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Two Pleas for Belt-Tightening

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President Ford's economic summit and the annual meeting of the World Bank and the International Monetary Fund might have occurred on different planets instead of in the same city. The appeal that each uttered was irrelevant one to the other.

President Ford, summing up the summit, called for holding down government spending to keep the federal budget at or below \$300 million. He asked Americans to devote 10 days of the month to conserving energy. Listening ways to do this and exchanging the lists with neighbors. With this voluntarism the American standard of living, the highest in the world, will not be seriously impaired.

President Robert S. McNamara called on the industrialized members of the World Bank to provide immediately billions in aid for the developing nations. Unless this comes about, the end will be death and disaster for those living at the bottom of the heap. Their already appallingly low standard has been gravely worsened in the past year by the quadrupling of oil prices and a resulting scarcity of food and fertilizer.

For each President the verdict may be too little and too late. Split down the middle between Democrats and Republicans, labor and management, the summit chose to ignore what has happened to the economy during the past 12 months.

Steel prices have increased by 40 per cent, almost the biggest increase ever. This was true even though in July less steel was produced, despite a greater capacity, than in July a year ago. In-



By Detl Barringer

dustrial chemicals jumped 50 per cent, nonferrous metals 46 per cent, oil 82 per cent. These basic increases are quickly reflected in consumer prices.

With an attempt to roll back these price levels sternly ruled out, along with any form of wage and price control, much of the rhetoric indulged in at the summit was just rhetoric. As a late comer, Ford gets good marks for an exercise in education. But as for practical results in the war on inflation, they are not yet in sight.

McNamara cannot be faulted for failing to try. He has repeatedly inveighed against the complacency of the wealthy industrialized members of

his bank. This has hit hard at the United States which, with 6 per cent of the world's population, uses more than 30 per cent of all resources. He waged an unceasing struggle, which was finally successful, to get the Congress to provide funds for the American share of a consortium to replenish the International Development Agency (IDA), the Bank's low interest subsidiary.

But for all the intensity and concentration of his efforts, the plight of the sub-Saharan nations, for instance, has steadily grown worse. The structure of a relief system has not been built into what is largely an under-developed and primitive area. Even when relief

supplies are available it has often been difficult if not impossible to get food and medicines to the starving.

The real gap, however, is in the attitude of Congress and the public toward aid. It has come almost to a dead stop. Repeatedly aid programs are cut and they have become even more unpopular as they are involved, on the arms side, in big power politics.

McNamara is a man of conscience. In his opening address to the World Bank meeting he called the situation of one billion human beings in the poorest of the member countries desperate. Then he went on with an appeal that may or may not be heard on Capitol Hill:

"Aid is not a luxury—something affordable when times are easy, superfluous when times become temporarily troublesome. It is precisely the opposite. Aid is a continuing social and moral responsibility and its need now is greater than ever.

"It is true that the affluent nations in the face of shortages and inflation, and in order to continue to expand aid, may have to accept for the time being some selective reduction in their already immensely high standard of living. If they have to they can absorb such inconveniences."

Presidents Ford and McNamara were each calling for belt tightening. But their aims were light years apart. McNamara was in effect calling on the Congress to add \$1 or \$2 billion a year to the aid budget. Ford was asking for budget balancing to hold down inflation.