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What Ford may do about inflation

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WASHINGTON — How will the new Ford administration affect your pocketbook? You will probably measure it more it pennies than in dollars.

If the U.S. economy is ripe for a psychological lift — and it could be — you might be able to count the effects in dimes and quarters.

The cast of characters on the Washington economic stage may change and the emphasis of the rhetoric may shift but the villain remains the same: Roaring inflation.

Gerald R. Ford, as did Richard Nixon, considers inflation "Public Enemy No. 1." The day he found out he was moving into the White House Oval Office, the evidence was brutal: The Labor Department announced that wholesale prices jumped last month at an annual rate of 44.4 per cent.

Switching presidents, as Treasury Secretary William Simon pointed out, does nothing to get at the root causes of economic malaise.

And Ford gives no indication of switching policies, either, even though he has no personal fondness for Simon, who he thinks talks too much, or for Budget and Management Director Roy Ash, who he thinks is too arrogant in his dealings with Capitol Hill.

But Ford will continue to depend on the two main tools used by the Nixon Administration to try to beat down the surging price levels: The budget — cut federal spending — and the Federal Reserve Board — keep money tight and interest rates relatively high.