

The First Ford Year: Policy Tide Is Turned

President Found Strikingly Successful
in Altering a Half-Century's Trends
Despite Mostly Hostile Congress

NYTimes By PHILIP SHABECOFF AUG 8 1975

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WASHINGTON, Aug. 7—Gerald R. Ford, who came to power at a time of deep national crisis as an unelected President from a minority party, has spent much of his first year in office trying to reverse Federal social and economic policies that stretch back nearly half a century.

Given the circumstances, he has been surprisingly successful.

Despite a largely hostile Congress, the lack of an electoral mandate and an economy

This is the first in a series of three articles assessing President Ford's first year in office.

wracked by both the worst recession since the Great Depression and the worst inflation in peacetime history, President Ford has been able to impose his own conservative, libertarian views on a range of domestic policies and programs. "A Government big enough to give you everything you want is a Government big enough to take from you everything you have" is a phrase that recurs in Mr. Ford's speeches. In many ways, the phrase sums up his view of how the nation should be governed.

To enforce that approach to Government, Mr. Ford has—literally—drawn a line limiting the Federal presence in the economy and defended it by

exercising his veto power no fewer than 36 times in his first year.

To his critics, who include most of the nation's major interest groups, President Ford's domestic policies are an exercise in calculated negativism that, if unchecked, would undermine decades of painful progress toward social and economic justice in the United States.

But the President's supporters, including a large portion of the business community and others who share his conservative viewpoint, insist that his policies are designed to create a better life for all Americans in the long run by facing painful decisions now.

Mr. Ford's economic and social policies are based in fairly large measure on policies and programs he inherited from President Nixon.

Indeed, most of his chief economic advisers served under or were appointed by Mr. Nixon, although not necessarily in the same positions they occupy today.

But from the point of view of opponents of those policies, President Nixon at least had the virtue of inconsistency, swinging from the decentralization of revenue sharing to the rigid governmental control of the wage and price freeze.

Mr. Ford obviously inherited the adverse economic conditions

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created, in part, by his predecessor's programs. "When he took office it was like stepping into a flying aircraft," said Donald Rumsfeld, Assistant to the President.

Gave Economy Top Priority

Immediately after his dramatic assumption of the Presidency last Aug. 9, Mr. Ford proclaimed inflation as "Public Enemy Number One" and put the economy at the top of his list of priorities for immediate action.

The program he proposed in October was aimed at wringing out inflation by continued stringency in fiscal and monetary policy. There were some palliatives for victims of the recession, or what was then still being described as the "sluggish" economy. They included such things as tax relief for the poor and extended unemployment insurance.

Even after the country was officially in recession, President Ford proclaimed that he had no intention of using the Federal Government to prime the economic pump but would continue to fight inflation as the nation's chief problem.

But political pressures in addition to economic realities soon forced Mr. Ford to do an about-face, and in his State of the Union message he proposed an anti recession program, including a \$16-billion tax cut for Americans earning up to \$40,000 a year and a public service jobs program.

Congress, controlled by the Democrats, regarded the President's plan as inadequate and inequitable, and enacted a \$22-billion tax cut that went chiefly to those at the lower end of the economic scale.

Signed Bill Reluctantly

President Ford reluctantly signed the legislation when his political advisers argued that it was better than no tax cut at all. But when he announced his decision over national television, he also drew a line with a piece of chalk over a \$60-billion budget deficit figure and declared he would permit the deficit to rise no higher.

Since then, Mr. Ford has exercised his veto with almost monotonous regularity to hold that line. The bills the President vetoed included agriculture price supports, strip mining regulation, an accelerated public works bill to give jobs to the jobless, aid to education, aid to housing, aid to health programs and an air pollution controls bill.

Mr. Ford's policies include some longer range initiatives. One is a major drive to change the nation's independent regulatory agencies. By "change" the President means eliminating as much regulation as possible and freeing the market place from what he considers unnecessary shackles.

His Administration is also proposing a major shift in the tax structure—easing the tax burden on business so that it might accumulate investment capital and increasing taxation on consumption to discourage inflationary spending.

As President Ford's first year in office ends, his advisers claim substantial improvements in the nation's domestic affairs. The inflation rate, which reached 12.2 per cent in the last six months of 1974, declined to about half that in the first six months of 1975.

'He Displays No Compassion'

Even President Ford's most partisan critics—or most of them at any rate—concede that he has done the nation a great service by restoring honesty, openness and steadiness to the White House.

But the critics are always quick to add that President Ford's openness and honesty are not solving the critical social and economic problems confronting this country.

Ralph Nader, the consumer advocate, described President Ford as "a smiling man who makes cruel decisions. He displays no compassion."

"Do-nothingism" is the way Senator William Proxmire, the Wisconsin Democrat who is chairman of the Senate Banking and Currency Committee,

cies showed a lack of compassion. "We are not heartless," he said. "We want to prevent his kind of suffering in the future." He added that since consumers suffer most from inflation, "consumer groups should be delighted with our efforts to end inflation."

The President's aides point out that although many of his domestic policy decisions are the kind that would normally be considered unpopular and politically unwise, there has been no public outcry against them. In fact, they note, the President's standing in the public opinion polls has been rising at the same time that unemployment has been rising.

"He is reflecting the changing tenor of views and values of the American people," said Mr. Greenspan. "There has been a real change as a result of Vietnam and Watergate and disillusionment with many Government programs."

