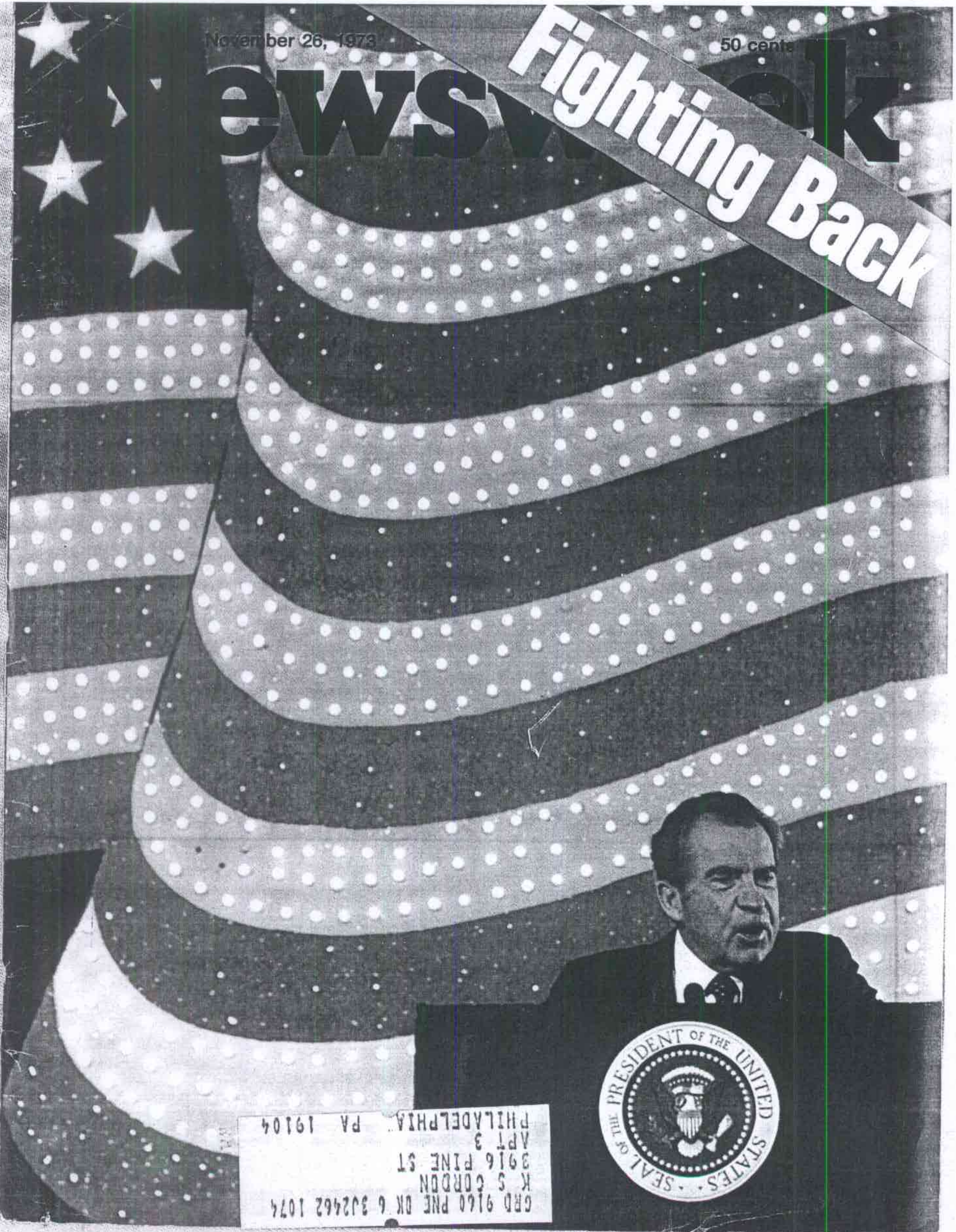

November 26, 1973
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SEAL OF THE PRESIDENT OF THE UNITED STATES

Wally McNamee—Newsweek

Cheers at the Realtors' convention: A furious scramble to save the Presidency

Mr. Nixon

It was the last and most desperate campaign of Richard Nixon's long life in American politics—a furious scramble to save the Presidency it had taken him a quarter-century to achieve. He called the elders of his own party to the White House and begged them over five hard and sometimes humiliating days to keep their flickering faith just a little longer. He courted those congenial spirits in the opposition whose votes he may need if he is to hang on. He laid on a speaking tour seldom matched for energy or exposure in all his five reclusive years in office—a swing whose single main promise was that he will not resign. He submitted himself to public inquisition, starting on Saturday-night prime-time TV. He pledged at every stop that *this* Operation Candor would really get out the whole truth about the Watergate scandals.

Mr. Nixon was, in a word, playing the politics of survival; his problem was persuading even his friends that the whole dazzling blur of activity was not too much too late. He and his agents loosed a blizzard of promises—that he would disclose the critical evidence he has hitherto suppressed, that he would answer the charges against him in a series of White Papers, that he would give special prosecutor Leon Jaworski any tapes or documents he needs, that he might even sit for informal interrogation by members of the Senate Watergate committee. He insisted that the truth of his innocence would out—"What I've said . . . will stand up"—and vowed that he would never quit unless he were convicted of a crime. He prayed only a few weeks' patience, for his sake and the nation's. "If you cut the legs off the President," he told one deputation of House Republicans, "America is going to lose."

