

Ford Calls In Economic

Inflation Gets Top Priority

Aides

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Washington

President Ford called in his economic advisers two hours after taking the oath of office yesterday and told them he wants to make an immediate and forceful demonstration of his determination to fight inflation.

"He told us he considers this the overall most important problem" the country faces, Counsellor Kenneth Rush said after the meeting.

"He clearly recognizes the need in the country for a clear statement of policy," said Council of Economic Advisers Chairman Herbert Stein, "a showing of administration leadership."

"What form that showing should take was not decided," Stein said. But "he wants to make such a demonstration."

The advisers, including Federal Reserve Board Chairman Arthur F. Burns, were each asked to submit suggested courses of action through Chairman Stein early next week.

In the meantime, Mr. Ford is expected to allude at some length to the economy in his address to the scheduled joint session of the House and Senate Monday night.

None of the participants said they anticipate a great departure from the govern-

ment's present basic policies of cooling off the economy by slowing down government spending and the growth of the money supply.

Thus Rush said, "I think he is thoroughly opposed" to a tax increase as an alternative or supplement to spending cutbacks, and also is opposed to formal wage-price controls.

Nevertheless, Mr. Ford's close relationships with Congress may make a difference. The President stressed making "proposals that are acceptable to Congress." Rush said, on taking "a non-partisan, cooperative approach."

This could make it easier than before to bring off some spending cutbacks.

The budget for this fiscal year now stands at \$305 bil-

lion. Burns and Treasury Secretary William E. Simon would like to see big cutbacks; Burns has called for a \$10 billion reduction. Office of Management and budget Director Roy L. Ash has said he does not think it can be done, much as he would like to. President Nixon in his final weeks in office set a target of \$5 billion in cutbacks, and Mr. Ford, while vice president, em-

braced that goal.

No one thinks a reduction of \$5 billion or even \$10 billion would immediately arrest inflation; the economy is too big for that. It could, though, have a significant psychological effect.

In addition to Burns, Simon, Stein, Rush and Ash, yesterday's meeting was attended by Alan Greenspan, the Nixon choice to succeed Stein next month as chair-

man of the Economic Advisory Council; two Ford aides, Robert T. Hartmann and L. William Seidman; and a member of Mr. Ford's "transition team" of advisers, former Pennsylvania Gov. William W. Scranton.

Mr. Ford has asked Greenspan to come ahead as Stein's replacement and Simon to stay on in the cabinet. Both have agreed. He also asked Ash and Rush to

stay on, at least during the transition.

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