

Richardson Named Defense Secretary

Weinberger Is Chosen To Take Over HEW; More Changes Today

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Camp David, Md.

President Nixon yesterday began the reorganization of his administration for a second term with a three-way reshuffle of Cabinet-level posts.

Elliott L. Richardson, Secretary of Health, Education and Welfare since June, 1970, was designated to succeed Secretary of Defense Melvin R. Laird, who is resigning to return to private life.

Caspar W. Weinberger, Director of the Office of Management and Budget (OMB) since May and a key official of the agency since its formation two years ago, was picked to succeed Richardson as head of the sprawling HEW department.

Roy L. Ash, president of Litton Industries, Inc., of Beverly Hills, and chairman of the President's Advisory Council on Executive Organization throughout its two-year life, will resign his Litton post and divest himself of his holdings in the company to fill the vacant OMB directorship.

Meantime, a Republican source said last night that Richard G. Kleindienst will be retained as Attorney General. There had been rumors that the pro-firma resignation which Kliendienst submitted along with all other Cabinet members would be accepted.

CONFIRMATION

The Richardson and Weinberger appointments will require Senate confirmation after Congress convenes in January. Ash can take office as soon as the OMB post falls vacant because the agency is exempt from the confirmation process as part of the executive office of the President.

More cabinet shifts will be announced today, White House press secretary Ronald Ziegler told newsmen gathered in a helicopter hangar outside the mountain



AP Wirephoto

CASPER WEINBERGER
New man for HEW

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retreat where Mr. Nixon has worked on government reorganization problems for most of the past two weeks.

If there was a common denominator for the first round of changes Mr. Nixon is undertaking to reinvigorate his administration for its second four years, it appeared to be the demonstrated managerial ability of the appointees.

EXECUTIVES

Both Richardson, 52, and Weinberger, 55, have earned reputations as skilled executives in complex, exacting government jobs. Particularly for Richardson, whom some see as a future Republican presidential contender, the increased exposure which the reassignments will bring could produce political benefits.

Ash, 54, made his name as co-creator of a \$2.5 billion conglomerate before he served from 1969 to 1971 as head of the old Council on Government Organization. The OMB was formed on the recommendation of the Ash council.

The tall, balding Ash said he will forego a \$195,000 yearly salary when he resigns December 9 from Litton Industries, and didn't know his pay at OMB. It will be \$42,500 a year, while the cabinet appointees will each receive \$60,000.

Ash said he has no worries about conflict of interest, because he intends to sell his entire 200,000-share holding of Litton stock, worth about \$3 million.

TARGET

The Litton Industries connection was the target, however, for criticism by Senator William Proxmire (Dem-Wis.), who said in a statement the big conglomerate has been involved in "two of the most highly inefficient and mismanaged military procurement operations in recent times." Proxmire's Joint Congressional Economic Committee will open hearings next month into Litton-supervised programs involving delays and cost overruns in production of attack helicopters and difficulties in producing a new-model destroyer.

Procurement is one of the problems that will beset Richardson when he takes over the Defense Department in a time of lessening military activity.

A multimillion dollar equipment modernization program is now under assessment at the Pentagon. Equally urgent is implementation of Mr. Nixon's goal of putting all the armed services on an all-volunteer basis by July 1, 1973.

At the Pentagon, Retiring Secretary Laird praised Richardson as an outstanding and experienced public servant and a close personal friend.

Richardson told a Washington news conference he thought he could have made "a useful contribution" by staying on at HEW, but that Mr. Nixon "convinced me that if I survived HEW for two and a half years, I could manage at the Pentagon."

Mr. Nixon has consulted with Ash frequently in the process of planning for a second term. Ash's public visibility will probably be lower than that of the two Cabinet designees, but Ziegler indicated that his influence inside the government will be considerable.

"During the second term," Ziegler said, "The President intends for the Office of Management and Budget to assume a new, expanded role — to undertake a comprehensive examination of all government programs now in existence to determine whether they are actually meeting the purpose for which they were designated."

Ash told a press conference he intends to concentrate on the management side of OMB—the side that was added to the fiscal authority of the budget bureau at the Ash council's initiative. He said this will mean spelling out the objectives of government programs in greater detail and then rigorously evaluating their performance.