'Pure Hell'

The campaign may in fact have purchased the President some breathing time. "It's the first time he's done anything right," sighed one White House political adviser, and even the wariest of his mutinous party colleagues were disposed to agree. The shifts of Republicans who trooped down from the Hill to the White House for private audiences with Mr. Nixon went away braced by his show of good intentions—and reassured that he is not breaking under seven months of what he himself conceded has been "pure hell." And his public appearances, judiciously selected, wakened echoes of those lost days only a year ago when he constructed a near-record re-election landslide. His people got him a rush booking at the National Association of Realtors' convention in Washington, where he stood windmilling his arms and beaming before a giant, electrified American flag. He was elected to do the job, he said, ". . . [and] I am not

Comes Out Fighting

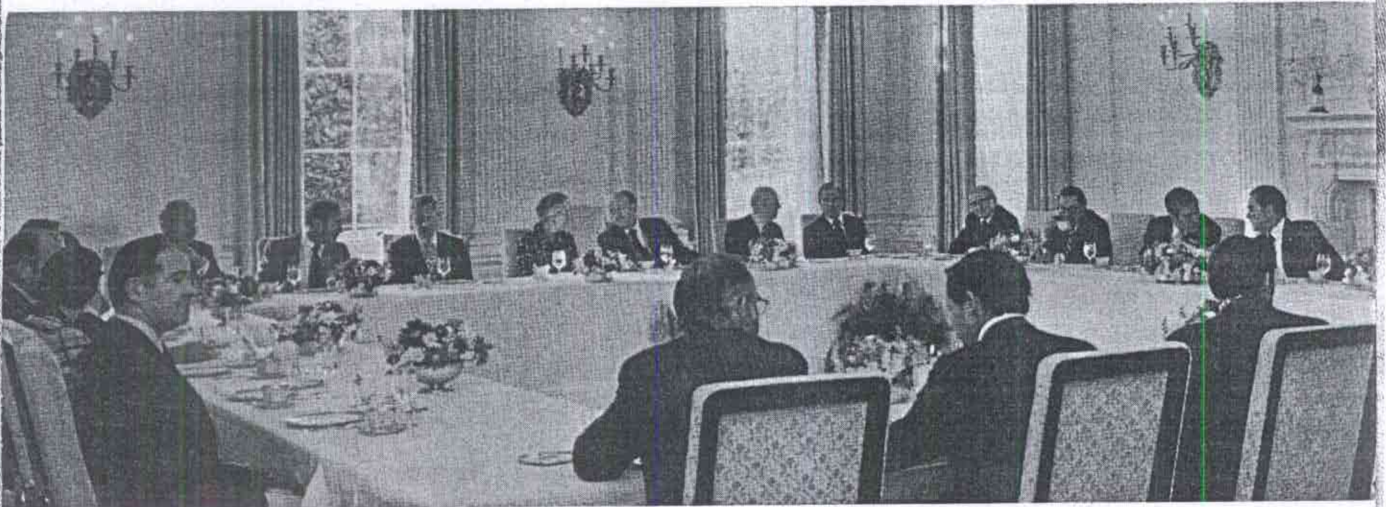
going to walk away until I get that job done." The Realtors came up whooping, whistling and cheering.

His on-camera interrogation at the weekend was the most extraordinary performance of all—a frazzled, fist-waving, insuperably talky hour before the Associated Press Managing Editors convention at Florida's Disney World (page 26). Mr. Nixon won points with his audience simply by showing up and addressing a whole range of issues from Watergate itself (he pleaded innocent) to his personal income taxes (he confessed having paid only nominal amounts in 1970-71). But he damaged the effect with his garrulity—the President himself held the show on the air two minutes overtime—and with some painfully revealing flashes of black humor. He had, on Capitol Hill—an effort, as House Majority Leader Thomas P. (Tip) O'Neill put it, to "curry favor" with the congressmen who constitute his grand jury and the senators who may sit as his judges. Even sympathizers credited him with nothing more than a promising beginning—the proverbial first step, said one GOP senator, on a journey of a thousand miles. Cynics begrudged Mr. Nixon even that; one congressman stalked away from a White House breakfast calling the menu "bacon, eggs and bulls---."

Bottoming Out?

Nor could all Mr. Nixon's headline-grabbing staunch the daily spill of bad news engulfing his Presidency. His downward skid in the Gallup poll seemed to have bottomed out at last—at a woe-looking grim and coming out sounding gratified—was some help. But the private reality of Mr. Nixon's effort at rapprochement with his own estranged party was tense, even bitter; his two meetings with some of the Hill's friendlier conservative Democrats were picnics by comparison.

One Republican senator proposed straight out that the President resign. Another suggested submitting voluntarily to an impeachment trial to clear the air. A third told him to his face that nobody believes him any more and that he has lost the authority to lead America. One after another insisted that only the most dramatic measures could now retrieve his shattered credibility and so save his Presidency—spending several days under oath before the Ervin committee, say, or submitting to interrogation by Congress as a body in joint session, or perhaps even making a public apology to the nation for the sorrow he had brought it. And one after another begged that he spare them any more surprises. "One more bomb-



Breakfast with the GOP Coordinating Committee: Was it fresh candor, or 'bacon, eggs and bull'?

he said, left his usual back-up plane home in Washington, and if Air Force One went down, so be it—"Then they won't have to impeach." He had come to display his grip on his job and his continuing competence to govern; he wound up telling a gallery of 400 of the nation's ranking journalists, "People have got to know whether or not their President is a crook. Well, I'm not a crook."

But as even Nixon loyalists conceded, neither public theatrics nor private promises were enough to dispel the crisis of confidence that threatens the ruin of his Presidency. The promises, for one thing, were simply that; they seemed to go gossamer—and occasionally contradictory—whenever Mr. Nixon was pressed for details as to what evidence he will make public, when, and in what forum. And the theatrics could be read as a pre-emptive strike against the impeachment proceedings just now stirring to life fully low favorable rating of 27 per cent. U.S. Judge John J. Sirica said the President doesn't need his permission to make the secret Watergate tapes public—a holding that undercut one of the last legalistic White House arguments for keeping them secret. Another Federal judge ruled that special prosecutor Archibald Cox's dismissal on Presidential orders was illegal. The Ervin committee collected confessions from a whole train of corporate executives who had ponied up illegal campaign contributions under pressure from Mr. Nixon's fund raisers. A suit in Federal court unearthed evidence of yet another dairy-industry generosity to the Nixonians—a $100,000 secret "political contribution" given in cash to the President's lawyer, Herbert W. Kalmbach, in 1969 (page 36).

