

# Nixon accepts Watergate responsibility

WASHINGTON (AP) — President Nixon told the nation last night he accepts final responsibility for the Watergate scandal that led him to accept the resignations of H.R. Haldeman, John D. Ehrlichman and Atty. Gen. Richard G. Kleindienst.

In a solemn address to the nation, hours after a major shakeup in his administration, the President said the blame belongs at the top.

"I accept it," he said in a nationally broadcast and televised address.

In the shakeup, Nixon fired presidential counsel John W. Dean III and nominated Secretary of Defense Elliot L. Richardson to be attorney general.

The President gave Richardson the job of overseeing the administration's Watergate investigation and of naming a special prosecutor to probe the incident if Richardson deems one necessary.

Until late March, Nixon said, he had been assured by those around him that no one in the administration was involved in the bugging and wiretapping.

"However, new information then came to me which persuaded me that there was a real possibility some of these charges were true, and suggested fur-

ther that there had been an effort to conceal these facts both from the public, from you, and from me," Nixon said.

Thus did Nixon disclaim any advance knowledge of the June 17 break-in at Democratic national headquarters.

The President said he ordered an intensive new inquiry with the results to be reported directly to him.

He said he was determined that the truth be brought out, no matter who was involved.

The resignations of Haldeman and Ehrlichman as top White House aides, Nixon said, did not imply their guilt. He called them two of the finest public servants he had ever known.

"I wanted to be fair, but I knew that in the final analysis the integrity of this office and public faith in the integrity of this office would have to take priority over all personal considerations," Nixon said.

The drama of the address recalled another moment of crisis, 21 years ago, when as vice presidential nominee, Nixon delivered his "Checkers speech" defending the \$18,235 trust fund that helped pay his political expenses as a U.S. senator from California.

Now, in a new time of political trauma,

Nixon vowed that he would not place the blame on subordinates to whom he delegated responsibility for his 1972 campaign.

Indeed, he praised the federal judge and the free press that discovered the intrigue behind the June 17 incident at Democratic Party headquarters in the Watergate office building.

He said the case represented a series of illegal acts, bad judgments, overzealousness by a number of individuals.

"America in its political campaigns must never again fall into the trap of letting the end, no matter how great that end is, justify the means," Nixon said.

With that he called for political reforms, "a new set of standards," to ensure that future campaigns be as free of abuses as possible.

He made no specific proposals, but he has assigned Richardson the task of determining what specific changes in federal campaign laws are necessary.

Earlier in the day, Nixon said Kleindienst believed he could not continue as attorney general because it appears close associates may be implicated in the Watergate inquiry.

Kleindienst already had withdrawn from the case, on the same grounds.

Senate sources have accused Haldeman and Ehrlichman of involvement in an alleged White House attempt to cover up the Watergate wiretapping affair.

Nixon said that pending Richardson's confirmation by the Senate to become attorney general, "I have asked him to involve himself immediately in the investigative processes surrounding the Watergate matter."

As attorney general, Nixon said, Richardson will have full responsibility for coordinating "all federal agencies in uncovering the whole truth about this matter," and recommending changes in federal law to prevent future campaign abuses.

Kleindienst is to remain at the Justice Department and Richardson at the Pentagon until the defense secretary is confirmed as attorney general.

The announcement of the personnel shakeup at the pinnacle of government followed a weekend of seclusion for the President in which he talked at Camp David, Md., with Haldeman and Ehrlichman, respectively his chief of staff and assistant for domestic affairs. Haldeman, 46, regarded as the most

powerful man on the White House staff, said in a statement that it had become "virtually impossible... for me to carry on my regular responsibilities in the White House" because of what he called allegations, innuendos and a "flood of stories arising every day from all sorts of sources."

Ehrlichman, 48, has remained relatively untouched by recent Watergate disclosures until last week when it was disclosed acting FBI Director L. Patrick Gray III destroyed sensitive documents given him by Ehrlichman and Dean. Gray resigned last Friday, hours after that report was published.

The documents were said to include forged cables linking the late President John F. Kennedy to the 1963 assassination of South Vietnamese chief of state Ngo Dinh Diem.

In his letter to the President, Ehrlichman wrote of "repeated rumor, unfounded charges or implications or whatever the media carries."

He denied reports linking him to intervention on behalf of accused financial swindler Robert L. Vesco in a Lebanese banking deal and said, "Regardless of the actual facts, I have been a target of

public attack."

