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Phillips Says Administration Still Plans to Get Rid of OEO

By Cathie Wolhowe
Washington Post Staff Writer

The Nixon administration is still determined to get rid of the Office of Economic Opportunity and has merely changed its tactics from an open killing to a more discreet "slow strangulation," a former director of the agency said yesterday.

Howard Phillips, who headed the OEO until the end of June, said the White House Office of Management and Budget passed the word late that month "to avoid a head-on collision with the courts and Congress, but do the job less controversially."

He said the OMB directive came after U.S. District Judge William B. Jones here ruled that Phillips was illegally holding the position of OEO acting director because his name had not been sent to the Senate for confirmation.

Mr. Nixon named Phillips acting director at the beginning of the year with the stated intention of dismantling the agency by June 30. Instead, that turned out to be the date Phillips resigned—with his successor under court order to continue OEO's program until Congress said otherwise.

"The President still could have ended the life of OEO by declaring in writing that he would not spend any money for the agency after June 30," Phillips told a group of conservatives known as the McDowell Luncheon Club. "But he was receiving so much heat over the Watergate incident that he decided not to have a head-on collision over OEO just then."

Most OEO programs have since been shifted to the Departments of Labor, Housing and Urban Development, and Health, Education and Wel-



HOWARD PHILLIPS
... "OEO boondoggles" hit

fare, with money to run them included in these departments' budgets.

The major programs left in OEO are Community Action Agencies and the Legal Services program. The administration is requesting no additional money for them. Congress, however, has already appropriated \$185 million to fund Community Action through December and is expected to provide more to keep the programs going until next June 30, when OEO will legally die unless Congress passes legislation extending it.

Phillips said OEO's short lease on life has removed any sense of urgency within the administration about getting

rid of the programs right away.

"And so, budget officers are taking a so-what attitude about funding for another year the many OEO boondoggles to liberals which definitely were to end last June," Phillips said.

Among the programs that were to die but have been refunded are Legal Services Break-up Centers, which Phillips calls "one of the most important victories scored by liberals this year."

These centers, Phillips said, have become "influential instruments for advancing a diverse, yet comprehensive agenda for political change, free of the safeguards and requirements of accountability which are usually incident to the political process."

Phillips said President Nixon is failing to live up to his mandate to end such programs because "he permits his subordinates to yield to their (the liberals') demands."

His comments were directed at his successor, Alvin Arnett. Although Phillips supported Arnett's nomination as OEO director at the end of June, he now finds himself in opposition to many of Arnett's decisions.

Arnett's nomination comes up for a vote Wednesday morning before the Senate. It has been delayed twice by Senate conservatives who have asked the President to retract the nomination. So far, they have been unsuccessful.