



By JACK ANDERSON

WASHINGTON — In earnest talks with his friends in and outside government, President Ford is beginning to shape the cabinet he hopes will carry him through until January 1977, and beyond.

White House insiders tell us Ford is now concentrating on replacements for Health, Education and Welfare Secretary Caspar Weinberger and, further along, Defense Secretary James Schlesinger.

Others almost certain to be dislodged in the near future are Agriculture Secretary Earl Butz, Housing and Urban Affairs Secretary James Lynn, and White House budget chief Roy Ash.

To head HEW and Defense, Ford is mulling over the names of Rep. Albert Quie, R-Minn., and Don Rumsfeld, the able ex-head of the Office of Economic Opportunity.

Quie is a hard-headed conservative, who as ranking Republican on the House Education and Labor committee, is consulted by HEW every time the sprawling agency takes on a new program.

But he may not want to give up his safe district for the HEW job which, in the past, has been about as secure as being spouse to Henry the Eighth. And Quie, while respected in Congress, lacks the warmth that many feel is needed for the job, a failing felt acutely at HEW under Weinberger.

Schlesinger, on the other hand, has endeared himself to many of his associates, but has not had a good rapport with Congress. Rumsfeld, it is felt, would close this gap. He is still remembered fondly for the courageous yet tactful lobbying he did to keep the Office of Economic Opportunity alive.

At the Departments of Transportation and Labor, Secretaries Claude Brinegar and Peter Brennan are men "we don't have to worry about for the time being," one White House source said.



There is, however, considerable debate among White House aides over Atty. Gen. William Saxbe, even though Ford, we have learned, has assured Saxbe he can stay. Some White House aides feel his outspoken ways have touched a warm chord in the American people. Others feel he is a poor administrator whose work is being done by Dep. Atty. Gen. Laurence Silberman, and whose mouth has produced nothing but trouble.

GOLDEN YEARS: A few months before he was kicked out by President Nixon as Economic Opportunity chief, Alvin Arnett squelched a favorite Nixon White House boondoggle.

Now the FBI is looking into the "Federation of Experienced Americans," originally set up by former White House aide Charles Colson as a means of helping the 1972 Nixon campaign.

The "Federation" got \$2 million in government contracts, many of which were carried out so poorly that the General Accounting Office found the organization "ineffective, deficient and often in violation of its contracts."

One of Arnett's discoveries was that the "Federation's" director, David W. Brody, was using federal grant money for personal expenses. The GAO probe charged that Brody spent \$1,325 on a trip to Hawaii with his wife, and \$15,000 for life and disability insurance for himself and his family.

The purpose of the "Federation," the GAO found, was to siphon money away from liberal service groups for the elderly and put it into the "Federation," which then used the funds to favor pro-Nixon contractors and to win over elderly fence-sitters.

Arnett cut off all OEO funds for the "Federation" early this year and believes his decision may have been a factor in his firing by Nixon. Now, we have learned that President Ford is considering Arnett for a high White House domestic advisory job.

Brody did not return our calls.

WASHINGTON WHIRL: When the second Watergate grand jury was sworn in, then Special Prosecutor Archibald Cox entered, shook the hands of all present, and said solemnly, "I hope you'll be able to do the right thing." One of those "jurors" was actually a witness, Watergate conspirator E. Howard Hunt, who got the same hand shake and advice. Hunt confided to a friend that he felt it best to bite his lip and keep quiet...President Ford's budget-trimming is being taken to heart by some in the bureaucracy. A \$40,000 five-state regional conference of Department of Labor employes scheduled for El Paso, Texas, has been canceled. As the assistant regional director in Dallas put it, "It would have been damn arrogant of us to proceed with the economy in the mess it's in"...One of the Consumer Protection Act's most outspoken sponsors has been Sen. Charles Percy, R-Ill., who was therefore astonished when he got an errant mailgram from the Chamber of Commerce thanking him for his "support" of a filibuster that would kill the bill. Percy and others have talked Majority leader Mike Mansfield of Montana, into an almost unprecedented fourth cloture vote on the filibuster in mid-September...An unpublished General Accounting Office report says no one knows whether public or private utilities are gouged by the electrical equipment makers. None of these buyers can gain access to manufacturers' records, and not one of 41 state utility commissions queried had ever questioned the cost of the expensive power equipment, the GAO found.