Such attacks, he wrote Nixon, have impaired "my present usefulness to you and ability to discharge my duties."

Dean's dismissal was covered in one Nixon sentence:

"I have today requested and accepted the resignation of John W. Dean III from his position on the staff as White House counsel."

Richardson issued a statement saying he was accepting the new appointment "because I believe I have an overriding duty to do so." He said he will have no further comment until the Senate confirms him for the Justice Department job.

Kleindienst is a close friend of former Atty. Gen. John Mitchell, who has acknowledged bugging plans were discussed in his presence — although he said he had not approved them.

In other Watergate developments, — McCord spent the day giving a deposition in civil suits growing out of the Watergate affair.

— The White House confirmed that the trial judge, William Mathew Byrne, has been sounded out as a possible candidate for director of the FBI.

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Washington, D.C.—Atty. Gen. Richard G. Kleindienst read the text of his letter of resignation to President Nixon yesterday at a press conference. Kleindienst cited disclosures made over the weekend indicating persons that he had close personal contact with could be involved in the Watergate case as reasons for his resignation.

## Higher education priority reduced Colleges lack funding

Editor's note: following is the second of a six-part analysis of the budget crisis.  
By KEN CHESTEK  
Collegian City Editor

Colleges and universities around the nation, are crying for money but no one is giving it to them. It is no coincidence. Higher education has lost its priority status when budget time rolls around. During the 60's education was a prime

### News analysis

concern among state and federal governments and higher education prospered.

Not any more. John C. Pittenger, Pennsylvania secretary of education, said, "There is more competition for the public tax dollar today than there was 10 years ago." He cited environment and criminal justice reform as areas which have moved ahead of education in priority.

University Provost Russell E. Larson said, "The costs of government have increased and demands of the dollar have increased." He said Penn State is not being treated differently from other institutions but the budget cutbacks were aimed at higher education

throughout the nation.

Pittenger said a decline in public confidence in education is part of the reason for the budget reductions.

A Harris poll last year indicated only 33 per cent of all Americans "have a great deal of confidence" in educators. The same poll showed 37 per cent in 1971 and 61 per cent in 1966, during higher education's prosperous era.

Pittenger attributed the drop in confidence primarily to the institutions "for making claims they can't back up." He said higher education advertised that a college degree guaranteed a higher salary but the job markets in recent years have not substantiated the claim.

But the public has made some unreal demands on education, he added. For example, Pittenger said, people look to the schools to solve drug problems, but since the schools did not cause the problem they could not be expected to solve it.

Another problem, Pittenger said, is the skyrocketing cost of education caused by the increase in teacher salaries. "Ten years ago teachers were underpaid," he said, "but that is not so today."

Another factor in the reduced commitment to higher education is leveling

enrollment, Pittenger said. "The percentage of high school graduates who go on to college has leveled," he said. Any increase in enrollment is therefore a result of an increase in the number of high school graduates.

Preliminary enrollment figures show only a one per cent increase in college enrollment across the nation compared to a 2.6 per cent increase last year and a 12.9 per cent increase in the 1964-65 school year.

Pittenger noted that the proportion of college-age men in school was 36 per cent in 1972 compared to 44 per cent in 1969. Since the proportion of college-age women in school rose slightly in those years, Pittenger attributed the drop in part to the end of the draft.

"There is a decline in the notion that college is something you have to do to be respectable," he noted.

Pittenger said the federal budget cuts also were due to a shifting of priorities, but added, "I think the President has his priorities messed up."

"By and large Congress has continued to support higher education. The question now is, do they have the fortitude to stand up to the President?" he said.

## Nixon sends tax reform to Hill

WASHINGTON (AP)—A tax reform package striking at large sheltered incomes and offering to ease the burden of filling out returns was sent by President Nixon's administration yesterday to a Congress apparently intent on broader changes.

After Treasury Secretary George P. Shultz outlined the proposals to the House Ways and Means Committee, Chairman Wilbur D. Mills, D-Ark., commented, "We'll have to develop our own program...there are a number of areas he didn't touch on."

Instead of the present minimum tax on certain kinds of preference income, which critics say has proved ineffective, the new proposal would establish a

minimum taxable income, calculated so that no one could escape paying regular taxes on about half, at least, of his income.

The proposed new return form, the Treasury said, would ease the annual April chore for about 20 million taxpayers who have too extensive deductions to use the present short form but are over burdened by the detailed requirements of the full return.

