

On Obeying the Law Or the President



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SPEAKING for the White House, troubleshooter Frank Carlucci directed the Small Business Administration to disobey the law, which authorizes the agency to declare disaster areas and rush emergency aid to the victims.

In an incredible exchange between Small Business Administrator Tom Kleppe and Representative Jim Hanley (Dem-N.Y.), the uncomfortable Kleppe admitted he had been specifically ordered not to implement the law on disaster relief. Here are direct quotes:

Hanley: "And who took the authority away?"

Kleppe: "I had the choice of disobeying the law or disobeying my President."

Hanley: "But the authority remains in the law?"

Kleppe: "I think that's correct, in the new law."

Hanley: "Now I'm concerned when you tell me that as opposed to concurring with the law, you concurred with an administrative mandate."

Kleppe: "What would you do?"

Hanley: "Concur with the law."

Kleppe: "Would you?"

Hanley: "I wouldn't break the law."

Kleppe: "Jim, I serve at the pleasure of the President."

Hanley: "As a matter of fact, the law has been broken."

Kleppe: "It is a true statement, Jim."

Kleppe acknowledged to us that Car-

lucci, before he moved from the White House to become Undersecretary of Health, Education and Welfare, telephoned him the order to disregard the law. Contrary to what Kleppe told the congressman, however, the SBA chief insisted he hadn't really violated the law but merely had failed to implement it.

Carlucci told us he had made the phone call "to coordinate" federal disaster relief efforts and to curb "runaway expenditures." He indicated the decision was made at the highest domestic levels. Presumably, he meant John Ehrlichman, the President's former domestic counselor, who used to call the shots on such decisions. Agriculture Secretary Earl Butz also participated in the decision, Carlucci said.

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IN HIS LATEST effort to keep organized labor in his political corner, President Nixon has appointed a protege of AFL-CIO President George Meany as Consul-General in Naples, Italy.

The appointment of Daniel L. Horowitz has raised indignant yelps from career diplomats at the State Department, some of whom wrote a rather undiplomatic letter to Representative John Rooney (Dem-N.Y.), in protest. Horowitz has been the State Department's liaison man with the labor movement, but he has had no diplomatic experience. The AFL-CIO told us his appointment "wasn't at our best."