



Washington Merry-Go-Round by JACK ANDERSON

WASHINGTON — Treasury Secretary John Connally met privately in a secluded Smoky Mountains lodge with some of America's most potent corporate panjandruns exactly one week before President Nixon's wage-price freeze.

Connally landed secretly at McGhee Tyson Air National Guard Base outside Knoxville on August 7. About the same time, several sleek Gulfstream IIs rolled in at Cherokee Aviation, the civilian facility just across the airport from the base.

From these carpeted executive jets stepped John Harper, the folksy, capable boss of ALCOA, one of America's industrial giants. Another arrival was Baxter Goodrich, the new chairman of Texas Eastern Pipeline.

Still other titans of industry stepped from their gleaming jets. Among them, said witnesses, were executives from Standard Oil and U.S. Steel. By the time the moneyed men had assembled, there were \$12 million worth of corporate jets parked at Cherokee Aviation.

Connally and the moguls climbed into expensive cars and sped southward toward the dusky Smokies near Chilhowee, Tenn., where ALCOA maintains a richly paneled "rustic" lodge for secret discussions.

So carefully concealed from the public was the conference and its

guest list that ALCOA spokesman H.T. McDade refused to say where the lodge was located.

"I don't think ALCOA would want these men's names bandied about," huffed McDade, who then refused even to spell his own name.

At Cherokee Aviation, manager Don Strunk had also been struck dumb. "It's none of my business who flies in and out of this airport. I was told to hush up," he said nervously. Strunk wouldn't say who silenced him.

INSIDE INFORMATION? — Throughout the weekend, Connally talked earnestly with the industrialists. One report has it that he briefed them on the forthcoming wage-price freeze, information worth countless millions to their corporations.

At the Treasury, a spokesman "categorically" denied wage-price freeze information was passed to the industrialists. He acknowledged warily that the economy was discussed in general terms.

From participants, we have learned that Connally discussed the economic outlook, confided his own views on economic controls and spoke of foreign investments, overseas marketing and the difficulties of foreign operations by American firms. Significantly, his economic views were adopted by President Nixon a week later. One participant said

inadvertently — let drop secrets worth hundreds of millions of dollars to his favored cronies.

AGNEW PAINS — White House aides are gnashing their teeth over an interview Vice President Agnew has given novelist Allen Drury.

Agnew told Drury: "We are steadily withdrawing from commitments around the world. It is not so much that this reduces our power militarily to a dangerous level as it is that it erodes the faith other nations have that we are strong enough to do something should a crisis arise.

"When I went to Asia, I found that they said, 'You can't do anything, really, if a pinch comes, because you are withdrawing.' In the same way, when we sometimes appear to be retreating before the Soviets in some other areas, this erodes the

world's confidence that the United States will really do what it says it will do.

"Frankly it scares me."

Agnew's statement coincides with backroom warnings from the Joint Chiefs of Staff that military cutbacks have been too deep.

For two decades, the U.S. has been geared to fight two wars in the same time, one in Europe and one in Asia, plus a smaller, limited action elsewhere. President Nixon has ordered a cutback from the 2½ war strategy to a 1½ war strategy. This has brought some sharp reductions.

The Joint Chiefs have complained that our forces have been weakened but are still strung out. They have urged that the armed forces be bolstered.

The President's strategy, however, is to consolidate U.S. forces. He would like to withdraw them gradually from Southeast Asia, South Korea, Japan and Western Europe. He hopes to maintain U.S. commitments to our allies by supplying them with the military hardware they will need to defend themselves.

It is upsetting to some White House aides, therefore, to have Agnew complaining about "steadily withdrawing from commitments around the world."

What makes Agnew's remarks to Drury all the more surprising, according to those who have sat in on the secret strategy sessions, is that he has raised no objections to the President's cutbacks and pullbacks. Agnew has always been steadfast in his support of the President.

Even in his talk with Drury, the Vice President loyally tried to turn the blame away from Nixon.

"How do you explain why the President appears to be withdrawing our power around the world?" asked the novelist.

"He's in a hell of a position," replied Agnew. "He has the press and the media and the liberals and the academic community and all the rest after him all the time. He is forced to take that into account."

But it's the President, not his critics, who has authored the pullback policy. And some of the President's aides are highly annoyed with Agnew.

it was "mostly social."

On Sunday, Aug. 8, the convivial weekend broke up and the corporate bigwigs boarded their high-priced private jets, left the cool, clear air of the Smokies and flew home, presumably to use the wisdom they had learned to mint more profits.

Connally himself flew to Texas for a vacation from which he was shortly recalled by President Nixon for the formal announcement of the wage-price freeze.

Footnote: The Treasury spokesman contended that Connally didn't know a week in advance that the President had decided upon a wage-price freeze. Yet he was intimately familiar with the backstage discussions. This raises a question at least whether Connally — on purpose or