The public imagery of Operation Candor—the shuttle runs of senators and congressmen going into the White House shell," said a Senate Republican coming away from one of the week's audiences, "and it's Zilchville for the President."

Mr. Nixon had no choice but to sit there and take it, and to promise one senator sotto voce as their meeting broke up, "You'll see some real action over the next couple of weeks." He remained vague as to what that action might be; still, his calm in the storm was itself some comfort to his visitors as against the buzz of rumors that the physical and emotional strain of the crisis was beginning to show. The President, one aide confessed, was indeed "very tight" going into the round of meetings, and a guest at one of the first sessions thought he came near tears. But his tension eased visibly through the week; he quit filibustering the gatherings, made a few small and occasionally earthy jokes, and seemed positively euphoric by the time he broke surface for his speech to the Realtors—

his first public outing since August. Some found him rather surprisingly confident, given the long and sorry history of Watergate, that the worst of his troubles were behind him. One congressman asked point-blank if the nation had at last exhausted the unending store of scandal. "In terms of the Presidency," Mr. Nixon answered, "I think so."

The official line among his strategists was that that was precisely why Mr. Nixon had waited so long and let so much damage accumulate before mounting his counteroffensive. "For a long time," said one senior counselor, "we were getting hit with a new charge practically every day, and there was no point in slapping at gnats. The President wanted to deal with the problem as a whole." But the guesses ventured by other aides smacked more of *realpolitik*—and mismanaged realpolitik at that. Mr. Nixon, said one, was late—perhaps the last man in the White House—to comprehend how badly wounded he was after Cox's dismissal, the purge of Attorney General Elliot Richardson and Deputy A.G. William Ruckelshaus, and the subsequent announcement that two of his disputed Watergate tapes had never existed. Only the stirrings of mutiny within his own party, according to this version, brought the chill reality home to him. "Let's face it," said the aide. "We had to go public. Our backs were to the wall."

The process was a painful one almost from the moment the first delegation of senators was shown into what the Nixons call the California Room—the old top-floor solarium redone during their tenancy in wicker furniture and sunshine-yellow. As NEWSWEEK's chief Congressional correspondent Samuel Shaffer reconstructed the event, the President kept his callers waiting for fifteen min-

THE PRESIDENT: 'I'M NOT A CROOK'

In one of the most extraordinary weeks of Richard Nixon's Presidency, it was by far the strangest moment—one that in any other time would have been almost inconceivable. Standing before 400 newspaper editors and fielding a barrage of questions about his conduct in office, his scandal-racked Administration and his personal integrity, the President summed up his defense in two flat lines: "People have the right to know whether or not their President is a crook. Well, I'm not a crook."

Mr. Nixon had deliberately chosen as his forum the annual meeting of the Associated Press Managing Editors Association—a generally desk-bound group calculated to be less belligerent than the White House press corps, and less familiar with the intricacies of Watergate. But the questions, while respectful, were searching enough—and in his intense, jumbled answers, the President covered the range of Nixon-era scandal from the Watergate cover-up and the tapping of his brother's phone to the dairy fund and his own income taxes. He dropped tidbits of news, elaborating on how Lyndon Johnson himself had first advised him how to get a tax deduction for his Vice Presidential papers and summarizing the unrecorded post-Watergate phone call to John Mitchell.

Wisecracks: But nothing he said was as significant as the way he said it. He won points for the vigor of his defense and his willingness to address the issues; at one point, he almost begged for questions on points that hadn't been raised, and he extended the session for two full minutes into the next network television hour for a volunteered explanation of why he had raised milk-price supports. But his vigor occasionally shaded toward self-parody. His arms flailing and his shoulders jerking, Mr. Nixon spun out some answers into ten-minute monologues of twisted syntax, looping thought and defensive wisecracks. He misspoke himself at least twice (John Ehrlichman and H.R. Haldeman, he said, were "guilty until I have evidence that they are not guilty"), and his humor was of the gallows variety. To save fuel, he said, he hadn't brought a backup plane —so "If this one goes down, it goes down. Then they won't have to impeach."

UPI

Meet the press: The President in Orlando

Mr. Nixon made it clear that he had come to challenge his critics. Haldeman and Ehrlichman, he insisted, were still "dedicated, fine public servants." He got in several healthy digs at his opponents in the press—particularly The Washington Post, which had just won the association's Freedom of Information award for its Watergate coverage. It was the Post, Mr. Nixon recalled, that had questioned his wealth after his service as Vice President, and at the time he had only $47,000 and "a 1958 Oldsmobile that needed an overhaul." He insisted that the much-contested White House tapes would prove his complete innocence and vowed that he had no intention of quitting "as long as I am physically able to handle the position to which I was elected."

The substance of the President's message was thus more defense than excuse, but he did offer a few explanations of Watergate riddles. Repeating his denials that the two missing tapes had ever existed, he blamed mainly his own Sony system. "This is no Apollo system," he said; in fact, it cost only $2,500, and was inferior to Lyndon Johnson's. He hadn't questioned John Mitchell about Watergate, he insisted, "because I had every reason to believe" that Mitchell would volunteer any information he had. During the unrecorded phone call he said, Mitchell had only "expressed his chagrin to me that the organization over which he had control could have gotten out of hand in this way." And while Mr. Nixon conceded for the first time that he had paid only "nominal" income taxes in 1970 and 1971, he defended his controversial deductions and assailed as fictional the widely repeated rumors of a secret $1 million trust fund being held for him by his friend, Bebe Rebozo.

As always, however, the President's performance left questions unanswered. If he explained why the tapes were missing, he ignored the question of why he had delayed in disclosing that they were; while he defended the deduction for his Vice Presidential papers, he ignored the issue of whether the gift was legally made. And in the end, his appeal came down to a promise of still more tapes and documents, and the blunt recognition that their reception would be a matter of faith. "I realize that some will wonder about the truth of these particular statements," he said. "You can believe them if you want. I can tell you it is the truth." The defense rested.

