

Plumbers (cont.)

down to make money in Miami, working as an assistant store manager, studying at night to get a real-estate license, finally opening his own realtor's office—Barker Associates—with a staff of 10 salesmen.

Four months after their Bay of Pigs reunion, Hunt flew to Miami again and spoke with his old comrade in arms. He asked, Barker recalls, "would I be willing to help him in a matter of national security?" Barker says Hunt contended that the "national-security organization" to which he then belonged was "above both the C.I.A. and the F.B.I." He was vague about the specific mission, saying only that it involved "a traitor to this country who had given information to a foreign embassy." Barker eagerly signed on, believing that "Mr. Hunt's position in the White House would be a decisive factor at a later date for obtaining help in the liberation of Cuba."

Hunt then asked him to recruit two others. Barker chose two of his own real-estate salesmen: Felipe DeDiego, 43, who Barker said had taken part in a successful raid to capture Castro Government documents; and Eugenio R. Martinez, 48, whom Barker credits with "over 300 infiltrations into Castro Cuba."

Late in August, Hunt got a Tessina camera concealed in a tobacco pouch from his C.I.A. contact and also arranged for Liddy to be outfitted with false identification and a disguise. On Aug. 25, Liddy and Hunt flew to Los Angeles for what Hunt called "a preliminary vulnerability and feasibility study." Wearing dark glasses, Liddy posed by some bright flowering bushes outside Dr. Fielding's office building, while Hunt, using his photographic tobacco pouch, snapped some pictures of the building, a nondescript three-story structure decorated with blue panels around the windows. Then they walked through the wood-paneled hallways to Fielding's office in Room 212, brushed through the open door and began snapping more pictures. Suddenly, Maria Martinez, the cleaning

man's mother, entered the office. Hunt said calmly in Spanish, "I am a doctor." Mrs. Martinez seemed satisfied and left. That evening, Hunt called the C.I.A. and asked to be met when he and Liddy arrived the next day at Dulles Airport. There they handed a roll of film to an agent who got it developed and returned it to Hunt that same evening.

On "D minus two" (Sept. 2), the two branches of the burglary team converged on Beverly Hills: Barker, Martinez and DeDiego flying directly from Miami to Los Angeles; Liddy and Hunt stopping off in Chicago to pick up several walkie-talkies and other equipment. On the morning of Sept. 3, the Miami men were briefed by Hunt and then made a "visual reconnaissance" of the target. At 9 P.M. that evening, two of them returned dressed in delivery men's uniforms and carrying a large green suitcase addressed to Dr. Fielding and marked with "Air-Express" and "Rush" stickers. Efrain Martinez, the cleaning man, let them into Fielding's office where they placed the suitcase on the floor.

A few minutes past midnight the team swung into action. Hunt stationed himself at Dr. Fielding's residence to make sure the psychiatrist remained at home. Liddy cruised the area in a rented car looking for police, keeping in touch with the others over a walkie-talkie. Meanwhile, the three Miami men returned to the building. Using masking tape and a glass cutter, they broke through a window on the ground floor and forced the door to Fielding's office. There they opened the green suitcase, which contained a 35-mm. camera, a spotlight and film. Barker pried open a wooden cabinet and a steel filing cabinet, strewing their contents around the office as he looked for information on Ellsberg. Here the participants' testimony differs. Barker says they found nothing on Ellsberg except his name in one of the doctor's address books, but DeDiego says they did find Ellsberg's file, and that he held the contents while Martinez photographed them. In any case, by 4 A.M. all five men had returned to the Beverly Hilton.

After their return to Washington, Hunt and Liddy showed Krogh pictures they had taken of

Dr. Fielding's apartment and, apparently believing that the psychiatrist might be keeping some of Ellsberg's records at home, recommended a burglary attempt there. Krogh says that Ehrlichman rejected the proposal. Ehrlichman says that as soon as he heard of the project he told Krogh and Young he "did not agree with this method of investigation" and they should "not do this again."

