

# The Nixon White House Papers (Cont.)

From a memo sent by John Dean to Egil Krogh.

Brookings was a small organization until the 1960s. During the Kennedy and Johnson administrations, it turned into a bigtime operation. While functioning as a kind of holding station for Democrats and of power, it attempts to influence public opinion and government policy. Access to huge sources of tax free money, such as the Ford Foundation makes the task immeasurably easier.

In recent years, the Institution has obtained more than 14 million dollars in Ford subsidies, including \$175,000 to produce a book called "Agenda for the Nation" immediately after the 1968 Presidential election.

The Wall Street Journal called it a collection of policy papers by 18 writers who "comprise an honor roll of academicians of the New Frontier and Great Society."

Shortly after the Nixon administration took office in 1969, the Institution announced a "new program of foreign policy studies." It is alleged that the Ford Foundation agreed to fund 75 per cent of the project, estimated to cost \$7 million over a three-year period.

These studies were to cover such controversial issues as: the strategic balance between the U.S. and the Soviet Union; arms control and disarmament; the U.S. role in Asia after Vietnam, relations with Communist China; the U.S. role in defense of Western Europe; foreign aid, trade, investment and development policy, new social and technological forces in the world, the size of the U.S. defense budget, kinds of weapons, and military assistance to foreign countries; a permanent peacekeeping force for the United Nations; social change and domestic problems in the United States.

It is clear from this cursory analysis that the financial wealth and influence of the Ford Foundation and Brookings Institution when used to engage in either direct or indirect political activity represents formidable opposition to the best interests of this administration.

It would appear that an expeditious political response to this challenge would be the simple expedient of applying pressures to have the Internal Revenue Service strictly enforce existing statutes and promulgated regulations designed to threaten the tax exempt status enjoyed by these organizations.

In examining this potential with administration loyalists at IRS, a disappointing picture emerges. For example, as a result of congressional pressure in 1969 an audit of the Ford Foundation was undertaken. It is still on going with no tangible results or progress seen to date. Purposeful delay appears to be the chosen bureaucratic tact. (sic)

Commissioner Walters, according to these same IRS powers, has not yet exercised the firm leadership expected at the time of his appointment. Additionally, there appears to be a reluctance on his part to make discreet politically

Today we print a second installment of excerpts from a collection of White House memoranda obtained by the Senate Watergate Committee and made public by Senator Lowell P. Weicker, Jr. (R-Conn.). The excerpts come from memoranda that are, in one respect, quite different from each other. The first is part of an internal 1971 White House discussion of the prospects of bringing pressure against the Brookings Institution. The second comprises evidence submitted in 1969 by Jeb Stuart Magruder to H. R. Haldeman in support of Mr. Magruder's contention that a more broadbrush and less picky strategy should be adopted in the White House's ongoing campaign to influence and/or intimidate the press. The evidence is an extraordinary log of presidential grievance and concern, which was of interest to Mr. Magruder chiefly as a demonstration of scattershot, wasted effort. What the two memoranda share is an underlying assumption of enemies everywhere and a corresponding impulse to counterattack at every turn.

This being April 15, we like to think your normal resentments will be somewhat mitigated by the evidence of the first of these memos that the IRS didn't seem eager to cooperate. As Mr. Dean sadly put it to Mr. Krogh of the IRS Commissioner then in charge: "there appears to be a reluctance on his part to make discreet politically oriented decisions."

oriented decisions and to effect major appointments based upon administration loyalty considerations.

In this regard, career Democrat William Loeb has been named as Walters' deputy, a key policy position. Also, William Connett, another Democrat, continues to function as Walters' special assistant for tax-exempt organizations. By written direction of Walters all tax exempt matters of substance must flow through Connett. Roger Barth is currently being eased out of IRS by Walters.

It is not believed, therefore, that this personnel alignment would allow a successful *pro forma* request for IRS action against Brookings or Ford. Indeed, under the above circumstances, such approach would appear to be politically inadvisable. Certainly charges of political interference would be raised in the media and elsewhere by representatives of the Ford and Brookings organizations and their many supporters.

In view of the above circumstances, the following recommendations are made with a view towards an effective and credible attack against Brookings and Ford designed to minimize the political impact these organizations will attempt to bring to bear during the coming election year:

A) The President direct Secretary Connally to give a major address forcefully dealing with the concern of both the executive and legislative branches (PATMAN) over political abuses and other apparent illegal activities of foundations and other tax-exempt organizations.

(If the Secretary were not inclined to specifically attack Brookings and Ford in that speech, the Vice President could effectively follow with a hard hitting specific effort in that regard. Pat Buchanan has such a speech prepared.)

The Secretary's speech could include the announcement of the creation of a new position in Treasury, such as Deputy Under Secretary for Taxation to oversee, on behalf of the administration both tax administration (IRS) and policy. Such appointee would be the medium through which the administration could force, following the Connally warning, stepped up IRS action and compliance in the tax-exempt organization area during 1972. Understandably this appointee would have to be outstanding in qualification and loyalty.

