

Tydings Loan Figure Quits State Dept.

By Ronald Kessler
Washington Post Staff Writer

11/17/70

Paul Bridston, a State Department official involved in granting a \$7 million loan to a company in which Sen. Joseph D. Tydings (D-Md.) had an interest, resigned yesterday.

The development came in the midst of a larger controversy over the timing of the release of a State Department report concluding that

there is no evidence that Tydings influenced the outcome of the loan application. The report was issued 10 days after Tydings was defeated for re-election by Republican J. Glenn Beall Jr.

It was also learned yesterday that the State Department findings were submitted to the Justice Department before the general election and that no violation of law had been found.

Persons involved in the case also confirmed that William Lambert, who wrote the Life Magazine article that led to the investigation, had asked a White House official for assistance. Tydings charged when the article appeared that White House staff members had provided Lambert with information about the case.

Bridston's resignation was attributed by State Department officials to "compelling business and personal reasons." These same officials said Bridston had been asked — prior to release of the report — to resign after it was issued. Bridston could not be reached for comment.

Over the weekend, Sen. J. W. Fulbright (D-Ark.), one of two senators who originally asked for an investigation of the loan charged the Nixon administration purposely held up the report until after the election.

Sen. Daniel K. Inouye (D

Hawaii), chairman of the Democratic Senatorial Campaign Committee, called for a Senate investigation of the State Department's timing of the release of its findings.

State Department spokesman Robert J. McCloskey yesterday said it had not been possible to complete the probe before Nov. 3.

One Administration official, who declined to be quoted by name, acknowledged that the report had been held up by the State Department until after the election but said it was not for political purposes.

"This was a terrible thing for the State Department to be caught in," a Department administrator involved in the investigation said. "It's not our business to be investigating a U.S. senator. If we surfaced it and rushed to get it out, it (the report) would have

See TYDINGS, C2, Col. 4

TYDINGS, From C1

stirred up the whole thing, and no matter what we said we would be suspect."

The Life article said Tydings visited Bridston at the

elect. A week before, the report said, an AID committee had approved the project, and a "formal letter of reservation" for the funds was sent to Charter.

"Both officers presently in charge of the Housing Guarantee Program have stated in interviews that the 'letter of reservation' was the key step in any housing guarantee project," Heuer wrote.

"However," the report continued, "the records indicate that sponsors generally continued their contacts and activities at the same apparent level before and after the letter of reservation, and it is noted that AID had unlimited authority to reject the application until the formal authorization of a guarantee."

The report concluded that

there is no evidence that Charter "received or benefited from any improper or irregular processing of any housing guarantee project . . ."

Common Activity

"Expressions of interest by members of Congress in various housing guarantee projects were common on behalf of their constituents, be such constituents sponsors, brokers or investors," the report said.

As for the meeting with Bridston, who was then director of the Housing Guarantee Division of AID's Latin American Bureau, Heuer said he could not determine "what was actually said."

"Mr. Bridston has been somewhat inconsistent in his accounts of the meeting. In a telephone conversation on June 12, 1970, with Mr. Charles C. Colson, special counsel to the President, Mr. Bridston volunteered the recollection that 'he (Tydings) was there to make a pitch on the project and he made the pitch' . . ."

In a subsequent statement to Colson, Bridston is alleged to have told him "the major part of the discussion revolved around the importance of external private investment in the developing countries of the world and the place of housing guaranty in private investment," the report said. "Mason's housing guarantee projects probably were discussed but I do not recall specifically what they were." Col-

son reportedly quoted Bridston as saying.

'Perfectly Innocent'

Tydings was quoted in the report as saying the visit was "perfectly innocent and innocuous" and "to the best of my recollection Charter's business was not discussed."

When he resigned yesterday, Bridston was an assistant inspector general.

Although Heur's report did not say how Colson had become involved, persons involved in the case said Colson had been called by Lambert during preparation of the article.

Lambert said he had first received a tip on the Tydings story last February but had not begun looking into the case until April.

In June, a White House official said, Lambert had reached an impasse in obtaining information at the State Department and appealed to Colson, whom he had met 10 years before when Colson was a Senate staff member, to help him "pry out" the material. Colson was the first to locate Bridston, who was attending a Yale weekend celebration at the time, and Bridston summarized his meeting with Tydings to Colson over the telephone.

Colson reported the matter to the State Department.

Tydings charged at the time that the Republican administration was trying to "smear" him through the magazine.

Those involved in the matter say the State Department began to investigate the loan in June, apparently as a result of Lambert's inquiries.

According to staff members of Sen. Fulbright, the senator, who is chairman of the Senate Foreign Relations Committee, requested a report on the probe as soon as possible.

If that could not be done, Fulbright asked for an interim report. Heuer replied the same day that an interim report would be furnished if necessary, Fulbright's office says.