Following the burglary, the White House apparently renewed a request to the C.I.A. for a "psychological profile" of Ellsberg. Hunt says he knew the agency had a division that did behavioral profiles on world leaders—the most celebrated being the one of Nikita Khrushchev just before President Kennedy met him in Vienna in 1961. The agency had done only one such profile on an American—Capt. Lloyd Bucher of the Pueblo, after he and his crew were captured by the North Koreans in 1968. This, at least, had some direct relation to the C.I.A. mission abroad; but the request for an Ellsberg profile made the agency's two top medical men—Dr. John Tietjen and Dr. Bernard Malloy—"apprehensive." They were overruled by their superiors, among them Director Richard Helms and General Cushman. A final profile on Ellsberg, incorporating classified information from the Justice and State Departments, was delivered to the White House on Nov. 12. Meanwhile, Hunt drew up his own report—a 28-page chronology of Ellsberg's life, later found in Hunt's safe.

The President has said that by the end of 1971 the Plumbers' work had "tapered off" and the unit had begun to disperse. Some of its members were "recalled" to action in January, 1972, when Jack Anderson began printing minutes of secret National Security Council discussions on the India-Pakistan war (later, Krogh sheepishly admitted to Ehrlichman that they had "failed" to find Anderson's source). Hunt maintained a clandestine telephone in the Plumbers' office until March, 1972, for which bills were sent to Kathy Chenow's home and approved by an aide to John Ehrlichman (the phone was used chiefly for calls to Bernard Barker in Miami, Miss Chenow says). But with the approach of the election year, most of the Plumbers were moving on to more overtly political activities.

Dirty Money

I have often thought we had too much money.

—Herbert Porter, testimony to Ervin Committee, June 7, 1973.

FROM the top floor of Irvine Towers, where Herbert Kalmbach has his office, one can watch the sparkling white yachts bobbing in the Pacific along "Millionaire's Row" in Newport Beach, Calif. Within a silver dollar's throw of the twin office towers, some 10 or 12 millionaires live in walled, well-guarded beachfront compounds. And many of those men belong to the Lincoln Club, an exclusive group of California businessmen that over the years has given vast sums of money to Richard Nixon—much of it funneled through the President's long-time personal lawyer, Herb Kalmbach.

By Jan. 28, 1971, Mr. Kalmbach had opened an account in the Newport Beach branch of the Bank of America, which has offices in Irvine Towers East. Over the next year or so, according to Government sources, he maintained up to \$500,000 in that account—many of the deposits coming in cashier's checks which he purchased with cash at a branch of the Security Pacific National Bank, whose office is in Irvine Towers West. Money was transferred back and forth between Irvine Towers East and Irvine Towers West in an apparent effort to blur its trail.

Kalmbach was the chief fund raiser for the Nixon campaign until February, 1972, and thereafter second only to Maurice Stans. His secret fund, established at least two years before the election, set the tone for the financial side of the White House effort.



Since Nixon entered the White House in 1969, a remarkable change has come over the Los Angeles law firm of Kalmbach, De Marco, Knapp & Chillingworth. It began to rise: from the eighth floor of Century City to the 19th floor of a downtown Los Angeles business center to the 44th floor of the city's newest skyscraper (Kalmbach keeps a separate office in Newport Beach). A similar change has come over the firm's clientele, which in 1968 included the likes of the local Newport National Bank and Pacific Lighting—and today includes such companies as United Air Lines,

Marriott Corporation, Travelers Insurance and Music Corporation of America. The main attraction does not appear to be Kalmbach's legal wizardry. William King, a former Nixon finance chairman, says: "He [Kalmbach] isn't especially known for his practice of law." A Newport businessman says, "If you have business with Washington and you want a lawyer, you can go to Herb, but you can't talk with him for less than \$10,000." For years Kalmbach's career has benefited from political friendships. He was a college friend of Robert Finch, Nixon's longtime adviser. After heading the Orange County campaign in Finch's successful race for Lieutenant Governor in 1966, he served under Maurice Stans as associate finance chairman of the 1968 Nixon campaign. And he can often be seen at lunch with F. Donald Nixon, the President's brother, at a Newport Beach restaurant called The Quiet Woman.

The precise source of Kalmbach's secret fund is unclear. Some of it may have been money left over from the 1968 campaign. Some of it may have been part of an estimated \$3-million in covert money which—according to The Washington Star—Kalmbach raised for Republican Senate candidates in 1970 and had distributed from the basement of a Washington town house.