Party time: After tense interrogations, a 'Happy Birthday' sing-along

utes; they were picking at hors d'oeuvres and sipping their first drinks when he came in, shook hands all around and took a chair looking out over one of the Capital's most smashing views—a panorama spreading down past the Washington Monument and across the Potomac into Virginia. The air was tense and got tenser while Mr. Nixon droned through a long opening monologue about the Middle East, the energy crisis and Henry Kissinger's trip to China. Kentucky's Sen. Marlow Cook, sitting next to the President, found himself absently playing with an open pocketknife; he flicked his eyes nervously around looking for Secret Service men, then sheepishly snapped it shut and pocketed it.

'Let It All Hang Out'

Suddenly, a voice came out of the circle, low but audible—"Mr. President, we didn't come to hear about these things." Mr. Nixon stopped short, yielded the floor—and loosed the pent-up furies. First came Tennessee's Howard Baker, flushed and edgy, urging him to come before the Watergate committee on camera and answer questions no matter how many days it took. "We're in a hell of a lot of trouble," Baker said bluntly. "You're in trouble and we're in trouble. We've got to find some means of letting it all hang out." The President said he was still sorting options; Baker answered tartly that the conventional ones—another speech or press conference—simply wouldn't be enough. Cook agreed—Mr. Nixon, he said, "should have called Sam Ervin after John Dean testified and said, 'Sam, I'll be there at 10 in the morning'."

There was a hush as Mr. Nixon's eyes roamed the circle to Massachusetts's Edward Brooke, the single Republican senator thus far to have called on him to resign. "Ed, I can't always do what you want," the President said gently, trying to lighten the moment. Brooke didn't smile; he repeated softly to Mr. Nixon's face what he had said on national television—that he ought to quit rather than put the nation through the trauma of impeachment or try to struggle crippled through the next three years.

"I know what you said, Ed," Mr. Nixon answered, his smile strained and his voice slipping to that throaty low it takes on when he is tense. "I bear no malice against you. I understand your reasoning. [But] that would be the easy way out—I won't resign."

Brooke fell back to other, less drastic scenarios—facing a joint session, perhaps, and answering questions from the floor. "You have worked miracles—your initiatives in China, the détente with the Soviet Union," he said. "Maybe you can work one here." He paused, then added quickly: "That's what it will take."

The President said he had considered addressing a joint session—among other options—but had tilted against it. "You can't restore public confidence in a meeting with fifteen senators," Brooke retorted. ". . . I think these investigations will continue, Mr. President. They'll never stop. And there will be years of trials."

"I know that," Mr. Nixon interjected unhappily.

'The Last Shoebox'

The others in the room were hardly more comforting. New Hampshire's Norris Cotton came out for voluntary impeachment proceedings just to settle matters once and for all; Mr. Nixon said no thanks. Cook said the President should quit listening to his lawyers and make his tapes public. James Buckley, the Conservative-Republican from New York, proposed that he "open up everything in the White House down to the last shoebox." Tennessee's William Brock guessed aloud that Mr. Nixon might have run out of options—"There is no single action you can take that the American people would accept"—but suggested one anyway: letting Ervin, Baker and Mississippi's John Stennis sift every shred of pertinent evidence and feed the results to the Ervin committee for publication. Kansas's Bob Dole, running hard for a second term, complained that the scandals were getting to be an issue in the boondocks back home. Mr. Nixon tried to reassure him—"Everybody knows you had no connection with Watergate." Said Dole: "That's what I keep trying to tell the people of Kansas."

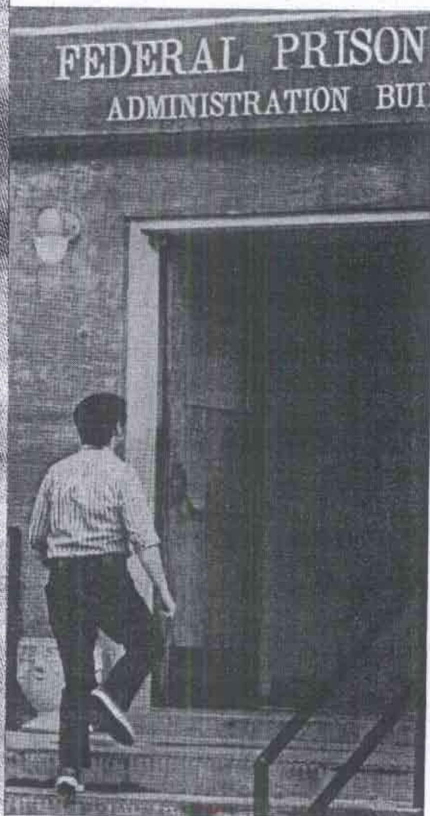
Mr. Nixon did get in some case-by-case answers to charges against him, though he produced no new evidence in his own defense, and he pledged to get out the truth about a whole range of issues ranging from the break-in at Daniel Ells-

At home with Richardson: From the President, a jab at Mr. Clean

berg's psychiatrist's office to the fine print in his daughter Tricia's tax returns. He set particular store by the tape of his celebrated March 21 conversation with John Dean, which, he insisted, will show he was totally unaware of the Watergate cover-up till then. Somebody asked if it was true that the tape repeatedly caught the President exclaiming "Oh my God!" at Dean's disclosures of the extent of the cover-up; Mr. Nixon said it was true indeed, and he certainly hoped people wouldn't think he was taking the Lord's name in vain.

'I'm Frustrated'

The colloquy clattered dolefully on, the President taking considerably more than he dished out, and at the end it came back to Baker for a last emotional word. "Mr. President," the senator blurted,



AP

"I'm frustrated. I'm going out of this meeting without knowing where we're going. I want to urge you to remember that this comes from friends of yours, and ... I hope those friends will share in your decision."

"That's what this meeting is all about," said Mr. Nixon, "and when I make the decision, I'll meet with the leadership."

"Mr. President," protested Baker, "I meant [reaching your decision] *as* you meet with them, not *before* you meet with them."

"That's what I said," replied Mr. Nixon, taken aback.