Whether the American people accept an approach to the nation's social and economic problems that aims at long-range targets instead of addressing immediate needs will be tested in next year's Presidential election.

Tomorrow: The Ford foreign policy.



Associated Press

President Ford discussing his first year in office on Channel 13 last night. Tomorrow marks his first year.

summed up a year of Ford Administration domestic policies.

The critics declare that the Ford programs are, in their effects, antilabor, anticonsumer, antifarmer, antipoor, antiminority, anti-older people, anti-environment, and neglectful of education and the whole spectrum of social needs that rely on Federal support.

The most frequent criticism is that Mr. Ford is willing to let unemployment remain high and economic growth remain slow over a prolonged period for the theoretical goal of ensuring long-range stability. His own advisers project an unemployment rate remaining at nearly 8 per cent next year and not getting down to even 5 per cent until 1980.

He is criticized for adopting policies that will raise prices—such as his energy conservation plan and approval of wheat sales to the Soviet Union—while assailing as inflationary Federal spending to create jobs and help individual Americans.

And, finally, he is criticized for tailoring his Presidency—his legislative proposals, Executive orders, appointments and vetoes—to his ideological desire to return the nation to a simpler laissez-faire economy.

"Ford is like a Seventeenth Century physician bleeding his patients in an attempt to cure them," asserted Senator Hubert H. Humphrey, Democrat of Minnesota.

Angered by Housing Veto

Senator Proxmire, also a Democrat but considered something of a maverick, said that Mr. Ford's policies, as influenced by Treasury Secretary William E. Simon and Alan Greenspan, chairman of the Council of Economic Advisers, were "the Achilles heel of our economy."

He was particularly incensed at Mr. Ford's veto of the housing bill, which he said would have created jobs and spurred growth without being inflationary.

Organized labor has reached a "negative judgment" on Mr. Ford's economic and social programs, according to Lane Kirkland, secretary-treasurer of the American Federation of Labor and Congress of Industrial Organizations.

"Ford is a conservative of the old school trying to minimize the role of Government as a constructive force. But the absence of Government action can be just as oppressive as bad Government action," Mr. Kirkland said.

The President's domestic policies have been a "disaster" to blacks and other minorities as well as to the nation's poor people, according to Ronald H. Brown of the Urban Coalition.

Spokesman for the minority groups say that Mr. Ford's policies are particularly bad for their constituents, who are suffering most sharply from unemployment and inadequate housing, education, medical care and nutrition.

Official unemployment among black workers is over 14 per cent but in reality, Mr. Brown said, 25 per cent of black workers are unemployed when the tally includes discouraged workers who have stopped looking for jobs or those working at marginal part-time jobs.

"Ford has not been a good President for the elderly," said Nelson H. Cruikshank, president of the National Council of Senior Citizens and a member of the President's Federal Council on the Aging.

By using the "single criterion" of how much Federal money is spent, Mr. Cruikshank said, Mr. Ford has taken a negative approach toward older people by trying to raise the price of food stamps, cut back on Social Security payment increases and reduce Medicare benefits.

Consumer Groups' Complaints

Consumer representatives have a long list of complaints against Mr. Ford, starting with the seeming hostility to the

creation of a consumer protection agency and ranging through such issues as hostility to new legislation for protection of the consumer against dangerous chemicals, failure to enforce antitrust regulations and lax enforcement of many other consumer-oriented statutes.

Environmentalists have an even longer list of complaints, saying Mr. Ford is rolling back the gains achieved in recent years.

The environmentalists say that Mr. Ford has retreated on auto emissions and water pollution standards, has given the coal companies what they wanted by vetoing the strip mine bill, has appointed an anti-environment Secretary of the Interior in Stanley Hathaway (who recently resigned), and has taken an anti-environmental stance on such issues as and use and nuclear energy and a variety of other areas.

Even before Mr. Ford's recent veto of the aid to education bill, the executive director of the National Education Association, Terry Herndon, said that the President "does nothing but talk about the importance of schools."

Charles L. Frazier, Washington director of the National Farmers Organization, when asked about Mr. Ford's agricultural policies, said that the President's veto of the price support legislation was a blow to the nation's farmers but that the blow had been softened by the large grain sales to the Soviet Union and other foreign buyers.

Supported by Chamber

There is also fairly wide apprehension about the ultimate goals of Mr. Ford's efforts to change the regulatory agencies. While there is little doubt that improvements could be made and red tape eliminated, there is also the belief that the President may try to do away with needed regulation.

One group with complete enthusiasm for Mr. Ford and his policies is the Chamber of Commerce of the United States. Dr. Carl Madden, chief economist of the chamber, indicated he felt that virtually all of the President's major decisions had been beneficial to the economy and therefore to business.

Not all business shares this enthusiasm, however. Shortly after Mr. Ford made a speech to the National Small Business Association, the executive vice president of that organization, John Lewis, sent him a letter accusing the Administration of attacking small business and showing favoritism to its bigger competitors.

And the head of the National Association of Home Builders, J. S. Norman Jr., recently declared that the Ford Administration's housing policy was "inert."

All of these criticisms are sharply challenged by top Administration officials. Mr. Rumsfeld, for example, declared in an interview that charges that the Ford Administration is reneging on its responsibilities to the American people are "outrageous" and "easily discernible as political formulations."

L. William Seidman, Mr. Ford's economics assistant, denied that the President's poli-