

'Bug' Case Lawyer in Contempt

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By Jim Mann

Washington Post Staff Writer

Washington attorney M. Douglas Caddy was cited and confined briefly for contempt of court yesterday after refusing to answer questions before a grand jury investigating the alleged bugging of National Committee headquarters last month.

Immediately after the citation by U.S. District Court Chief Judge John J. Sirica, Caddy was held for more than four hours in a cellblock at the courthouse. But he was ordered released shortly after 4:30 p.m. yesterday by a two-judge panel of the U.S. Court of Appeals.

Judges J. Skelly Wright and Carl McGowan said they wanted time to review Sirica's ruling, and set July 18 as the date to hear arguments. The judges said they are releasing Caddy now merely to preserve the status quo until the hearing.

However, if the Court of Appeals upholds Caddy's civil contempt citation, the 34-year-old attorney would face a jail term of as much as 18 months.

Before Sirica yesterday, however, Caddy's attorneys hinted broadly that if the Appellate Court upholds Sirica, Caddy would purge himself of the contempt citation by agreeing to answer questions before the grand jury.

"He is prepared to follow the ruling of the U.S. Court of Appeals," attorney John Eris Powell told Sirica.

Since being ordered to appear before the grand jury, Caddy has steadfastly refused to say how he knew that five men had been arrested inside the Democratic headquarters. He also declined to answer any questions about telephone calls he received the night the five were arrested.

Caddy was the first attorney for the five men arrested in the bugging of Democratic headquarters at the Watergate Hotel in the early morning hours of June 17.

Those five men were taken

to a police station, where they declined offers to make telephone calls. Caddy then appeared at the police station to represent the five men—a development that government prosecutors still label "mysterious."

See INCIDENT, C4, Col. 2

INCIDENT, From C1

At the arraignment of the five men the next day, Caddy told a reporter he had been called by the wife of one of the five men.

The basis for the refusal to testify was Caddy's assertion that prosecutors are asking for information protected by an "attorney-client privilege."

Caddy, the first executive director of the conservative Young Americans for Freedom and a former leader of the Youth for Goldwater movement, says he was acting as an attorney for the five men arrested at the Watergate.

He also asserts that he was acting as an attorney for two other persons about whom prosecutors and the grand jury are asking questions:

E. Howard Hunt Jr., a former Central Intelligence Agency employee and White House consultant whose name has been linked to the five defendants.

• An unidentified person referred to in court papers only as "Mr. X," a close friend of Hunt's.

Caddy was asked about both Hunt and Mr. X before the grand jury, but he again refused to testify on grounds that he was acting as an attorney for both men and therefore was obliged to refuse to answer questions about his relationship with them.

Caddy and four attorneys representing him have claimed that by answering 38 specific questions about the five men or Hunt or Mr. X,

Caddy "might tend to implicate" some of the clients. Caddy's attorneys said he did answer more than 300 other questions in 14 hours of grand jury testimony.

Before Sirica yesterday, Caddy acknowledged freely that he had refused to answer the 38 questions. "I did so upon the instructions of my clients," he said.

Sirica had warned in a hearing Wednesday that he would have Caddy confined for contempt if he refused to answer the questions. "The defendant will step back and be in the custody of the marshals," he ordered yesterday.

Caddy, dressed in a conservative blue suit, was taken away and kept in a cellblock until after the Appellate Court order.