

HELP TO MATTHEW ORDERED BY NIXON

Memos Outlining Directive
Read to House Inquiry

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WASHINGTON, Dec. 10—The House small-business subcommittee was told today that President Nixon had personally directed top Administration officials to provide "all assistance possible" to Dr. Thomas W. Matthew, the New York neurosurgeon convicted last month of illegal use of Medicaid funds.

A series of memorandums, read at a hearing being conducted by the subcommittee into scandal in the Small Business Administration, said the President was interested in Dr. Matthew's program as a model of black self-help.

One of the memos was from two New York detectives concerning an interview they conducted in Los Angeles last July 25 with Robert H. Finch, former counselor of President Nixon and, earlier, Secretary of Health, Education and Welfare. Mr. Finch was informed of the investigation of Dr. Matthew and asked about his connection to the doctor.

The detectives said they had been told that Dr. Matthew had been introduced to the President by Patrick J. Buchanan, a Presidential speech writer, and another White House aide.

"When Mr. Finch met with the President, he was informed that the President wanted all assistance possible rendered to Dr. Matthew and his black self-help program," the memo stated.

"Mr. Finch then held a meeting with various Government agencies — such as [the Departments of] Health, Education and Welfare, and Defense, the Small Business Administration, etc. — and informed them of the President's wishes."

The memo said further that when one of Dr. Matthew's Federally funded projects began to falter, an inspection team sent to New York by Mr. Finch turned in a favorable report.

"When Mr. Finch was informed by [the detectives] that Free Fashion [the projects] went out of business in August, 1961, because Dr. Matthew used funds of the company for a trip to Russia, he was visibly upset and said he would try file on Dr. Matthew and the report of the team he sent to New York," the memo said.

Access to Files Denied

A later memo, written by Lawrence J. Finnegan Jr., chief of the Frauds Bureau of the Queens District Attorney's office, said he had been advised that "Mr. Finch would not be

able to supply the papers in question, since they were part of the central White House files and that they were compiled in the course of Mr. Finch's official conduct as counselor to the President and therefore could not be turned over to us. The two detectives had been sent to interview Mr. Finch by Mr. Finnegan.

The memos were read by Curtis Prins, chief investigator of the House Banking and Currency Committee, during the testimony of Thomas S. Kleppe, Administration of the Small Business Administration.

The reports of White House involvement and suggestions of attempts to block the investigation of Dr. Matthew seemed to startle members of the subcommittee. Mr. Prins reported there were 60 of the memos, but he read only a few along with excerpts from several others.

The memos contained a list of other top Administration officials who at one time allegedly were connected with assistance to Dr. Matthew. These included George Shultz, Secretary of the Treasury; Caspar W. Weinberger, Secretary of Health, Education and Welfare and his Under Secretary, Frank C. Carlucci. The name of Senator Jacob K. Javits, New York Republican, was also mentioned, but investigators said they could not ascertain whether he had acted on behalf of Dr. Matthew.

The White House had no comment on the matter. An aide to Senator Javits said there would be no comment until the testimony was read. Mr. Shultz said of Dr. Matthew through an aide, "Offhand, I have no recollection of the name." Efforts to get comments from H.E.W. officials through aides were futile.

White House involvement in the case of Dr. Matthew was first reported by Mr. Prins on Nov. 29, but the extent of the involvement and by whom were not brought out. Mr. Prins testified that much of his information was developed over the last week end.

Dr. Matthew was convicted Nov. 7 of illegal use of Medicaid funds. He had been an outspoken supporter of President Nixon and an advocate of black capitalism.

Mr. Prins also disclosed heretofore unpublicized testimony before the Securities and Exchange Commission in 1969 involving Dr. Matthew's organization, NEGRO (National Economic Growth and Reconstruction Organization). The agency was investigating the sale by Dr. Matthew of bonds without registering them with the S.E.C.

Dr. Matthew defied the commission and said he would not make any papers available to it, Mr. Prins said.

"He told the commission, 'You'll get those records only after you contact the White House staff,'" Mr. Prins said.