The session had been full of veiled bitternesses—the siege brought to the President's door by the men of his own party—but Mr. Nixon seemed oddly buoyed at having done it at all. He came scurrying back to the family quarters, found Pat and exclaimed, "Zip-zip, let's go!"—to a 75th birthday party across town for Utah's Sen. Wallace Bennett. Pat protested ("I'm not all dolled up"), but off they dashed to the do at the Congressional Club, where the President hammered out "Happy Birthday" on the piano and tried to get the audience singing along. Said Pat afterward: "We had more *fun!*"

Mr. Nixon had less in the days that followed; his continuing treaty talks, particularly with the GOP senators, were raggedy-nerved and fractious. His three breakfast meetings with the House Republicans were tame by comparison: the guests were too numerous to get in many questions, and too loyal in the Presidential presence to do anything but applaud when he said he wasn't going to resign.

In and out: Segretti (left) beginning his term, Krogh jogging with sons

But some of the senators verged on *lèse majesté*. Oregon's Mark Hatfield told Mr. Nixon flatly one evening that the nation had lost trust in his Administration and that only an act of contrition would help—"some statement of regret and sorrow that the country is in the condition it is in today." Mr. Nixon showed no visible interest.

Hatfield's home-state colleague, Robert Packwood, was even bristlier the next night. The soiree he chanced to draw—the invitations went out in alphabetical order—was a relatively tame affair; a couple of his colleagues in fact seemed eager to bring Mr. Nixon bits of modestly happy news about his standing back home. But Packwood had long since declared his independence on Watergate, and he spent two hours before the session rehearsing what he wanted to tell the President. When he got his chance, he was brutally frank from the first words. "Mr. President," he said, "we all have our weaknesses—drinking, wenching or gambling. You have no such problems. Your problem is credibility."

The trouble, said Packwood, was that Mr. Nixon and his people, who ought to be above suspicion, were content instead merely to be above a verdict of guilty beyond a reasonable doubt—and that "is not a standard for governing a country." He argued that the President had broken faith with Congress and the people and so had forfeited "the capacity to lead the country—you lost it." Mr. Nixon might recover, Packwood said, but only by full disclosure of the evidence and by submitting to close interrogation on TV. The President listened in silence; at the end, he said, "Thank you, Bob."

What was plain through the whole counteroffensive was that Mr. Nixon had no settled strategy at all beyond hanging tough and staying in motion. He spoke of getting out detailed statements on specific points of accusation—the ITT and dairy-industry contributions to his campaign, for example—but the answers he sketched sounded very much like the protestations of offended innocence that he and his people had been offering all along. He pledged at some meetings to get out all the evidence, but said at one that his surrender of the Watergate tapes thus far under subpoena was a "one-shot" —a suggestion that he might resist yielding any more.

'He's Our S.O.B.'

His suggestions spun dizzyingly from day to day as to what format he might choose for his definitive public defense. He seemed one day to have settled on confronting a panel of three network newsmen—his audience remembered him mentioning Walter Cronkite and Dan Rather of CBS-TV as possibilities—but 24 hours later that scheme had been reduced to only one of a whole battery of options, including some sort of informal encounter with the Ervin committee. The only alternative that seemed definitely ruled out was to submit to a parliamentary-style question time before a joint session. "The Democrats," Mr. Nixon joked, "would say the son of a bitch is lying, and the Republicans would say he's lying but he's our son of a bitch."

At times Mr. Nixon seemed, out of ancient habit, to be blaming others for his troubles—"zealots" and "jackasses" on his own campaign staff for having stuck him with their mistakes; Cox for having turned his charter into an unconscionable "fishing expedition" and so forcing his own dismissal; Cox and Richardson for having first privately accepted and

then publicly renounced the President's proposed compromise settlement of the court fight over the tapes. This last was roundly denied by both men, who had considerable documentary evidence backing them up, and it rather embarrassed some of the visitors whom Mr. Nixon tried it out on. The President at first accused Richardson flatly of having lied to the Senate Judiciary Committee about his role in the tapes case; later he backtracked to a more polite euphemism ("Let's say he had a faulty recall") but still wondered aloud: "Well, who's going to get him for perjury?" No one in the room was sure whether he was being serious or sarcastic, but he succeeded in reopening a wound the senators would far rather have left alone.

The President's private finances came in for considerable questioning, largely on his alleged bargain-basement income taxes for 1970 ($792) and 1971 ($878). He did not dispute the figures, but attributed his good fortune partly to a tax tip he said he had got from none other than Lyndon Johnson—taking sizable write-offs for donating his Vice Presidential papers to posterity. He said he had built his net worth from $46,000 in 1960 to $800,000 in 1968, largely by practicing corporate law in New York at up to $250,000 a year.

Money

But now, he said, everything he has is socked in his getaway real estate in Key Biscayne and San Clemente; there wasn't "another dime anywhere," let alone the $1 million portfolio rumored to have been put together by Bebe Rebozo, among others, for his retirement. "If I wanted to make money," said Mr. Nixon, "I would not be in this business. If I wanted to cheat, I wouldn't do it here."

What he did make plain time and again was that the White House is precisely where he proposes to stay; he made it almost a point of patriotism that he continue in office. To one deputation of senators, he said he wouldn't quit "without a criminal conviction ... Foreign affairs are too critical for such an action, and it would be a bad precedent for a President to resign just because the polls were bad." And at one of his Congressional breakfasts, he gestured toward his Vice President-designate, Gerald Ford, and said: "I know Jerry can do the job, but consider what it would do to the country and to the Presidency ... It's me this year, but it will be someone else in the future. It would destroy the Presidency."

Mr. Nixon promised all week to carry his new tell-all policy into the courts as well, but that effort got off to a wobbly beginning before Judge Sirica. The President's lawyers had, for one thing, to admit that yet another recording they had promised the judge doesn't exist—this one an April 15 Dictabelt of Mr. Nixon's impressions of a conversation he had just had with John Dean. Since the tape of that conversation itself was already among the missing, the Dictabelt took on some added importance as evidence. But the President, whose people had been alluding to it since June and had promised it to Sirica only three weeks ago, said he had checked the personal diary file where he keeps his Dictabelts and found no recording—only some handwritten notes. He did offer to send Sirica two Dean tapes from the 16th, which he said "cover much of the same subject matter"; he was said as well to have composed a long affidavit for the judge explaining his version of why two of his key Watergate conversations didn't get taped.