B) Clark MacGregor to be directed by the President to work with Congress and Treasury to obtain more restrictive (sic) legislation on the political abuses of tax-exempt organizations. We should shoot for public hearings on Brookings activities.

C) Senator Dole is to be directed by the President to have the RNC develop this entire area as a key issue for the '72 campaign. The purpose would be twofold:

1) Focus to be brought upon FORD Foundation financed voter registration drives.

2) Take this issue away from George Wallace where it now lies.

D) The President to direct George Schultz to see to it that the \$500,000 in federal grants (HEW, OEO, etc.) presently received by Brookings be cut.

While a loud public protest could be anticipated, it would be welcome for the implication would be clear... partisan political involvement of Brookings, Ford and other anti-administration foundations in 1972 would be fraught with peril.

NOTE: It should be recalled that Kermit Gordon, President of Brookings and a trustee of the Ford Foundation has been appointed to the Phase II Pay Board.

Excerpt from White House memorandum for H. R. Haldeman from Jeb Stuart Magruder dated October 17, 1969:

"I have enclosed from the log approximately 21 requests from the President in the last 30 days requesting specific action relating to what could be considered unfair news coverage. . . .

P. Flanigan (Oct. 17) President's request that you take action to counter Dan Rather's allegation that the Hershey move was decided upon because of the moratorium. (Log 1733.)

J. Ehrlichman (Oct. 15) President's request that you talk to Ted Lewis concerning the present status of discipline within the administration. (Log 1699)

P. Buchanan (Oct. 14) President's request for a report on what actions were taken to complain to NBC, Time and Newsweek concerning a recent article coverage on the administration. (Log 1688)

H. Klein (Oct. 10) President's request for letters to the editor of Newsweek mentioning the President's tremendous reception in Miss., and last Sat. Miami Dolphin football game. (Log 1627)

H. Klein (Oct. 14) President's request that you take appropriate action to counter biased TV coverage of the administration over the summer. (Log 1644) Confidential.

H. Klein (Oct. 8) President's request that you ask Rogers Morton to take action to counter Howard K. Smith's remarks concerning the three House seats lost by the GOP this year. (Log 1558)

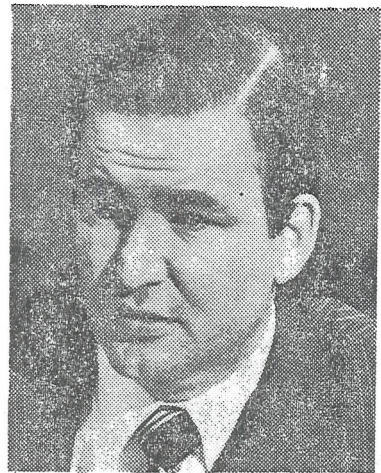
P. Buchanan (Oct. 10) President's request that appropriate columnists be informed of the extemporaneous character of Presidential press conferences. (Log 1551)

H. Klein (Oct. 7) President's request that you demand equal time to counter John Chancellor's commentary regarding the Haynsworth nomination. (Log 1559)

H. Klein (Oct. 8) President's request for a report on what action is taken concerning Sen. Muskie's appearance on the "Merv Griffin Show."



Herbert G. Klein



Patrick J. Buchanan

A. Butterfield (Oct. 3) President's request for a report what resulted from our PR efforts following up the Friday Press Conference. (Log 1496)

H. Klein (Oct. 3) President's request that we have the Chicago Tribune hit Senator Percy hard on his ties with the peace group. (Log 1495) Confidential.

H. Klein (Sept. 30) President's request for letters to the editor regarding Newsweek's lead article covering the President's U.N. speech. (Log 1443)

H. Klein (Sept. 29) President's request that we counter Ralph Nader's remarks regarding Virginia Knauer accessibility to the President. (Log 1443.)

H. Klein, Ron Ziegler (Sept. 27) President's request that you attack Life Magazine's editorial accusing the administration of creating a coherence gap. (Log 1366.)

H. Klein (Sept. 26) President's request that you contact Howard K. Smith and give him the true record on what the administration has done. (Log 1367)

A. Butterfield (Sept. 23) Sen. Kennedy's Boston speech alleging that the war in Vietnam remains virtually unchanged. (Log 1292)

P. Flanigan (Sept. 24) Ralph Nader's charge that the President pays little attention to consumer affairs. (Log 1293)

Dr. Kissinger (Sept. 23) Article by Jack Anderson which alleges that some U.S. officers in Vietnam favor Thieu's hard line over the President's moderate policy and are sabotaging the truce efforts. (Log 1281)

H. Klein (Sept. 27) President's request that you inform Walter Trohan about our substantive programs and that you place the blame for inaction on the democratic Congress. (Log 1246)

J. Ehrlichman (Sept. 23) President's request for a report on possible answers to Evans-Novak charge of an administration retreat on tax reform. (Log 1224)

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