

Rand Chief Quitting; Reason Disputed

By STEVEN V. ROBERTS
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SANTA MONICA, Calif., Nov. 15—Henry S. Rowen resigned as president of the Rand Corporation today, and well-informed sources said his departure had been caused partly by Pentagon dissatisfaction with Rand's role in the release of the Pentagon papers.

Officials of the Defense Department, which supplies three-quarters of Rand's \$27-million budget, were increasingly critical of Mr. Rowen after the disclosure of the top-secret papers and made their views known to the corporation's board members, according to the sources.

Dr. Daniel Ellsberg, a former economist at Rand who is a close friend of Mr. Rowen, has conceded that he duplicated Rand's copy of the 47-volume Pentagon study and gave it to the press.

A Rand spokesman said today that "both Mr. [Newton] Minow [chairman of Rand's board] and Mr. Rowen have made it clear that the Pentagon papers matter bears no relationship whatsoever either to Mr. Rowen's initiative or the board's response."

He referred newsmen to a statement in which Mr. Rowen explained his move saying, "Maintaining vitality in institutions and in people is brought about by change—Rand and I are no exception."

Was McNamara Aide

Mr. Rowen, an Oxford-trained economist, served as Deputy Assistant Secretary of Defense under Robert McNamara from 1961 to 1965, and became president of Rand in 1967.

The announcement today said that Mr. Rowen would continue as president for up to 18 months, to allow for the choice of a successor. But "day-to-day" direction of the corporation will be assumed by J. Richard Goldstein, senior vice president.

Rand was organized by the Air Force in 1946 and became an independent, nonprofit research organization two years later. For the first 20 years it was devoted almost exclusively to national security problems, but in recent years it has branched out into the domestic field. Its biggest domestic contract is a \$2-million study for New York City.

Sources within Rand said that Mr. Rowen's departure was

more complex than the announcement indicated. For some time, the sources said, both the board of directors and the corporation's clients have been unhappy with Mr. Rowen's managerial performance.

"There has been a lot of discussion about tightening up budgetary procedures and having more decisiveness, crisper decision making," said one official.

Mr. Minow, who heads the 18-member board that oversees the nonprofit corporation, is a former chairman of the Federal Communications Commission and is now a Chicago lawyer. Other members range from academicians, including Prof. Philip Mosely of Columbia University, to businessmen, including former Gen. Lauris Norstad, now chairman of Owens-Corning Fiberglass.

The 'Last Straw'

Some of Rand's military clients objected to Mr. Rowen's growing interest in domestic issues. "They felt that such projects would collect people on the staff who were antimilitary and reduce Rand's effectiveness as an organization for the military," one source explained.

The disclosure of the Pentagon papers apparently brought matters to a decisive point. "It was the last straw," said one source. Another added:

"People who were not terribly enthusiastic about Rowen's way of doing things came out and fussed and argued more after the papers. In this business it is very important to maintain high mutual confidence between people in Government, in the White House, in the Defense Department—particularly in the Defense Department—and the leadership and Rand, Rowen got very

high marks from some sources and less high marks from other sources."

The Defense Department displayed its lack of confidence in Rand last July, when Secretary Melvin R. Laird ordered the Air Force to take custody of all top secret documents in Rand's possession.

Now, any Rand staff member seeking access to such documents must be cleared by Air Force personnel stationed in the Rand headquarters. In addition, the documents must be perused in a special "top secret control room" and nowhere else. Before July, researchers could take the material to their own offices, although not outside the building.

As part of a government campaign to limit access to classified material, Rand recommended recently that top secret clearance be removed from more than 1,000 staff members and consultants.

The disclosure of the Pentagon Papers, giving details of United States involvement in Indochina, also had a deeply traumatic effect within Rand itself. One reason was that staff members feared the corporation would lose the trust of the Defense Department, and thus its major source of funds. Despite the Pentagon's unhappiness, however, Rand's budget has remained the same as last year.

Moreover, most Rand people remain devoted to the value of defense research, and to an unwritten code of conduct that stresses secrecy, anonymity and "going through channels." The decision of Dr. Ellsberg, who worked for the Defense Department both in Washington and Vietnam, to make the Pentagon Papers public, violated all the basic rules of the code.