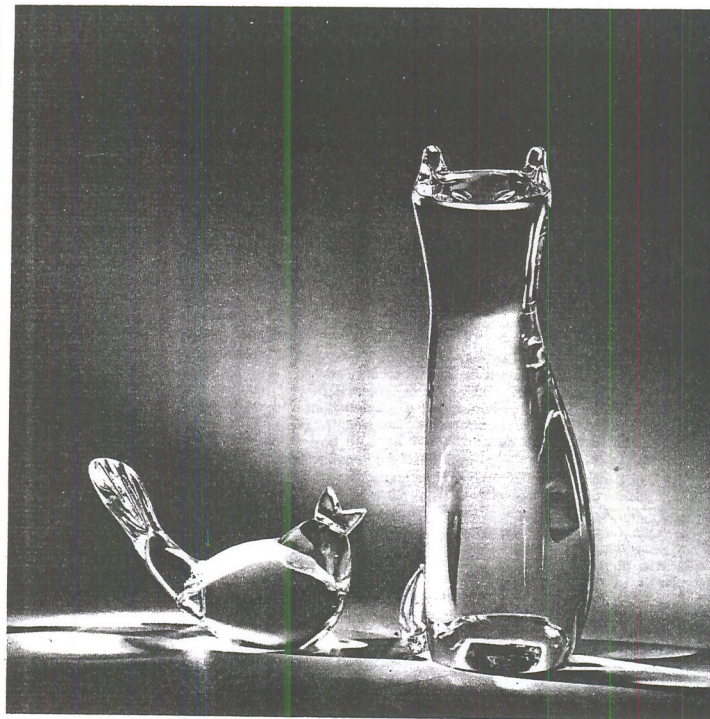
One thing is clear: Starting early in 1971, Kalmbach was hard at work raising money from wealthy individuals and groups for the 1972 campaign. One of his first efforts focused on the dairy industry, which early in the spring of 1971 had reason to be grateful to the Nixon Administration.

In the first weeks of March, "after careful review of the situation and the provisions of law," Secretary of Agriculture Clifford Hardin pegged price supports for "manufacturing milk" — a basic grade used to make butter and cheese—at \$4.66 a hundred pounds, the same as the previous year. The Secretary said raising supports might prompt overproduction, which would glut the market and pile up surpluses in Government warehouses. "This we must avoid," he said.

On March 22, the Trust for Agricultural Political Education (TAPE), a dairy-industry political fund, donated a total of \$10,000 to Republican committees. On March 23, President Nixon and Secretary Hardin met in the White House Cabinet Room with 16 dairy-industry leaders who urged them to reconsider the supports decision. On March 24, the Trust for Special Political Agricultural Community Education (SPACE), another dairy-industry fund, put \$25,000 more into Republican committees. On March 25, Hardin announced that the milk price supports would go up, after all, to \$4.93 per 100 pounds.

The dairymen proved very grateful indeed. TAPE, SPACE and other dairy groups contributed an estimated total of \$422,500 to the Nixon re-election effort. (There may have been much more of this kind of thing. Senate investigators are looking into allegations that the Nixon campaign drew up a list of corporations "who had problems with the Government" in order to solicit funds from them. American Airlines has admitted it contributed \$55,000 in company funds—a violation of election law—after the funds were solicited by Kalmbach. At the time, the Civil Aeronautics Board was considering American's proposed merger with Western Airlines, which it later rejected. Eastern Airlines and the Chrysler Corporation say they spurned similar solicitations.)

By and large, the milk money did not go to the regular fund-raising committees, which were required by law to report their financial transactions. Instead, it went to some 100 committees set up in the District of Columbia specifically to receive the milk money without disclosing its source. This took advantage of a loophole in the law, which required fund-raising com-

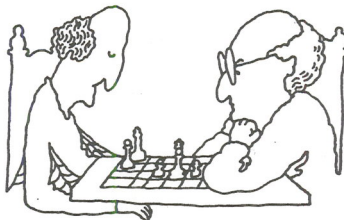


SONGBIRD: 4½" long, \$82.50 • CAT: 8¾" high, \$195.00



STEBEN GLASS

715 FIFTH AVENUE, NEW YORK, N. Y. 10022 • (212) 752-1441
CORNING GLASS CENTER, CORNING, NEW YORK 14830 • (607) 962-1060



Games of skill?

