

Frederic Malek Resigns; Last of Haldeman Team

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WASHINGTON, Aug. 12 — Frederic V. Malek, the last high-level member of H. R. Haldeman's tough management team at the White House, is leaving the Government with the praise of President Ford and a high-paying job in private industry.

Mr. Malek's resignation as deputy director of the Office of Management and Budget, which had been expected for some time, was accepted today by Mr. Ford, who told him in a letter, "You can justly be proud of the exceptional record of dedication and achievement you have established over the past five years."

Mr. Malek said he would join the business organization of D. K. Ludwig, the wealthy industrialist, in New York "to assist him in directing his worldwide operations," at a salary reported to be "in the six figures."

In an unrelated development, it was announced that William S. Whitehead, the chairman of the Renegotiation Board, was resigning and that the resignation had been requested by President Nixon before the latter left office.

Mr. Whitehead had been accused, most prominently by Senator William Proxmire, Democrat of Wisconsin, of actions that had meant tens of millions of dollars in excess profits to defense contractors. He was also accused of ordering the staff of the Renegotiation Board not to do any work for another member of the board who generally disagreed with Mr. Whitehead's policies.

Last week, while the President he served for more than five years was preparing to resign and while a number of his colleagues were under indictment or in prison, Mr. Malek sat down with a reporter and discussed what he called "the pluses" and "the minuses" of all he had done, and how he escaped the ravages of Watergate.

He joined the Nixon Administration in 1969 and was assigned to the Department of Health, Education and Welfare, where he was charged with clearing out the deadwood. He did so well that Mr. Haldeman, then the President's chief of staff, called him to the White House to be the Administration's chief talent scout. In 1972, he was deputy director



United Press International
Frederic V. Malek

of the Committee for the Re-election of the President after the Watergate burglary.

At one time he was known as the Administration's chief "hatchet man," both for his service at H.E.W. and at the White House. It was Mr. Malek, for example, who ordered the

aides of Walter J. Hickel to be out of their offices within hours after Mr. Nixon dismissed his first Interior Secretary in the first term.

Mr. Malek, in the interview, indicated he had encouraged that reputation to get others in the Government to answer his telephone calls more promptly.

"My telephone calls got answered," he said. "But I wouldn't do it over again. It was a mistake."

When he joined the Government he was a 28-year-old graduate of the Harvard Business School who had made money building up a tool factory in South Carolina.

"I had a lot to learn about government," he said. "I didn't know a liberal from a conservative. I didn't understand that Congress made the laws and the executive executed them."

Yet Mr. Malek was known as one of the tough insiders of the Haldeman circle who wielded considerable power within the Government. In 1972, he wrote memorandums encouraging members of the Administration to make grants that would be politically helpful to Mr. Nixon's re-election. After the election, as the No. 2 man in the Office of Management and Budget, he was charged with placing Nixon loyalists throughout the Government to give the President better control of the bureaucracy.

Asked why he was leaving the Administration for a better job while his associates were going to prison and to the courts, he said there were two reasons: One, he was "more independent—I knew how things ought to be done;" two, he had never worked in a political campaign before his government experience and had been kept in a "managerial capacity," rather than assigned to political operations.

Mr. Malek disclosed he had had a key role in the decision of President Nixon after the election demanding the resignation of all high-level officials, to be accepted or rejected as the President wished. This, too, he said was a mistake because many people who had worked hard for Mr. Nixon were dismissed.

But on balance, he said, he believes the Nixon Administration was "a plus," he is proud of his part in it, particularly in making management innovations, and history eventually will record Richard Nixon as "a great President."