Ranan Lurie

Would the new image take?

'Out of the Bull's-Eye'

But Sirica wasn't buying. The judge, NEWSWEEK's Diane Camper learned, had begun to suspect that the White House wanted to use him to reinforce the President's credibility by "volunteering" evidence of Mr. Nixon's own choosing and asking Sirica to make it public. If he did so, Sirica believed, he would seem to be certifying its validity; if he refused to release the documents, he would give Mr. Nixon an added argument for suppressing material—the claim that Sirica wouldn't let him go public with it.

The judge accordingly moved, as one source put it, to "get out of the bull's-eye." The President's affidavit, though Sirica did not publicly refuse it, somehow evaporated before it hit court and came out instead in abridged form as a plain Presidential statement, not as a court document. And the judge, in a three-page memorandum, flatly refused to accept the April 16 tapes or any other White House documents not covered by the original subpoena. "If the President thinks it advisable to waive any privilege and make tapes or other material public," he wrote pointedly, "he, of course, is free to do so at any time."

Catch-22

The tapes thus continued to shadow Mr. Nixon's recovery effort. The seven under subpoena in the Watergate case will first go to electronic experts to check for tampering; Sirica will get copies next week, then hear arguments as to whether anything on them is privileged, and finally begin the long business of editing them for the grand jury. The slowness of the process, and the secrecy of grand-jury proceedings, had been rather a blessing for Mr. Nixon; aides were still arguing as late as last week that he wanted to get the substance of the tapes out but couldn't because his hands were tied.

Sirica's response was an open invitation to the President to release anything he wants, any time—an invitation that could be read to extend not just to the Watergate tapes but to a whole range of Presidential conversations about ITT, for example, or dairy money, or the commutation of Jimmy Hoffa's prison sentence (page 35). And catch-22 for Mr. Nixon was that many and perhaps a majority of Americans will believe the tapes only if they incriminate him; a Gallup poll published last week returned a stunning two-to-one verdict that they have been doctored already to prove the President innocent.

And still the President's troubles kept pyramiding. The House Judiciary Committee took a step deeper into the impeachment process, requesting and receiving a $1 million budget to get the inquiry going. Egil (Bud) Krogh, the sometime White House plumber-in-chief now under indictment for perjury in the Ellsberg burglary case, intimated through his lawyers that Mr. Nixon himself had ordered him to lie under oath if necessary in the name of national security. Gerald Ford began confirmation hearings in the House; the opening rounds went happily enough except for one uncomfortable moment when a California congressman told Ford aloud what much of Washington now believes—"I'm thinking you're going to be President within a year." And in California, dirty-trickster

Wally McNamee—Newsweek

Jaworski, Ruth: A nod from Archie Cox's No. 1 man

Donald Segretti, pale and nervous, checked into a minimum-security prison camp to start a six-month sentence for political sabotage—the first man locked up in the scandals beyond the original Watergate burglary ring.

The intimations are powerful that he will not be the last. Jaworski has settled into Cox's old office with a great show of energy and independence; he has apparently succeeded in the critical first task of winning round the initially wary prosecution staff—Cox's deputy, Henry Ruth, gave the new boss a solid endorsement before a Senate committee last week—and has kept its inquiries on track. Under his current working schedule, NEWSWEEK learned, a rush of indictments reaching deep into the Administration will begin before New Year's in the cases of the Ellsberg break-in, and various illegal campaign contributions. After Jan. 1, more will follow, first in Watergate and then in the ITT investigation—indictments that could touch Mr. Nixon's old inner circle and conceivably the President himself.

The way ahead thus remained full of peril for Mr. Nixon—a mine field in which any new explosion might well be the last. The view that he can cross it safely and last out his three more years is no longer widely held in Washington. Nor can the President save himself by the politics of motion alone; even the most enthusiastic visitors to his Scotch-and-sympathy sessions in the California Room last week remained persuaded that he can recover only by spectacularly and conclusively proving his innocence of the scandals all around him. But his week's scrambling—the two- and three-a-day caucuses in the White House and a swing south at the weekend for a series of public appearances—was not entirely wasted motion either; it was Richard Nixon's token to the world that he is alive and kicking, and that he means to make a fight for his survival.

The Money Game

If money talks, the Senate Watergate committee got an earful last week. A parade of corporate chieftains trooped before the panel and, with varying degrees of contrition, told a tale of illegal campaign contributions running into hundreds of thousands of dollars, of wholesale money-laundering through foreign subsidiaries and Swiss banks—and of the fund-raising techniques of Mr. Nixon's finance chairman Maurice Stans. As one witness put it, the process bordered on "extortion."

Stans's goal, the executives testified, was $100,000 per firm—and he urged them to get it in before the April 7, 1972, deadline on secret campaign contributions. Stans never said that the money should come directly from the corporations—which would be patently illegal—but witness after witness indicated that he implied it. They insisted that their firms had received no special favors—and no promise of favors—in return for their contributions. But they described Stans's approach as so menacingly soft-sell that they were left more fearful of what might happen if they didn't give than they were of the possibility of being caught. As Gulf Oil Corp. vice president Claude C. Wild explained it, other companies would be giving; if his firm didn't, it might end up on "a black list or bottom of the totem pole."

Gulf, Ashland Oil, Inc., and American Ship Building Co. each came up with the full $100,000, officers of those firms testified—and Ashland bought a $10,000 ad in the Republican National Convention magazine as well. American Airlines' retired chairman, George A. Spater, admitted that his firm donated $75,000, while executives from Braniff Airways and Goodyear Tire and Rubber Co. said that their firms each kicked in an illegal $40,000. And the way they concealed their companies' gifts was a lesson in corporate wheeling and dealing.