Bridge players keep up with their game seven days a week in The Times. Chess players on Tuesday, Thursday and Sunday. And crossword buffs wouldn't miss the puzzles in The Times every day of the week.

Whatever interests you goes along with "All the News That's Fit to Print" Every day in

The New York Times

Money (cont.)

mittees to register and report only if they were "organized for the purpose of influencing the outcome of the general election in two or more states." The committees, the Republican fund raisers reasoned, operated only in the District and worked for the renomination, not the re-election, of the President. (Common Cause has since brought a legal challenge to this rationale, arguing that the law speaks not of operating but of influencing the outcome in two or more states, which the money would certainly do, and that the President was under no serious challenge from his opponents in the primaries—Representatives Paul McCloskey and John Ashbrook—so that, from the start, the money was raised for his re-election campaign.)

The multiple committees had another purpose: to take advantage of a ruling by the Internal Revenue Service which provided that if a single donor distributed his contributions in increments of \$3,000 or less, the donor did not have to pay a gift tax. Such committees were hardly a Republican invention; they had become the common device of both parties to accommodate large contributors.

The Republican committees were established in a great hurry during the spring and summer of 1971. One Republican recalls a man staying up late into the night just to think of names, some of which indeed show great ingenuity: Organization of Sensible Citizens, Americans United for Objective Reporting, Supporters of the American Dream, Committee for Political Integrity.

The groups were purely paper organizations. The people listed as "chairmen" often knew little or nothing about them. The Organization of Involved Americans, for example, listed its address at the office of John Y. Merrell, a Washington attorney. Americans United for Political Awareness was listed at Merrell's home in Arlington, Va. He was chairman of one, his wife of the other, but Merrell couldn't remember which was which. The Merrells recall that they were asked to lend their names and addresses to the cause by Robert F. Bennett, president of Robert R. Mullen & Co., the public-relations firm which employed Howard Hunt.

If the chairmen were sometimes unwitting innocents, the treasurers knew just what they were doing. In many cases, they were employees of the Union Trust Company of Washington—a bank with several leading Republicans on its board—where many of the committees deposited the funds that flowed in during 1971.

But the dairymen's groups disrupted the Republican plans in one respect. Most of them reported their contributions to the Congress, as required. George L. Mehren, TAPE's treasurer, recalls that Kalmbach "quite unequivocally" solicited such a contribution and then withdrew the request when he was told TAPE would report it. After newsmen uncovered the committees through such reports, the Republicans set up a whole series of new committees to accept other donations. And they continued to roll over the committee structure periodically until more than 450 had been formed.

Meanwhile, the fund raisers were frantically trying to get contributions in before Congress passed a new campaign-finance law with more stringent reporting requirements. There had long been recognition of the need for a new law to replace the Federal Corrupt Practices Act of 1925, which Lyndon Johnson once called "more loophole than law." But as the new bill moved through Congressional committees in the fall of 1971, Republican leaders (and some Democrats, too) were in no rush to get it passed. Clark MacGregor, then in charge of Congressional liaison for the White House, recalls a high-level meeting that fall at which Secretary of Commerce Maurice Stans argued that the bill

had to be "slowed down" to give Republican fund raisers "more time to raise money anonymously." MacGregor says Stans's position was supported at the meeting by Mitchell, Haldeman and Ehrlichman. The message, in turn, was relayed to the White House's friends in Congress.

Although Congress sent the bill to the White House on Jan. 26, Nixon waited the full limit of 10 working days before he signed it on Feb. 7. In his statement that day, the President said the bill would "work to build public confidence in the integrity of the electoral process." Since the bill did not take effect until 60 days after signing, the White House delay meant that the old loopholes would remain wide open until April 7.

