

U.S. Army Spies Watched Big Nixon Backer a Year

Loan to Street Gang Is Said Reason

By JARED STOUT

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WASHINGTON—A \$250,000

contributor to President Nixon's campaign, Chicago insurance executive W. Clement Stone, was watched by Army intelligence agents for at least a year, because he once loaned money to a street gang to open a store and restaurant.

At the same time, the army undercover men also kept close watch and detailed files on the activities of two Chicago newsmen, two Negro aldermen, and the wife of a millionaire Chicago lawyer who was a prominent backer of Sen. Eugene J. McCarthy.

All of the individuals—Stone, Henry DeZutter of the Chicago Daily News, Morton Kondracke and the Chicago Sun-Times, Aldermen William Cousins Jr., and A. A. Rayner Jr., and Lucy Montgomery, the lawyer's wife—were tucked away in a massive "subversives file" maintained by the Army.

These new disclosures were made Wednesday by former Army spy John M. O'Brien in an interview. Earlier, O'Brien revealed military spying on several top-ranked Illinois political figures.

OTHERS NAMED

O'Brien said Sen. Adlai S. Stevenson III (D-Ill.), Rep. Abner Mikva (D-Ill.), and U.S. Circuit Court Judge Otto Kerner were targets of his former unit, the region one office of the 113th Military Intelligence Group in Chicago.

O'Brien was assigned as an undercover agent for the 113th MIG from June, 1969, until his honorable discharge as a staff sergeant on June 8, 1970. His personal account of political spying during his service with the 113th MIG provoked outrage in Congress Wednesday and demands for a full public disclosure of Army activities.

Irate lawmakers wanted to know why political figures and other prominent Chicagoans were watched, and became part of what O'Brien called "a sub-

versives file" for 800 Illinois individuals and organizations.

Chairman George H. Mahon of the House Appropriations Committee promised an investigation of the reported spying, saying "we will do all we can to prevent its recurrence." Mahon, who also heads the defense appropriations subcommittee that controls military intelligence funds said the acts were "an outrage."

Mikva said of O'Brien's account, "the implications of this for the country are horrifying. The whole concept of civilian control of the military is in jeopardy, and if this thing is not stopped, all the people will have left to do is salute."

Stevenson told a news conference that "as long as this remains a free country the people will judge their elected officials—not the Army.

FREE SOCIETY

"There is no place in a free

society for snooping by the military in the peaceful political affairs of citizens," Stevenson said.

On the Senate floor, Sen. Sam J. Ervin (D-N.C.) said O'Brien would be called to testify before his subcommittee on constitutional rights, which will hold February hearings on military spying and the secret creation of a domestic intelligence network.

At the White House, presidential news secretary Ronald L. Ziegler said it was "inconceivable" to President Nixon that such activities were going on. He told reporters Defense Sec-

retary Melvin Laird was looking into the situation.

Ziegler said "we certainly don't condone that activity" and that Laird would put a stop to it, if he found the surveillance effort was still going on.

While conferees pressed for an inquiry, O'Brien revealed these other aspects of the 113th MIG's operations:

Clement Stone, 63, was selected for surveillance because of his \$60,000 loan to the Vice Lords, a Chicago street gang.

The money was intended to help the gang open a restaurant and store on Chicago's west side. But it was enough of a link to a

group considered "possibly subversive" by the Army to warrant a file on Stone, O'Brien said.

SAID CONSERVATIVE

Stone is president of the Combined Insurance Company of America. By his own claim, he gave more than \$1 million to Republican candidates in 1968, plus \$250,000 to the Nixon-Agnew ticket. Those who know him in Chicago consider him a conservative prone to charitable works.

Stone's book on the power of the gang open a restaurant and store on Chicago's west side. said to have been a source of inspiration to Nixon. He is

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known as the "Mr. Big" in the Illinois GOP's money circles.

Lucy Montgomery is the wife of millionaire lawyer Kenneth F. Montgomery who came to public attention in the Chicago area as a contributor and backer of Senator McCarthy's presidential campaign. She has long been a backer of liberal causes. O'Brien said Mrs. Montgomery's file included "intimate details of her personal life."

Aldermen cousins and Rayner have been outspoken black members of the Board of Aldermen controlled by Mayor Richard J. Daley. They have voted frequently against the Daley machine position.

Army interest was sparked by Rayner's ties to Chicago street

gangs, particularly the Blackstone Nation. He has worked to

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move the gangs into legitimate enterprises.