

Since Watergate, Major Shifts in Power

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WASHINGTON, Jan. 27—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 wherewithal to accomplish this modest undertaking.

On the 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 point 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 enormously powerful 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 as a result of a loss of public respect in the President and the office he holds. The education research effort suffered from this.

Daily Functions Go On

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. Nixon, have sought to carry out his position with very little deviation. The antidrug effort profited from this.

"Except for foreign policy, it is a government of small minds and small issues," said a former high official of the first term, in asserting that the Administration a year ago had been shorn of men who would make bold new initiatives. "If Watergate had happened, say, in 1970, you would have seen some real runaway departments and agencies."

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Have Given the Presidency

Long-Term Pattern

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. Following are some of the elements, as based on a survey of the Government and interviews during the last 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. He



Associated Press

Roy L. Ash has responsibility for domestic affairs.

even deals with leaders of organized labor, a role that historically has gone to the Secretary of Labor.

¶ The authority in domestic matters that was exercised by John D. Ehrlichman, the former Presidential assistant, and his large staff of assistants, 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.

Gains and Losses

¶ Authority in foreign policy has moved out of the National Security Council in the White House and to the State Department with Secretary of State Kissinger, with President Nixon less personally involved than he was in pre-Watergate days.

¶ The flow of power back to Cabinet members, departments and agencies that was widely reported last summer has been limited, except as to Treasury and State. The Justice Department was able to institute anti-trust action against newspaper-broadcasting combination in the same area without the White House even knowing it. But on the broader scale, the departments have been held tightly in rein by the Office of Management and Budget, which has become the chief instrument for enforcing policy.

Set of Compartments

¶ The Administration is increasingly making compromises with Congress that it would not have considered at this time last year, resulting in legislation that both Democrats and Republicans want but that had been blocked in the bitter dispute between the executive and legislative branches. Examples are the Manpower Act passed late last year that consolidated training programs and increased public service employment, and an education bill that is expected to pass shortly giving Mr. Nixon some, but not all, of the consolidation and turning back of authority to the states that he wanted.

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 memorandums. That is the way the President prefers to work, rather than from free-wheeling discussions that spill over several jurisdictions in a way

hat characterized Democratic Administration.

In many ways, the compartmentalized method has increased since Watergate. At the center of it all is the small core consisting of the President and a few assistants—chief Gen. Alexander M. Haig Jr., chief of staff; Ronald L. Ziegler, press secretary, Rose Mary Woods, Mr. Nixon's personal secretary, and a group of lesser personnel who serve this apparatus. Mr. Nixon is reported to speak his mind freely, at length and at times with considerable heat, to these close associates but rarely does so outside this group.

A new adjunct to the inner circle is the President's Watergate defense staff, which so far has cost the Government about \$300,000 and consists of 14 full-time lawyers—some borrowed from departments such as Transportation and Agriculture—four part-time lawyer consultants and seven secretaries.

Emotional Atmosphere

It is the inner circle that is concerned on a day-to-day basis with how the President is to survive Watergate and what "game plan" to follow. From all accounts, the atmosphere is emotionally charged.

Nixon loyalists in the outer reaches of the White House and in distant departments, they say privately, watch with wonder and dread as the President alternates between seclusion and intense activity, between disclosure and hard line defense of executive privilege—the current stance is intense activity and against disclosure—and as the mystery 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 memorandums, but officials down the line say they have the impression that they are more perfunctory, with less examination of details, in both foreign and domestic matters, than before the crisis.

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 formal policy discussions in which decisions are rarely made; Mr. Kissinger, and his assistants on foreign policy and national security, who meets frequently with Mr. Nixon when he is in town; Mr. Shultz and his economic clusters, which have some but not daily Presidential contact; Mr. Ash and the O.M.B., 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.

More Active Interest

The farther one moves away from the inner circle, the less one finds preoccupation 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 term and they seem to be doing their jobs without many distractions. And there are the White House staff people of the first term who were dispersed to the departments a year ago or are still at the White House. They 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 Mr. Nixon effected after his landslide re-election in November, 1972.

