economic advisers, but in their having become political apologists for the White House. President Ford has indicated he believes in "straight talk," presumably from his aides as well.