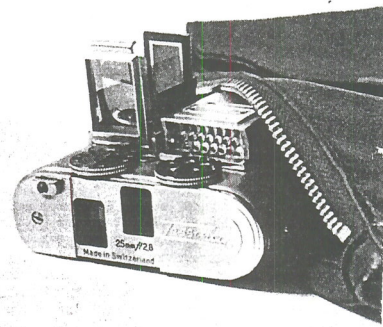
With this transition period artfully maneuvered into the very heart of the political giving season, the Republican fund raisers went all out to exploit it. On Jan. 12, 1972, Gordon Liddy, then general counsel to CREEP, sent a memo to John Dean which made the strategy clear: Seek maximum giving between the last reporting date under the old law (March 10) and the effective date of the new one (April 7). Donors giving during this "gap" would not have to be identified, and they would be doubly protected if they gave to committees that went out of existence after the new law.

To handle this tricky operation, the Republicans brought in their "first team." On March 1, John Mitchell resigned as Attorney General to officially take charge of CREEP. Stans had resigned his Commerce post as of Feb. 15 and replaced Kalmbach as chairman of CREEP's sister organization, the Finance Committee to Re-elect the President. In that position, he crisscrossed the country beating the corporate-financial thickets for "pre-April 7" funds. On Feb. 28, he met 35 wealthy contributors at the Casino Restaurant in Chicago. On March 31, he met with Midwestern executives at the Olin Corporation hunting and game preserve near Brighton, Ill.



Maury Stans undoubtedly felt at home at the preserve, for he is an avid big-game hunter known as "the first American to bag a bongo in the Congo." To get his bongo—a red-and-white-striped antelope—Stans, a Belgian plantation owner and 30 Congolese porters stalked through the bush for 10 days. When Stans's gunbearer fired too soon, the bongo charged, but Stans felled it with one shot. A later African safari caused him more trouble. In 1966, while hunting in Chad, he shot a film of his experience which was later shown publicly. Its script, approved by Stans, referred to "boys" and "natives," and the film showed the white hunters giving an African his first cigarette and guffawing when he chewed it rather than smoked it. When a U.S.I.A. official denounced it as "an Amos 'n' Andy show," Stans took the film off the exhibition circuit. The future big-game hunter began life as the son of a Belgian immigrant housepainter in Shakopee, Minn. "We had very rough times," he recalls, "living on the credit of the corner store, which my father worked off by painting the store." Starting as a stenographer in a sausage factory, young Stans worked his way up through the accounting world to become a partner in a New York investment banking firm. (In 1960, he was elected to the Accounting Hall of Fame.) A fervent believer in the "Horatio Alger road to success," he lives with his wife in a luxury apartment building known as the Watergate.

Stans's thicket-beating produced an enormous outpouring of anonymous contributions those last weeks. In one two-day period, Hugh Sloan, the Finance Committee's treasurer, personally handled



Plumbing tools: Tessina camera, tobacco pouch.

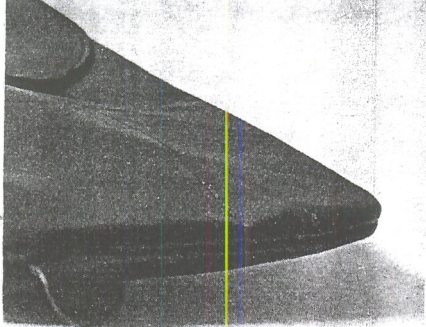
about \$6-million. Much of this last-minute money was in cash, the least traceable medium. The committee had a squad of four to six "pickup men" roving around the country collecting the cash. But the flow was greater than they could handle. In one city, Sloan recalls, "we couldn't even pick up a \$50,000 contribution." Sally Harmony, Gordon Liddy's secretary, recalls that the torrent of cash and checks those last few hours turned the committee's office into a "madhouse."

Some of the money didn't make the deadline at all. On April 10, Harry L. Sears, a former Republican majority leader of the New Jersey Senate, met Stans at his office and presented him with a worn brown attaché case loosely packed with \$200,000 in \$100 bills. Stans put the money in the wall safe in his secretary's office. Later, he indicated to Hugh Sloan that the money was to be regarded as "pre-April 7 funds" because it had been "committed to us before that date."