The Nixon package also includes tax credits up to \$500 for low-and moderate-income elderly persons against the real estate taxes they pay either directly or through their rent, and a credit, up to \$200 per child for tuition payments to nonprofit private schools.

Another item is aimed at widely publicized arrangements by which upper income individuals, through inactive partnerships in real estate, rental and other businesses, can for a time obtain tax losses reducing the levy on their regular incomes. Under the proposal, such losses could be used only to offset profits, present or future, from the business involved itself.

To encourage exploration of petroleum reserves in the United States, the Administration proposed an in-

vestment tax credit of 7 per cent, with the possibility of another 5 per cent for wells that become productive on exploratory drilling costs.

Other items in the package are a liberalized child-care deduction for working parents, an interest subsidy for states and local governments who would agree to issue bonds with taxable interest, and a major simplification of the credit on retirement income available to those who receive relatively small Social Security payments.

The Treasury said the overall revenue effect of the package would be small — the government would pick up \$800 million annually through the provisions aimed at loopholes, but lose \$1.1 billion through the new credits and return simplification.

The administration proposals and testimony came in the closing days of a two-month hearing.

### Weather

Variable cloudiness and mild today and tonight, high today 67 and low tonight 55. Tomorrow partly cloudy, breezy, warmer and more humid. High 76. Showers tomorrow night and Thursday morning.

## 1972 amendments affect PHEAA loans

Editor's note: following is the second of a series examining the Pennsylvania Higher Education Assistance Agency.

By PATH HUNKELE  
Collegian Staff Writer

The Pennsylvania Higher Education Assistance Agency loan program has undergone drastic changes as a result of the federal Higher Education Amendments of 1972.

Previously, if a student's parental income was less than \$15,000, the federal government paid the seven per cent interest on the loan while the student was in school.

But after March 1, the federal government will pay only the amount of interest on a student's loan recommended by the school.

Students applying for federal interest benefits on their PHEAA loans must submit a Parent's Confidential Statement or Student's Financial Statement to the College Scholarship Service.

On the basis of this data the college determines the student's need,

recommends a loan amount to the student's bank, and recommends to the federal government how much interest it should pay.

Student financial need is based on the estimated cost of education including tuition, room and board, books and personal expenses, minus the expected family contribution and other sources of student aid.

Students may apply for a PHEAA loan without federal interest benefits. If a student chooses this, he is not required to submit a PCS but is responsible for paying interest on the loan while attending school.

Although this new requirement means students taking advantage of the federal interest payments may receive smaller loans, Ronald Taylor of PHEAA said, "Ultimately this is a fairer method because it eliminates the arbitrary cut-off point of \$15,000."

During the 1971-1972 school year between 600 and 700 commercial banks, mutual savings banks, federal and state savings and loan associations and credit unions loaned 88,125 Pennsylvanians about \$106,453,000 through the PHEAA

loan program. Of these borrowers between 8,000 and 9,000 were Penn State students.

PHEAA's role in the loan program is to guarantee these loans against default.

PHEAA guarantees repayment of loans of up to \$1,500 for full-time undergraduates for each academic level and permits a total loan indebtedness for undergraduates of up to \$7,500. Undergraduates enrolled on a part-time basis may borrow up to \$750 per academic grade level.

The maximum loan per academic level for full-time graduate students is \$2,500 and \$1,250 for part-time graduate students. According to PHEAA rules, the total debt permitted for all undergraduate and graduate study is \$10,000.

Eligibility for loans is restricted to the difference between total educational costs for the school year and student's financial aid resources reported on the loan application.

Usually a student is eligible to receive only one PHEAA loan each academic year, but he may obtain a second loan if an emergency financial need arises.

However, combined total of these two loans cannot exceed the maximum amount.

Repayment must begin nine months after the student ceases to be enrolled in an approved school or college. An exception to this is a deferment of up to three years while in the Armed Forces, Peace Corps or VISTA. During such deferments the federal government continues interest payments on the loan.

Since the loan program was initiated in 1966, PHEAA has guaranteed loans totaling \$477 million. Of this total 2.6 per cent has not been repaid, compared with the national average of 4.3 per cent for student loans.

"Most of the kids who default on payment of the PHEAA loans after they leave school do so because of a misunderstanding in the procedures for repayment," Taylor said.

PHEAA is asking the state legislature for \$2 million as a reserve to protect the loan program against default of payment. The governor's budget for PHEAA includes \$1.6 million for this purpose.