

Lawyer in 'Bug Case' Loses Bid to Keep Mum

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By Jim Mann

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The U.S. Court of Appeals here affirmed yesterday the contempt-of-court citation of attorney M. Douglas Caddy for refusing to answer certain questions before the grand jury investigating the alleged bugging of Democratic Party headquarters.

The Court of Appeals ruling means that Caddy must now either answer questions before the grand jury or face possible confinement for as much as 18 months.

Early last night, Jerome Powell—one of five attorneys representing Caddy—said that

Caddy will go before the grand jury today to answer its questions.

If he does so, he will purge himself of the contempt citation, issued by U.S. District Court Chief Judge John J. Sirica. It was this citation the appellate court upheld yesterday.

The ruling yesterday was a blow to Caddy and a victory for the prosecutors investigating the bugging incident.

Caddy, 34, who is a former executive director of the Young Americans for Freedom, appeared at a local police station early on the morning of June 17 to repre-

sent five persons arrested inside Democratic headquarters in the Watergate around 2:30 a.m. that day.

None of the five arrested persons had made any phone calls. Caddy told a reporter at the time that he had been called by the wife of one of the five men.

Since that time, Caddy has asserted that he is or was acting as a lawyer for those five men and also for E. Howard Hunt Jr., a former CIA employee and former White House consultant linked to the case and to a mysterious "Mr. X," identified only as a close friend of Hunt.

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Asserting that he was protected by an attorney-client privilege, he refused to answer any questions about how he came to represent any of his clients, what fees or retainers were paid to him, or even how he knew that the five men were arrested on June 17.

In all, Caddy refused to answer 38 questions. Caddy's attorneys estimated that he has already voluntarily answered more than 300 other questions in 14 hours of testimony.

Caddy's lawyers told a three-judge panel of the Court of Appeals yesterday that Caddy was resisting particular questions solely because his clients asked him to respect the attorney-client privilege.

But in a sharp rebuke, the appellate panel, said yesterday that Caddy and his lawyers did not even establish that Caddy was actually acting as an attorney for the men he

claimed to represent.

"Certain of the questions propounded were designed to elicit information which would shed light on whether such a relationship did in fact exist," said the court.

The panel issuing the ruling was composed of Judges J. Skelly Wright, Carl McGowan and Edward A. Tamm. The ruling was unanimous.

In another development, attorneys for the Democratic Party strongly attacked a request by the Committee for the Re-Election of the President to delay until after November a \$1 million civil suit involving the alleged bugging.

In a reply filed in U.S. District Court, the Democratic attorneys called the request "naked and shameless" and demanded immediate public revelation of the facts in the case.