It evidently had been—in a series of conversations between the donor, New Jersey financier Robert L. Vesco, and Republican officials, stretching back into the previous year. An indictment handed down later by a Federal grand jury charges that the \$200,000 (plus a subsequent check for \$50,000) was Vesco's attempt to buy his way out of a Securities and Exchange Commission investigation into his "looting" of a mutual-fund complex.

The indictment tells the following story: In mid-1971, Sears, on Vesco's behalf, had asked Mitchell to speak with William J. Casey, then chairman of the S. E. C., about the investigation. On March 8, 1972, Vesco met with Stans and offered to contribute up to \$500,000 to the Nixon campaign if Stans and Mitchell would help restrain the commission. Stans said \$250,000 would suffice and later specified that it should be in cash. Four hours later, Sears finally got his meeting with Casey and G. Bradford Cook, then the S. E. C. counsel. Mitchell, Stans and Sears deny these charges.

Some donors funneled their money through most circuitous channels. One was Robert H. Allen, a major Republican fund raiser in Texas and president of Gulf Resources and Chemical Corporation in Houston. At the time, a Gulf Resources mining subsidiary was under pressure from the Federal Environmental Protection Agency to correct water and air pollution in Idaho. A report of investigator for the House Banking and Currency Committee tells the following story: On April 3, \$100,000 was withdrawn by telephone from the corporate account of Gulf Resources in the First National City Bank of Houston. (Allen insists this was his money, not the corporation's. Political contributions by corporations are illegal.) The money was transferred to the account of Compania de Asufre Veracruz (an "inactive" Gulf Resources subsidiary) in the Banco Internacional of Mexico City. The subsidiary turned the money over to Manuel Ogarrío Daguerre, the Mexican attorney for



Gulf Resources, who is said to be dying of cancer. Ogarrio, or an associate, then converted \$89,000 of the money into four cashier's checks for \$15,000, \$18,000, \$24,000 and \$32,000.

On April 5, a young man with "a Mexican surname" arrived at the offices of the Pennzoil Corporation in the Houston Southwest Tower, which was then serving as a major collection point for Republican contributions in Texas and the Southwest. The courier was ushered into the office of William Liedtke, president of Pennzoil and head of an *ad hoc* group of Texas fund raisers for the President's re-election campaign. Also present was Roy Winchester, Pennzoil's vice president for public affairs and a member of the fund-raising group. The courier opened a large pouch and took out the four checks plus \$11,000 in \$100 bills. The agent asked for a receipt, but Winchester and Liedtke refused, explaining later to investigators that "in the fund-raising business you don't deal in receipts."

The \$100,000 was placed in a suitcase along with \$140,000 more in cash and \$460,000 in checks and stock certificates. Winchester and Peter Mark, a "young and strong" Pennzoil employe designated to ride shotgun on the money, took the suitcase to the Houston airport where they boarded a waiting Pennzoil company plane (which, according to Congressional sources, may be the executive jet used in the James Bond movie "Goldfinger"). The plane flew to Washington's National Airport, where it landed about 9 P.M. Winchester and Mark took the suitcase immediately to the finance committee's office and handed it to Hugh Sloan.

Four days later, another \$25,000 trickled in. It came from Dwayne Andreas, a Minnesota soybean tycoon and long a Hubert Humphrey backer. Like many businessmen, Andreas seeks to maintain good relations with both parties. According to Stans, in January Andreas told his friend Kenneth Dahlberg, chairman of the Minnesota Committee to Re-elect the President, that he wanted to contribute to the Nixon campaign. But Andreas did not hand the cash to Dahlberg until April 9. Two days later, Dahlberg gave a cashier's check to Stans, who gave it to Sloan. (On Aug. 22, Andreas, Dahlberg and three associates were granted a Federal bank charter. Of 424 charters granted in the previous five years, only 13 had been approved more quickly.)

Hugh Sloan recalls that he and Stans talked about how to deal with the Mexican and Dahlberg checks. According to Sloan, Stans asked, "Do we have any problem in handling these?" and he replied, "I don't know. I'll check with counsel." Counsel was Gordon Liddy, who, as Sloan recalls, recommended "a diversion to cash" and offered to "handle the transaction for me." On or around April 12, Sloan gave Liddy the five checks totaling \$114,000.

