

# Watergate's Impact on Agencies

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SAN CLEMENTE, Calif., July 8—The Watergate scandal has had a deep and widespread impact on the Federal Government since White House involvement was exposed more than three months ago.

A survey of agencies and officials shows that aside from the personnel shake-up resulting directly from the Watergate disclosures the impact on the Administration has been manifested in altered policies, paralysis of some functions of Government, extraordinary difficulties in the recruitment of top talent, and a slowed pace for innovations and policy initiatives.

Only a few weeks ago, the Nixon White House was exercising extraordinary control over Congress, the Government bureaucracy of 3 million people, the independent regulatory agencies, the media and other institutions. Today, a vastly weakened Presidential government is seeking accommodation and compromise with Congress, watching power flow back to the departments and agencies and trying desperately to retain enough control to give the Federal establishment the tone and direction that President Nixon promised in last year's campaign and in his second inaugural and budget messages early this year.

However, the impact thus far has had uneven results, sometimes cutting in opposite directions. For example, the following two trends have been occurring concurrently:

First, because of both the shakeup in the White House staff and the reluctance of citizens to go to work for an Administration engulfed in scandal, the recruitment of talent has been so hampered that execution of policy initiatives in such critical areas as the securities market and the energy field has been delayed.

Second, because H. R. Haldeman and John D. Ehrlichman, two Presidential aides who resigned April 30, are no longer in control, the departments and agencies are putting through a number of middle-level appointments that had been blocked because the applicants did not have the kind of single-minded dedication to the Nixon White House that was required.

## Down to Grade C

Not only did Mr. Haldeman and Mr. Ehrlichman require unquestioned loyalty for top-ranking officials, the standard was being imposed as far down as Grade C, a Civil Service super-grade that is subject to appointment and removal by the President and of which there are hundreds in the Government.

At the same time, the bureaucracy has shown that it can run the day-to-day operations of the Government without the close supervision of the White House. It is the innovations that the President would like to make—special revenue sharing, dismantling of some welfare programs and so on—that have suffered and may be lost.

Some departments that were in deep trouble a few weeks ago because top leadership

posts were vacant seem to be recovering. At mid-June Senator Barry Goldwater, Republican of Arizona, complained: "We want to write up the defense organization bill. We can't because we don't have a Secretary of Defense. The same thing holds true all down through Government where you find posts not filled."

James R. Schlesinger was sworn in as Secretary this week, a number of top posts under him have recently been filled and Pentagon observers say the lack of direction that Senator Goldwater complained about is no longer acute.

## 48 Still Vacant

Figures compiled by the White House press office show that while there are still a number of high level posts unfilled throughout the Government there has been some slight improvement over the last two months. Of the 520 executive level positions in the Government, about 48 are unfilled.

Almost everyone agrees, however, that the Government today is far different from what it would have been had there been no disclosure of White House involvement in illegal political espionage.

The change in policies, because of a weakened White House, has been pronounced in certain areas. For example, the Administration made a 180-degree shift in its stance on the following two important health and medical research issues:

Recently, the Administration announced that it saw some merit in the funding of medical research training grants to help support young medical scientists. In March, a spokesman for the Department of Health, Education and Welfare called these grants "an unnecessary and unproductive expenditure of Federal funds."

Caspar W. Weinberger, Secretary of H.E.W., told a recent Senate hearing that the department had no intention of eliminating Federal health programs for the poor. Earlier, the Administration had tried by several different strategies to eliminate such programs, and Mr. Weinberger had proposed that the laws calling for them ought not be renewed.

The consensus of those involved in the health matters is that the Administration no longer feels confident in trying to steamroller its views into policy against Congressional opposition.

## Pervasive Suspicion

A more subtle effect is seen in other areas. The work of the Securities and Exchange Commission has been hampered by a pervasive atmosphere of suspicion toward the agency by members of Congress charged with overseeing its activities. This followed the resignation of G. Bradford Cook as chairman as a result of charges that former Attorney General John N. Mitchell had brought pressure on the commission to give favorable treatment to a Nixon campaign contributor.

Further, the White House had trouble filling two vacancies. Half a dozen prospects were turned down for the chairman's position before Ray Garrett Jr.

agreed to the post last week and A. A. Sommer Jr. was picked as a member.

"The effect of all this," said a person close to the commission, "has been to slow down the operations of this important agency" and to contribute to a decline in public confidence in the stock market, which the commission regulates.

The make-up of the regulatory agencies may be changed somewhat as a result of the Watergate case. Before the disclosures, the Nixon White House was moving in an unprecedented way to see that Nixon loyalists made up both the staffs and memberships of the commission and boards. The Senate was not offering much opposition.

## Unusual Senate Move

In a move against the precedent of having an ideological balance on the Federal Power Commission, the President named a succession of members who had close ties to the power industry. In June, the Senate in an unusual use of its power, refused to confirm Mr. Nixon's appointment of Robert H. Morris, a lawyer who had for many years represented industries regulated by the commission. In doing so, the Senate served notice that it wanted at least one member to speak for the consumers.

Despite a recent flurry of appointments, a number of vacancies continue. On the Civil Aeronautics Board, two of its seven positions have been vacant for weeks.