Set Up Super Cabinet

Seeking to control the bureaucracy in a way in which he could delegate wide authority yet be sure of having his policies carried out, he cut in half the 65-member Domestic Council staff that Mr. Ehrlichman had run and set up to perform most of its former duties a super Cabinet that was to oversee broad categories of programs and policies.

At the same time, much of the Ehrlichman staff and other proven loyalists were dispersed throughout the Government, while Frederick V. Malek was moved from the White House staff to be deputy director of O.M.B. and oversee a new Gov-

ernment-wide management effort. Independent-minded officials in the mold of George Romney or John A. Volpe who had both fought and cooperated with the White House were weeded out.

When the Watergate disclosures broke, Mr. Ehrlichman resigned and the super Cabinet was disbanded, largely because of opposition to it in Congress that the White House no longer had the strength to overcome.

Its responsibilities fell back largely to the O.M.B., which could better carry out the President's will because of its long-time reputation for professionalism. Only Mr. Shultz and Mr. Kissinger, in effect, retained super Cabinet status.

Doubts Wider Authority

John Gunther, executive director of the United States Conference of Mayors who deals with the Government on a wide range of programs, said it was a myth that the departments had more freedom and authority since the Watergate disclosures.

"If anything, power is more centralized in the O.M.B.," he said, a situation he finds unsatisfactory because the agency essentially is an adviser to the President. "We ought to be dealing with the departments," he said.

In addition to its traditional budget role and advising the

President on legislation and whether to veto what Congress has passed, the Office of Management and Budget has assumed authority in a number of ways. It has been deeply involved in the scramble for the Government to respond to the energy crisis, providing expertise and personnel. It restrains the departments and agencies on policy and spending.

It frequently negotiates directly with Congress, bypassing the agencies, as with veterans legislation. Under its program of "management by objective," it requires departments and agencies to draft goals in keeping with the Nixon policy and oversees carrying them out. It has the major Administration voice in overseeing Federal-State relations. It settles disputes between departments.

Both Called Aggressive

"Both Ash and Malek are aggressive and quick to assert authority," said one of the agency's top officials.

The Administration's drug effort has had some success because it was directed from a special drug division of O.M.B. and had the interest of top officials of the agency. The special research effort, embodied in the new National Institute for Education, bogged down because of a weakened parent body, the Office of Education, a lagging of White House inter-

est and the refusal of Congress to appropriate funds because the Administration was tardy in appointing personnel.

Mr. Gunther is hopeful that the Domestic Council will be given more authority now that its head, Kenneth R. Cole Jr., has been given Mr. Ehrlichman's old job as assistant to the President. The council has been deeply involved in drafting new domestic initiatives to be announced in the State of the Union Message next week. However, some in the Administration doubt this can happen because there are no plans to add to the staff, which consists of about 12 professionals. The O.M.B., by comparison, has about 400.

Filled By Professionals

Further, there are recruiting problems. The latest White House figures show that of more than 300 top sub-Cabinet positions, the vacancy rate is about 9 per cent, which is considered normal.

What has been happening, however, particularly in the State and Defense Departments, is that the positions are being filled from the professional ranks even though the Administration's policy has been to draw heavily from experts on the outside.

The White House has made a vigorous effort to persuade people to stay, on the ground

that to leave now would make it appear that the Administration was being deserted. This has had considerable success, but it has been going on for months and some of the more restless, able ones are leaving. These include the Assistant Secretary of the Treasury, Edward L. Morgan, and the Under Secretary of Housing and Urban Development, Floyd H. Hyde.

While the departments have been restrained in many ways, they have been given more freedom in negotiating compromise legislation with Congress. Labor Department officials were instrumental in developing the Manpower Act. Frank C. Carlucci, Under Secretary of Health, Education and Welfare, is actively negotiating with Congressional committees on a range of education and health issues.

"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 step back 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 it as if it were a minor miracle.