On April 19, Bernard Barker walked into the Republic National Bank in Miami's "Little Havana"

NYT-14

Send this
SUPER COUPON
to get information about

ARUBA

and its outstanding hotels!

Aruba Information Center, 576 Fifth Ave., N.Y., N.Y. 10036 (or phone 575-8840)
Tell me more about Aruba...and the hotels I have checked below.

- Aruba Caribbean Hotel-Casino**
the ultimate in accommodations, facilities and service—193 rooms
- Aruba-Sheraton Hotel & Casino**
in the finest tradition of luxury Sheraton hotels world-wide—194 rooms
- Basi-Ruti Beach Hotel**
a small, informal beach hotel for families with children—15 rooms
- Divi-Divi Beach Hotel**
a small, elegant hotel beside the sea—125 rooms
- Holiday Inn Resort & Casino**
with all the luxurious features of a modern tropical resort—205 rooms
- Manchebo Beach Club Resort Hotel**
an informal hotel on one of the world's finest beaches—71 rooms
- Talk of the Town Resort Hotel**
the luxury hotel as comfortable as a well-run home—62 rooms

NAME _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____



ARUBA Soft sand and the gentle waters of the Dutch Caribbean...the faithful sun to warm you while constant breezes cool you...Dutch-clean hotels for relaxing...and ruins of gold mines to liven your picnics and walks.

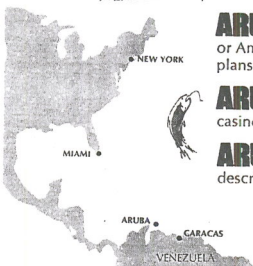
ARUBA People who welcome you for you...who put restaurants in strange places...in an old Dutch mill—on an Indonesian boat—in a Chinese courtyard—around a swimming pool dynamited from the coral. Roads without potholes that speed you from here to there...and roads *with* potholes that slow you to see what's here and there.

ARUBA Hotels with casinos and nightclubs to keep you awake all night...and hotels *without* casinos and nightclubs so your nights are your own...stars that have strayed to new parts of the sky—reach up and move them, they're almost that close.

ARUBA Low excursion rates from New York via KLM, ALM, or American Airlines. And many airline and travel agency package plans offer even lower fares.

ARUBA Sun and sand and water and people and stars and casinos and food and...

ARUBA To help you learn more...colorful brochures...hotel descriptions...rates...mail the coupon today!



Money (cont.)

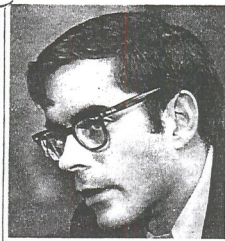
section with the five checks. Over the next three weeks, he converted them all to cash. In mid-May, Liddy gave Sloan his money—minus \$2,500 in unexplained “expenses.”

When the first phase of the fund-raising effort was completed on April 7, the finance committee later reported, it had \$10.2-million on hand. Actually by that date, it had raised about \$20-million. But it spent \$5-million and “pre-spent” another \$5-million (that is, paid out money for future campaign services so that it would not have to report the money). A few days before the April 7 deadline, for example, the committee gave \$1-million to the November Group, the advertising agency set up in New York to handle media work for the campaign. One reason for such prepayments, a Republican official says, was “to avoid looking like we had a lot of money, which would make further fund-raising difficult.”

But the Republicans didn't have much difficulty raising more money. To the \$20-million raised before April 7, they added about \$35-million—producing a total of about \$55-million (including about \$2-million carried over from 1968). It was, as Maurice Stans later proudly proclaimed, “the largest amount of money ever spent in a political campaign.”

But all that money made some Republicans nervous. Even Stans, the master fund raiser, says now that he originally thought the President could be re-elected for \$25- or \$30-million. He says he objected to budgetary “over-kill” and once urged Halde- man, “Let's just run this campaign with less money.”

Those who worried about the money worried particularly about all the cash that flowed through the committee's offices that spring. According to Hugh Sloan, about \$1.7-million in cash came in up to April 7. Of that, he says, about \$700,000 ultimately found its way into bank deposits. But for weeks and months, \$1-million or so in crisp, freshly-minted \$100 bills piled up in safes and deposit boxes. At first, much of it lay in a safe in the office of 31-year-old Hugh Sloan.



