



Watergate, Nixon and The Economy

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BY DEGREES, the business leadership of the United States has been souring on President Nixon. A growing distrust accelerated after he fired special prosecutor Archibald Cox, and even those who would like to don't believe that two of the White House tapes are suddenly non-existent.

The reaction of most top executives parallels that of Sen. Barry Goldwater, who said on Thursday that Mr. Nixon's credibility "has reached an all-time low from which he may never be able to recover."

A Washington Post survey of attitudes among the most powerful tycoons in the

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country, published last week, shows that a majority isn't yet ready to call for a Nixon resignation.

But even this group is unhappy—even bitter—about the President, and would dump him in a minute if they weren't skeptical of his potential successors, House Speaker Carl Albert or Vice President-designate Gerald Ford. Most feel let down and deceived.

ESPECIALLY, they are disgusted with the intimation that private interests may have been able to buy presidential favors for cash on the barrelhead. And the now-admitted flow of hundreds of thousands of dollars of government money to enhance the president's various residences has saddened and shocked many of his former friends.

"The Watergate thing to me was stupidity at its worst" says one influential businessman, "but I could have understood most of it, even excused it, except to the degree that Mr. Nixon

may have been involved in the planning or cover-up.

"But the allegation about some of his personal affairs—that's what bothers me. He should have been bending over backward to avoid that, because there is a higher code of ethics required of those in a high position. . . the whole thing is a tragedy for him and the country."

As recently as last month's meeting of the Business Council at Hot Springs, Va., many top company men thought that with the sordid Agnew affair behind, the worst might be over. Nixon's leadership role had been hurt, to be sure, but perhaps not irreparably.

THEN CAME the firing of Cox and deputy attorney general William D. Ruckelshaus, and the resignation of attorney general Elliot Richardson — and Nixon's stock with the business community all but collapsed. The discovery that two crucial tapes promised to Judge John Sirica are "non-existent" may be the last straw for many of Nixon's die-hard supporters.

Pointedly a Wall Street Journal editorial page article the other day observed: ". . . it is the President misfortune that his words are not widely believed any more, and everyone knows that he already has been compelled by event to retreat again and again. So one must wonder if he may finally be forced into a total surrender of his office.

Those who have already cut and run from the President have become vehement. Their bitterness over the "Watergate Mess" flushes up all of their hostilities towards the President's economic policy failures.

THUS, ONE critic assails Nixon's huge budget deficits, rampant inflation, the on-again, off-again pattern of wage-price controls and

Treasury Bill Rates Soar

Short-term borrowing costs to the government soared at yesterday's Treasury bill auction, mainly because many foreign governments have been selling their bill holdings to obtain dollars with which to prop up their own currencies.

On 91-day bills, of which the Treasury sold \$2.5 billion, the rate averaged 8.098 per cent, up from last week's 7.196 per cent and the highest since the 8.786 per cent which prevailed Sept. 17.

On 182-day bills the rate averaged 7.987 per cent, up from last week's 7.263 per cent and the highest since the 8.832 per cent which prevailed on Sept. 17. The Treasury sold \$1.8 billion of the six-month bills.

most of all, the second price freeze of this year which many feel has so distorted normal price patterns that company heads can't exercise normal business judgment.

Businessmen recognize very clearly that Mr. Nixon's crisis of authority is reaching a crescendo at a time when the economy is titling downward. The trauma that could arise with a resignation or an impeachment proceeding could make things worse.

Moreover some of the more sophisticated business types understand that each new revelation shakes the morale of the remaining administration team and raises the question of how much longer certain "clean and untouched" officials will hang in there.

"The instability at the center of national power," Harvard Professor Otto Eckstein writes, "poses a major risk to the 1974 economy. The United States is not accustomed to doubts about the durability and continuity of national authority, but other countries such as Italy have demonstrated over and over again that the economy is affected adversely."

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