Bogus: Ashland drew its donation from a subsidiary in Gabon; American Airlines hid its contribution in phony invoices routed through Lebanon. Both firms laundered their money through Swiss banks before passing it on, in cash, to the President's re-election committee. But American Ship Building cooked up the most elaborate scheme. Its secretary, Robert E. Bartlome, and purchasing director Matthew E. Clark told the committee that the firm's chairman, George M. Steinbrenner III, handed out "bogus bonuses" to eight trusted corporate officials—themselves included—along with a list of GOP committees to give the money to.

When Federal investigators began uncovering the secret donations, most of the firms confessed their wrongdoing and cooperated with the inquiry. Goodyear's chairman, Russell DeYoung, admitted that his company at first provided the re-election committee with a false list of donors. But Goodyear too finally confessed. Only American Ship Building tried to continue the cover-up. Clark and Bartlome declared that at Steinbrenner's urging they falsely swore to the FBI that the donations were their own. But as pressure built, both men had second thoughts. As Clark told it, "All I could see was me standing behind bars and [the corporate lawyer] telling me not to worry about it." When the grand jury subpoenaed them, the two men decided to tell the truth. And when Steinbrenner

DeYoung (above), Spater, Wild:

heard of their decision, said Bartlome, he "laid his head on his desk," moaned that he and the company were ruined and "mentioned something about jumping off a bridge." (Steinbrenner has reportedly informed the committee that he will plead the Fifth Amendment rather than testify.)

The committee will resume its hearing with at least two more weeks of testimony after the Thanksgiving recess. Among the items on the agenda: the milk-fund scandal and the $100,000 donation billionaire Howard Hughes sent to Charles G. (Bebe) Rebozo. But the hearings had already produced a chilling demonstration of the fund raisers' power. George Spater said the situation reminded him of "those medieval maps that show the known world and then, around it, terra incognita with fierce animals." The operative force, he said, was "the fear of the unknown."

AP

Hoffa: A delicately timed donation

Milking It

As his aides see it, President Nixon stands a good chance of winning his battle to stay in office—but only if he can avoid any new outbreak of scandal that would blunt Operation Candor and rekindle the public outcry for his impeachment. Though rumors buzz persistently in Washington, no new blockbuster has yet detonated. But fresh disclosures in old scandals continue to proliferate, and two more surfaced last week. The milk industry was disclosed to have given Mr. Nixon another $100,000 cash donation as early as 1969, and ex-Teamster boss James R. Hoffa told NEWSWEEK that he understood that his union had funneled "$60,000 to $70,000" in campaign donations to the President soon after Hoffa was released from jail.

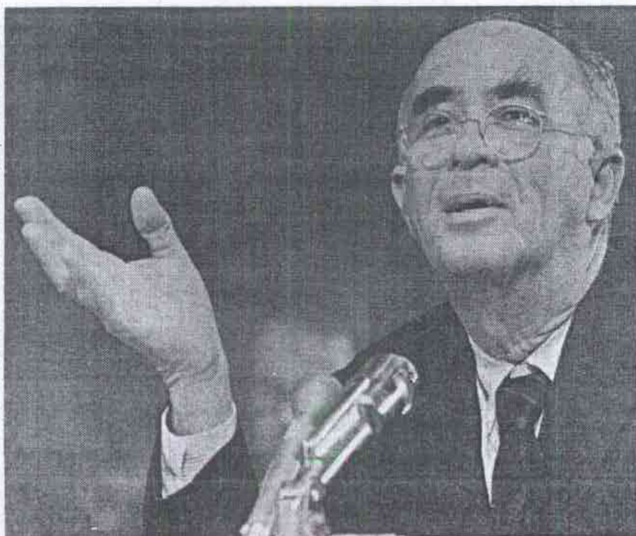
From the time Jimmy Hoffa walked out of Lewisburg Prison nearly two years ago, cynics have speculated that his thirteen-year sentence for jury tampering and pension-fund fraud was commuted in exchange for his union's political support—and perhaps a healthy chunk of Teamster campaign money. Now, Hoffa himself has given the story added weight. In a court deposition in a civil suit last summer, NEWSWEEK learned, the 60-year-old former Teamster leader said he had been told that the union had organized contributions of about $175,000 to Mr. Nixon's campaign. In an interview with NEWSWEEK's Jon Lowell last week, Hoffa lowered the figure—but still maintained that the international union had given far more than the $18,000 reported.

Hoffa denied that there was any explicit deal. But he said he had been told that Teamster business agents were assessed $1,000 each, and "friends" in Las Vegas who had borrowed from the union pension fund were urged to contribute to the campaign. Asked why the Las Vegas interests would chip in, Hoffa replied: "We do business with them. Friendly relations, let's put it that way."

Double Cross: Hoffa said his successor as Teamsters president, Frank Fitzsimmons, had pressed the White House for his release from jail to satisfy the union's rank and file. But Hoffa added that Fitzsimmons and former White House aide Charles W. Colson double-crossed him by writing into the commutation a clause that barred him from holding union office—thus, in effect, insuring that Fitzsimmons would remain in the top job.

In a deposition of his own, Colson—whose law firm recently picked up the $100,000-a-year Teamster legal account—denied any deals with Fitzsimmons and said that the Justice Department had been the prime mover in pushing for Hoffa's release.* Pleading Executive privilege, Colson refused to disclose what he had advised Mr. Nixon on commutation, but he told NEWSWEEK's Tom Joyce: "The whole Hoffa story is misconstrued. The version that I sprung Hoffa to get Teamster political support is crazy."

The Senate Watergate committee is looking into the affair. NEWSWEEK learned that Senate investigators Samuel Dash and Terry Lenzner made a secret trip to Las Vegas last week in an attempt to trace the alleged movement of Teamster-related money into the Nixon campaign.



Photos by Lawrence McIntosh

Fear in the terra incognita

*The depositions were filed in a libel suit against the Manchester (N.H.) Union Leader, which first detailed the story of the Teamster campaign donations. Former White House aide Murray Chotiner, who was named by the newspaper as the conduit for the money, has denied that allegation and sued for $3 million.

