

ERVIN PANEL SEES WHITE HOUSE PLOT IN '72 NIXON DRIVE

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Draft Report Cites Efforts to Divert Executive Branch to Political Purposes

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WASHINGTON, June 9—A "concerted and concealed" effort by White House officials in 1972 to divert resources of the executive branch to help President Nixon's re-election campaign may have amounted to a criminal "conspiracy to defraud the United States," according to a draft report by the staff of the Senate Water-gate committee.

The draft report was circulated on Friday to members of the committee headed by Senator Sam J. Ervin Jr., and a copy was made available to The New York Times. It has not yet been made public.

The report charges that the Nixon Administration and campaign officials attempted, and sometimes were able, to interfere with the lawful functioning of the Government and reward the President's political supporters and punish his enemies.

Interviews Cited

According to the long report, based on committee interviews with more than 150 witnesses and "thousands" of White House and re-election committee documents, a so-called "responsiveness program" conceived largely by a former White House aide, Frederick V. Malek, attempted or achieved the following political goals:

¶The disbursing or "re-channeling" of Federal funds for grants, contracts, loans and subsidies to groups or individuals who had supported or promised to support Mr. Nixon's re-election.

¶The offer to "certain individuals" of other Government benefits "in exchange for political support, or, at least, political neutrality."

¶The laying of plans for contributions to the Nixon campaign from recipients of Federal funds and from employees of the executive branch.

¶The "shaping" of Government legal and administrative benefit the President's re-

election campaign."

¶The active involvement of "numerous Federal employees," some of whom were not exempt from prohibitive legislation, in the Nixon re-election effort.

The Watergate committee investigators, headed by the assistant chief counsels, David Dorsen and James Hamilton, also gathered "evidence" of an apparently unlawful effort to place political supporters of the President in Government jobs regulated by the Civil Service

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merit system, according to the report.

In summing up their findings, the investigators said they had rejected the contention that the Nixon Administration's activities in these areas represented "politics as usual," and charged that they had involved "the diverting of millions of taxpayers' dollars . . . to the political goal of re-electing the President."

The draft report, more than 150 pages long, purports to trace an over-all effort to make the Government "responsive" to President Nixon's political needs from its beginnings in the spring of 1971 to its apparent abandonment after the Water-gate break-in on June 17, 1972.

In the interviewing period, the investigators wrote, the politically sensitive program embraced attempts to influence the operation of such agencies as the General Services Administration, the Office of Minority Business Enterprise, and several executive departments, including the Department of Health, Education and Welfare.

'Chief Architect'

Mr. Malek, a former special assistant to the President, is described by the report as "chief architect" of the responsiveness concept. But documents and testimony compiled by the committee staff indicate that the effort was undertaken with the knowledge of such former high White House aides as H.H. Haldeman and John D. Ehrlichman and former Treasury Secretary George Schultz.

The report cited a memorandum from Mr. Malek on which Mr. Haldeman, then chief of the White House staff, had noted that "Prob here is essential support of E & S — Q. Whether they really fully understand & agree to this whole deal. E esp. is the key to dealing w/depts. & must be on board 100 per cent."

In interviews with the Water-gate committee staff, however, Mr. Ehrlichman and Mr. Shultz, who, like Mr. Haldeman, have left the Government, acknowledged only "passing" or "scant" familiarity with the responsiveness activities, the report said.

The document also said that

¶The production by several Government agencies, of brochures "stating just exactly what the agency can do for older Americans," but which would be "nonpartisan enough to break through the election

John N. Mitchell, former Attorney General and for a time head of the Nixon campaign committee, had been "informed in detail" of meetings between Mr. Malek and heads of departments and agencies in connection with the program.

On one occasion, Mr. Malek reportedly wrote to Mr. Haldeman that the response to his proposals from high officials had been "fairly good," and that some, like George Romney, former Secretary of Housing and Urban Development, and James D. Hodgson, former Secretary of Labor, had reported "that they were, of course, already considering political ramifications [of their official activities]."

Far more deeply involved, according to committee investigators, were lower-level officials at the White House and the Committee for the Re-election of the President, especially those who had experience in dealing with the minority groups that were a major target of the Government's social grant programs.

For instance, one memorandum obtained by the Watergate committee and dated March 15, 1972, proposed a "selective funding approach" by several Government agencies that would "furnish encouragement incentives for black individuals firms and organizations whose support will have a multiplier effect on black vote support for the President."

Listing of Black Recipients

The document, unsigned, but marked "confidential," pointed out that the "selective funding" effort would be coordinated by a "team" that included Robert Brown, then a special assistant to the President, and other officials of the White House, Nixon campaign and Department of Labor.

In June of 1972, the report noted, Mr. Malek received written confirmation that "Bob Brown and his staff" had "identified all blacks who are receiving, or have received, money from this Administration . . . [who] are being utilized as a source of campaign contributions."

The memorandum to Mr. Malek also spoke of "a program for identifying potential projects, getting them funded through Bob's office, and, in return, obtaining a strong vote commitment for the President from the recipient." This plan is being actively pursued at present.

The responsiveness program, which Mr. Malek asserted in one memorandum had "the President's full backing," also included a "plan to capture the Spanish-speaking vote," according to documents gathered by the Watergate committee staff.

The staff's report cites testimony and other evidence pointing to "wide-ranging attempts on the part of White House and campaign officials to divert Federal resources to

organizations and individuals in the Spanish-speaking community." The result, it said, was "a concerted effort by the Administration to reward its friends and penalize its opponents."

Beyond the Normal Course

The report notes that while it is "hardly unprecedented" for an Administration to assist disadvantaged groups in the hope that such aid may prove a political benefit, "the present Administration ventured far beyond the normal course."

The staff study reportedly gathered "substantial — if not overwhelming — evidence to warrant the conclusion that political elements in the Administration and campaign committee sought direct control over the awarding of specific grants and contracts" to members of the Spanish-speaking community.

In one instance, the report said a \$200,000 office of economic opportunity contract that some antipovetry officials later testified was unnecessary and wasteful, was awarded to a Washington consulting firm headed by an official of the National Hispanic Finance Committee, a branch of the Finance Committee to Re-elect the President.

On another occasion, the report continued, a consulting organization identified by the Nixon campaign committee as "close" to the Democratic National Committee and Cesar Chavez, the farm union leader, was removed from a Small Business Administration program that had given it preferred status in competing for Government contracts.

The staff report also cited other examples of what it deemed undue involvement of the Nixon campaign committee in the business of the Administration, including the following:

¶Attempts to "deceive potential opponents of the President's re-election effort into believing they were in line for a substantial grant or contract when, in fact, there was no intention to make such an award."

¶An alleged proposal by a White House official to gain the political sympathies of a Mexican-American political leader by offering him executive clemency in connection with his conviction on charges of assaulting Government officials.

¶An apparent attempt by White House and Nixon campaign officials to prevent the Census Bureau from releasing information on the economic achievements of the black and Spanish-speaking minorities that might reflect badly on "the incumbent Government."

¶"Evidence" gathered by the staff showing "that campaign officials were participating in the selection process for the awards of G.S.A. architectural and engineering design contracts."

¶The use, by "certain senior administration officials," of a special form in recommending

candidates for government jobs, including some controlled by the Civil Service Commission. The form rated individual according to four categories: "highest political value, high political value, moderate political value, and little political value."

year aversion to political rhetoric."

The staff's report concludes that although the "results" of the responsiveness program were many and varied, they "would have been more sweeping and more disruptive of

proper government processes had there not been considerable resistance in the Federal establishment to bending the system to fit re-election purposes."