

How Watergate Changed The Way a Nation Is Run

By John Herbers
New York Times

Washington

When President Nixon began his second term a year ago, two items on his list of goals were an effective attack on hard drugs and a new approach to education research that would put an end to pouring money into projects that do not work.

The education effort has faltered badly, at least in part because the administration, weakened by Watergate, did not have the will or wherewithall to bring about this modest undertaking.

On the anti-drug effort, however, the Nixon White House has achieved a difficult consolidation of enforcement programs, curtailed the supply of heroin on the market and expanded drug treatment centers.

The contrasting results of these two efforts points up what has happened in the executive branch of 2.5 million people, in the way decisions are made and the government operates, since the Watergate disclosures crashed on the presidency at the beginning of the second Nixon term.

On the one hand, the administration has been deeply injured by plummeting morale on the part of top officials, the inability to recruit the most able people from the outside, a preoccupation with Watergate problems by the President and his closest advisers, a slowing of crucial decisions and a weakening of the entire executive branch due to a loss of public respect for the President and the office he holds. The education research effort suffered from this.

On the other hand, many functions of government and administrative initiatives have gone on in a way that many have found surprising in view of the depth of the President's troubles. This is attributed largely to reorganization steps taken early last year — the purging of

independent-minded officials and the placement in key positions throughout the government of tried and true Nixon people with no constituencies of their own.

As the central authority of the White House has broken away into various power centers, these officials — still remarkably loyal to Mr.

Back Page Col. 1

From Page 1

Nixon — have sought to carry out his position with very little deviation.

"Except for foreign policy, it is a government of small minds and small issues," said a former high official of the first term.

The running of the government and the process in which decisions have been made have settled into a pattern that is expected to prevail as long as Mr. Nixon remains in the White House.

Here are some of the elements, as based on a survey of the government and interviews during the past few weeks with various officials and outside authorities who are in close contact with the administration:

- Secretary of the Treasury and presidential assistant George P. Shultz continues to exercise wide authority throughout the government on all matters relating to the economy and international trade.

- Authority in domestic matters that was exercised by former presidential assistant John D. Ehrlichman and his large staff has shifted to the Office of Management and Budget, a presidential agency of some 600 people headed by Roy L. Ash, who also is a presidential assistant. Operating under its pre-Watergate plan for coordinating policy, the agency has assumed vast powers that it never had in the past.

- Authority in foreign policy has moved out of the National Security Council in the White House and to the State Department under Secretary of State Kissinger,

with Mr. Nixon less personally involved than he had been in pre-Watergate days.

- The flow of power back to the cabinet members, departments and agencies that was widely reported last summer has been limited, except for the Treasury and State Departments. The OMB has become the chief instrument for enforcing policy.

- The administration is increasingly making compromises with Congress that it would not have considered at this time last year.

Some career public servants who have served under several administrations have described the Nixon government from its beginning as a set of compartments connected by memoranda. That is the way the President prefers to work, rather than from free-wheeling discussions that spill over several jurisdictions.

In many ways, the compartment method has increased since Watergate. At the center is the small core consisting of the President and a few assistants — chiefly, Alexander M. Haig Jr., chief of staff; Ronald L. Ziegler, press secretary; Rose Mary Woods, Mr. Nixon's personal secretary, and a supporting group of lesser personnel.

A new adjunct to the inner circle is the President's Watergate defense staff, which has so far cost the government about \$300,000 and consists of 14 full-time attorneys, four part-time lawyer consultants and seven secretaries.

The inner circle is concerned daily with how the President is to survive Watergate and what "game plan" to follow. From all accounts, the atmosphere is emotionally charged. Nixon loyalists outside the core say privately that they watch with wonder and dread as the President alternates between seclusion and intense activity, between disclosure and hard-line defense of executive privilege, as the mys-

tery of the tape recordings involving the inner circle unfolds in court.

Mr. Nixon still makes decisions on policy on a day-to-day basis, by memoranda, but officials down the line say they have the impression that they are more perfunctory, with less examination of details.

One step removed from the inner circle are several groups concerned largely with running the government. These include all of the senior staff assistants who meet frequently without the President and discuss a wide range of strategies and policies; the Cabinet, which meets less frequently, with Mr. Nixon, for formalized policy discussions in which decisions are rarely made; Kissinger, and his assistants on foreign policy and national security, who meets frequently with Mr. Nixon; Shultz and his economic clusters, which have some but not daily presidential contact; Ash and the OMB, which acts chiefly with delegated authority; the Domestic Council, which has limited duties; and the White House lobbying cluster headed by William E. Timmons. Beyond these are the departments and agencies.

The further one moves away from the inner circle, the less one finds preoccupa-

tion with all the problems of Watergate and the more an active interest with government policies and operations. But throughout the Executive branch morale has been a growing problem. A high official who is leaving the government out of disgust with the scandals and the way in which the President has responded to them defined the morale erosion as follows:

"It falls into three categories. There are the career civil servants, who are functioning almost as if nothing had happened. There are the people who were brought in after the first team and they seem to be doing their jobs without many distractions. And there are the White House staff people of the first term who . . . are close to despair, because they

knew all the people involved (in the scandals) and are running into resistance everywhere they go in government because they are associated with what happened."

The decision patterns that exist today constitute what is left of the reorganization that Nixon effected after his landslide re-election in November, 1972. Seeking to control the bureaucracy so as to delegate wide authority yet be sure of having his policies carried out, he cut in half the 65-member Domestic Council staff that Ehrlichman had run and set up to perform most of its former duties a super cabinet.

Much of the Ehrlichman staff and other proven loyalists were then dispersed throughout the government. Independent-minded officials, such as George Romney or John A. Volpe, were weeded out.

When the Watergate disclosures broke, Ehrlichman resigned and the super cabinet was disbanded, largely because of opposition to it in Congress. The responsibilities of the super cabinet fell back largely to OMB, and only Shultz and Kissinger, in effect, retained super cabinet status.

Under its program of "management by objective," OMB requires departments and agencies to draft goals in keeping with Nixon policies and oversees carrying them out. It has the major administration voice in overseeing state-federal relations. It settles disputes between departments.

The administration's anti-drug effort had some success because it was directed from a special drug division of OMB and had the interest of top OMB officials.

The Domestic Council is now headed by Kenneth R. Cole, Jr., who has been given Ehrlichman's old job as assistant to the President. The council has been deeply involved in drafting new domestic initiatives.

The departments meanwhile have been given more freedom in negotiating compromise legislation with Congress.

"Before, you could not do anything without checking with Ehrlichman or the White House," said John Scales, a minority staff member of the Senate Education and Labor committee.

This change is a return to tradition for both Democratic and Republican administrations, but so strong was the control from the Nixon White House until recently that some in Congress speak of the change as if it were a minor miracle.



Roy Ash and George Shultz have been given broad authority by President Nixon



Ron Ziegler is one of the few members of inner circle



Kissinger and Haig have Mr. Nixon's ear