

Inside Report

Chaotic Decision Making

By Rowland Evans and Robert Novak

WASHINGTON — After Kenneth Davis had been fired as Assistant Secretary of Commerce in a confrontation with Presidential policy chief John Ehrlichman at the White House June 19, he delivered some chilling words that capsuled what many people are thinking in Washington these days.

"I have no hard feelings, John," Davis told Ehrlichman. "I wish you luck. You're going to need it. You're in trouble, John — worse trouble than you know — and I'm worried about the country more than I was before I came down here."

THE OUTSPOKEN Davis's words had a double edge. On one level, the Nixon Administration has badly underestimated the depth of protectionist sentiment both in the business community and Congress. Upshot is that President Nixon is losing control of the legislative situation on trade this year and next.

But beyond the severe problems of foreign trade, Davis' warnings carried deep implications: The Nixon Administration is in trouble because of a chaotic decision-making apparatus.

Davis, a 44-year-old boy wonder at International Business Machines (IBM), arrived in Washington at the beginning of the Nixon Administration as one of the brightest members recruited for the sub-cabinet. IBM's treasurer and chief financial officer since age 37, Davis approached his job as the Commerce Department's foreign trade specialist as a moderate Re-

publican and with a general predilection for free trade.

That changed as he immersed himself in the subject. Davis became convinced that the international trade rules are stacked against the U.S., that the Japanese are pursuing a course of economic imperialism, and that vital U.S. interests are being threatened. Whether or not Davis was overstating the peril from foreign imports, his absolute inability to relay his apprehensions to the presidential desk was undeniable.

To his amazement, Davis found no established mechanism for determining trade policy. To his horror, he found that the one government official most closely shaping that policy was Dr. Henry Kissinger, the President's chief foreign policy adviser. Telephone call after telephone call from Davis to Kissinger went unanswered.

Nor could Davis go over Kissinger's head. He saw almost nothing of Mr. Nixon himself after the Administration's earliest days. He came to feel that powerful aides around the President led by Ehrlichman constituted a closed circle.

In the end, Davis found his only entry to the presidential decision-making process was at a very low and faceless level.

FRUSTRATED, Davis made his public attack on Administration trade policy which led to his sacking by Ehrlichman June 19 on Presidential orders. Davis was a loyal Nixon man who became insubordinate only out of despair.