

U.S. AGENCY'S DEAL CALLED IMPROPER

House Panel Assails G.S.A.
For Exchange for Building
Housing Nixon Files

WASHINGTON, Jan. 23 (AP)

—A Government agency violated the intent of the law when it gave Rockwell International Corporation \$19.5 million worth of Air Force property in exchange for a building that is now used in part to house the records of former President Richard M. Nixon, the House Government Operations Committee said today.

"It is hard to escape the conclusion that G.S.A. [the Government Services Administration] was concerned more with helping Rockwell solve its real estate problems and with providing a handy place for President Nixon to store his papers than it was with providing office space for the Federal Government," Representative Jack Brooks, Democrat of Texas, said in a statement accompanying the report.

The building is at Laguna Niguel, 10 miles from Mr. Nixon's home in San Clemente, Calif. Rockwell built it, the report said, to manufacture electronic guidance and similar equipment and also to provide headquarters offices for its West Coast operations.

Sale Was Attempted

However, the committee reported, before the building was completed in 1971, economic decline and cancelation of Air Force contracts made it useless to the company. Rockwell tried unsuccessfully to sell it on the open market, the report continued, then opened ultimately successful negotiations with G.S.A., the Federal housekeeping agency, to transfer it to the Government in exchange for other property.

The report said that, of more than 900,000 square feet of space in the building, only 192,825 square feet was occupied as of last September, most of it being used by the services agency to store papers, Mr. Nixon's including Mr. Nixon's pre-presidential records.

The committee said that the agency had been unable to interest other Federal agencies in moving into the Laguna Niguel facility although it had queried 104 of them. The agency circulated brochure that

"reads like the high-powered promotion of a luxury resort," pointing out the availability of tennis, golf, skiing and water sports in the vicinity, the committee said.

2 Air Force Plants

In return for the building, appraised at \$20 million, the report said, Rockwell received title to two Air Force plants and was allowed to choose Government-owned machinery to bring the appraised value of property Rockwell received to \$19,531,446. The report added that Rockwell later reappraised the properties at \$27,315,000 and was using the higher figure as an element in his costs during contract discussions with the Air Force.

Mr. Brooks, chairman of the committee, said the transaction raised serious questions about the performance of the services

The report contended that by using the exchange procedure, the agency had avoided the need for Congressional action. The Exchange authority previously had been used chiefly to acquire building sites through land swaps and "no previous transaction had involved properties of such value," it said.

The report said that Arthur Sampson, who then headed the agency, had testified that the agency had been unable to fulfill its duty of finding occupants for the building because critics in Congress had given Laguna Niguel a bad name.

The report charged that the agency spent \$1.8 million fixing up the building and operating it, but had listed payments for alterations as \$490,098. Alterations costing more than \$500,000 would have to be approved by Congress.

The Housing and Urban Development Department recommended against acquiring the building, the report said, on the ground that housing for low- or moderate-income families within commuting distance was unavailable, but the agency ignored the recommendation.

Representative Ignored

The report said that Representative Brooks, after an earlier investigation of the agency's negotiations with Rockwell, had urged the agency to halt negotiations or to seek Congressional approval before continuing them. But the transaction was completed nevertheless a month later, the report said.

The report also charged that Rockwell was being permitted to charge \$4.3 million in overhead costs to its Federal defense contracts for the three years that the building was idle before he exchange was completed.

The report also said that the El Segundo plant, one of the facilities acquired by Rockwell from the Air Force, was now charging the Air Force \$43,000 more a month for storage of Air Force equipment there than the Air Force had paid before the exchange.