And sooner or later, the flap seemed likely to prompt new clamor for yet another White House tape—the chat between Richard Nixon and Charles Colson about Hoffa's pardon.

Richard Nixon had just settled into the White House, and Associated Milk Producers, Inc.—the nation's largest dairy association—had backed the wrong horse in the '68 Presidential race. The dairymen needed, as one of them put it, "a friend in court, so to speak," and they were advised that the road to friendship would be a secret, retroactive $100,000 cash contribution to the Nixon campaign. According to sworn testimony in a deposition released last week, AMPI lawyer Milton P. Semer picked up an attaché case in Dallas filled with the $100,000 and on Aug. 2, 1969, flew to Newport Beach, Calif., for a restaurant rendezvous with the President's personal attorney, Herbert W. Kalmbach. "We had breakfast," Semer told investigators. "And then we walked over to his office. He showed me around . . . opened the case on a desk and counted the money."

That transaction marked the beginning of a lasting relationship between the White House and the dairymen. Less than three weeks after the payment was made—and stashed, NEWSWEEK learned, in a California safe-deposit box on orders from White House chief of staff H.R. (Bob) Haldeman—Semer and two AMPI officials were ushered into the office of White House counsel Harry Dent to make their case for increased dairy subsidies. In the summer of 1970, dairy officials met with counsel Charles W. Colson and Mr. Nixon himself.

Cough Up: According to NEWSWEEK's sources, investigators have also been told about yet another meeting in which Colson and other White House aides allegedly spelled out just how much they expected the milk men to cough up. So far, those reports remain unconfirmed. But in mid-December that year, Patrick J. Hillings, a dairy lobbyist and a long-time friend of Mr. Nixon, wrote a letter to the President calling for some selective dairy import quotas and pointedly noting that the dairymen were trying to raise $2 million in campaign funds.

Fifteen days after the letter was sent, the President ordered new dairy import quotas. But as far as the industry was concerned, that was only a preliminary—the main battle was to come in the spring over domestic price supports. By then, the milk lobby had another friend in court in Treasury Secretary John B. Connally. Meeting with Senate investigators last week, Connally conceded that he had supported the dairymen but denied that he had been involved in any actual deal trading price supports for campaign funds. Mr. Nixon himself met with milk executives on March 23, 1971, and within 48 hours—under mounting pressure from his staff and from both parties on Capitol Hill—the Administration ordered a 27-cents-per-hundredweight increase in milk price supports. Within weeks, the dairy industry began funneling $427,500 in contributions through dozens of dummy committees into the Nixon campaign chest.

The transactions didn't end there; in August, 1971, NEWSWEEK's Nicholas Horrock learned, the milk lobby found itself on the fringes of the break-in at the office of Daniel Ellsberg's psychiatrist. Originally, Colson had borrowed $5,000 from a friend to finance the hurry-up burglary; now while Mr. Nixon was speaking at the AMPI convention, a dairyman handed a $5,000 check to a GOP campaign aide. The check (to People United for Good Government) eventually went to repay Colson's loan.

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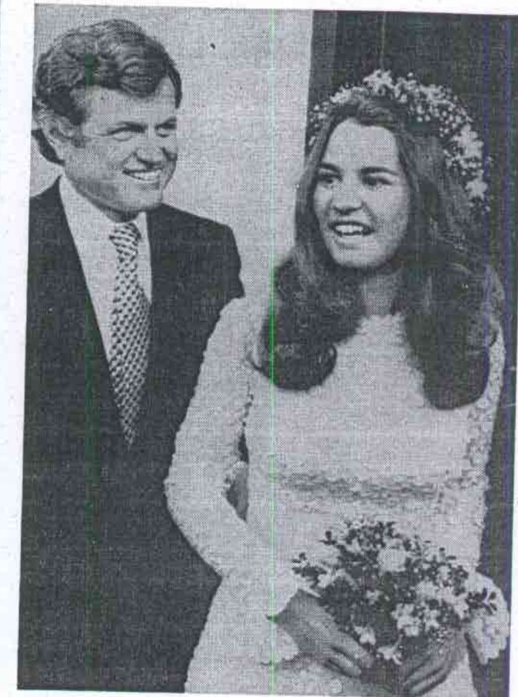
UPI

Smiling through: Kennedy with his son and at Kathleen's wedding

THE KENNEDYS:

More Pain

He is 12 years old and already a proper Kennedy—sailing, skiing, playing football and proudly accompanying his parents on that most important pilgrimage, the visit to the voting booth on election day. He has the Kennedy look and a quiet, unpretentious Kennedy charm. But Edward M. Kennedy Jr., oldest son of the youngest brother of John and Robert Kennedy, shares the Kennedy jinx as well. Last week it was disclosed that the boy had developed bone cancer, and the next day his right leg was amputated above the knee.

Rumors of the latest Kennedy misfortune began circulating in Washington almost as soon as young Teddy entered Georgetown University Hospital a fortnight ago for tests. Local newspapers and TV stations agreed to hold off on the story, so that Senator Kennedy could break the news to the boy himself. Just to be sure, however, his family removed both radio and TV set from the boy's hospital room, and visited with him throughout the week, along with other members of the clan: Steve and Jean Smith, Ethel Kennedy, Eunice Shriver and Pat Lawford. President Nixon rang up and spoke with father and son; the senator was "deeply touched by the President's thoughtfulness," Kennedy's office said.

The day before the operation was scheduled, the senator finally went in for a private talk with his son. Just what was said was to remain between them. "He took the news very well," a Kennedy spokesman said. The senator, too, refused to let his grief interfere with another major family obligation. After his son's surgery Saturday morning, Kennedy drove to nearby Holy Trinity Church, where he gave his niece Kathleen (RFK's oldest child) in marriage to grad student David Lee Townsend. Then, as the couple rolled off in the rumble seat of a 1932 Packard, Teddy Kennedy went back to the hospital.

CENSORSHIP:

The Book Burners

The 600 folks who live in Drake, N.D., like to tell how their town is so quiet you can hear the wheat growing, and winters are so cold you can hear the frozen earth moan in pain. Two years ago, that