

Washington: Finch and the Postwar Economy

By JAMES RESTON

WASHINGTON, June 9—Almost everybody around here seems to be sympathizing with Robert Finch these days for being "bounced" out of his job as Secretary of Health, Education and Welfare, but the truth is that he has bounced into the most interesting and maybe the most influential staff job in the White House.

For President Nixon has asked him to deal not only with human emergencies such as the present earthquake tragedy in Peru but, what is more important, to help guide the transition from a war economy to the peacetime after Vietnam.

Rescued From H.E.W.

Even with a cut in salary from \$60,000 to \$42,000 a year (which isn't much at present income tax rates), Mr. Finch stands to gain by the switch. He loses Cabinet rank, which is primarily a big office, a big car and a big headache these days, but he has been rescued from H.E.W., which is a loose confederation of warring tribes, and he has moved into the engine room of the Government, where he may have a lot to do about postwar health, education and welfare policy, and may even see the President.

It is interesting and reassur-

ing that the President is beginning to think more beyond the war. He has undoubtedly been analyzing the unemployment statistics. The latest rise in unemployment to 5 per cent of the potential workforce showed the effects of the downward trend in defense spending. About one-third of the new unemployed showed up in the hard-goods industries, and while the slump in auto sales was partly responsible for this, it is clear that the defense industries are counting on a steady and perhaps substantial decline in the Pentagon budget. In this sense, the transition to a postwar economy has already started.

Washington, of course, was thinking about this problem long before Mr. Finch was asked to take a hand in the planning. There was a postwar economy committee in the Johnson Administration. Herbert Stein of the present Council of Economic Advisers has been chairing an interdepartmental committee on the same subject. Secretary of Defense Laird is heading still another interagency economic adjustment committee.

The battle for the \$15 billion to \$20 billion now being spent annually on the war may be almost as savage when the shooting stops as the contro-

versy over the war itself. Already some officials are warning the heads of the civilian agencies not to expect too much. Weapons systems that have been postponed because of the war, it is said, will have to be built at vast expense. Accordingly, even with a smaller Army, Navy and Air Force, it should not be assumed that anything like the cost of the war will be available for the social and economic reconstruction of the underlife of the cities.

The Critical Questions

Well, maybe so; but at least Mr. Finch will be dealing with the critical questions of postwar resources and priorities, and his background suggests that he will be a powerful advocate for much larger allocations of funds to the home front.

At H.E.W. he was in the middle of the battle over the cities, poverty, health, education and civil rights. He was a member of the President's Cabinet subcommittees or interdepartmental committees on urban affairs, youth, drug addiction, mental retardation, women, and the aged. He was not a spectacular success at H.E.W., partly because he was all heart and very little efficiency, but now he is moving to the White House, which is all efficiency and a little short of heart.

Nevertheless, he has all the standard qualifications of a solid card-carrying Republican. He is a lawyer and a professional politician, a Californian and former Lieutenant Governor of that state, an ex-Marine, a former Y.M.C.A. youth director, and governor of the Red Cross. "My oldest and closest friend in the Administration is Bob Finch," President Nixon said the other day, and with this background, he will probably get a better hearing in the White House than he did at his old department.

Especially so since the President respects his political judgment and is likely to be dealing with him more and more in the coming months before the November Congressional elections. "I regret losing him at H.E.W.," Mr. Nixon said the other day at the White House, "but I need him here."

This is probably true, for Mr. Finch is probably better informed on the feeling in the country among the poor, the young, and the blacks than any of the President's other close advisers in the White House, and since these happen to be people most critical of the President's policies, a pinch of Finch at the top of the Government might make considerable difference.