When “Duke” Sloan was a student at the Hotchkiss School, the student elections were rigged by a clique of upperclassmen. Sloan told a teacher about it, and some of the conspirators were punished. “That's the way he always was,” a Princeton classmate says, “he stood for honesty and integrity and doing the right thing, no matter what.” After dallying briefly with a diplomatic career, Sloan went to work for the Republican Congressional Campaign Committee. His earnest dedication brought steady promotions: assistant finance director for the 1968 campaign, personal aide to the President, assistant to Appointments Secretary Dwight Chapin. “It was great,” he recalls. Sloan met his wife while she was working as a White House assistant social secretary; they have a photograph showing them with the President on the day they were engaged. In May, 1970, during the Columbia University disorders, the President sent Sloan to find out why he had a “problem” with the academic community. After talking with students holding Low Library, he emerged to say, “The depth of feeling is considerably stronger than I personally imagined.”

Although he was the finance committee's second-ranking official, Hugh Sloan could be instructed to hand out cash by a whole panoply of Republicans: Kalmbach, Mitchell, Stans, Magruder, even Liddy and Porter, to whom Magruder had given blanket “drawing authority.” And soon the demands for cash began.

The first was in April, 1971, when he was told to give \$25,000 in cash to Bob Hitt, executive assistant to Interior Secretary Rogers Morton. He heard rumors that the money was to finance the Republican candidate in a special election for the Maryland Congressional seat vacated by Morton.

In February, 1972, Magruder himself asked for \$20,000. Sloan went to his safe, and gave him the money

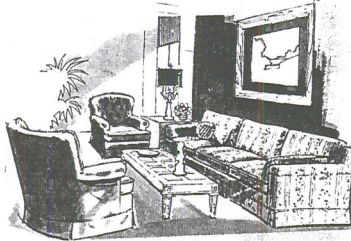
Detroit

One of America's Largest Furniture Showrooms!

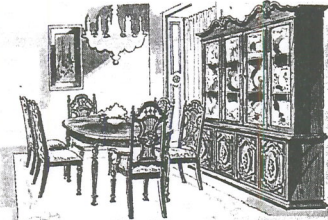
SUMMER SALE

REDUCTIONS FROM 10% TO 40%

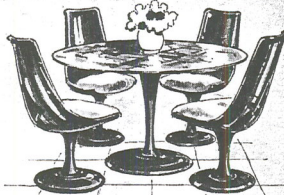
OPEN TODAY SUNDAY 'TIL 6:00 P.M.



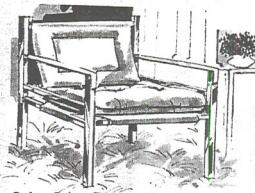
Sale—Sofa \$399; Chair \$165



Sale—Table, 4 side chairs, 2 arm chairs, buffet and hutch \$688



Sale—Table and 4 chairs \$549



Sale—Contemporary Chair \$189

- Showroom Displays with thousands of designs
- Bedrooms, Dining and Living Rooms
- Great values through large scale buying
- Carpeting, Lighting, Accessories
- Special savings for unions, civil service and other groups

- Immediate delivery on many designs
- Finest furniture names
- Free Private Parking next to Showroom
- Master Charge/Bank Americard/G. E. Financing

CARPETING ALSO ON SALE

Detroit Furniture, 567 Flushing Avenue, Brooklyn, N.Y.
Tel. 388-1900. Sale Hours: Mon., Wed., Thurs. 'Til 9:00 P.M.;
Tues., Fri., Sat., Sun. 'Til 6:00 P.M.

Country Miss

A sure thing for any season.
Our pantsuit on the go
in a mini round-tooth polyester knit.
In brown, white or blue.
Sizes 8-20. About \$38.



At these stores & branches: Bloomingdale's, New York; Bamberger's, Newark; R. H. Stearn's, Boston; The Hecht Co., Washington, D.C.; Higbee Co., Cleveland and other fine stores.

COUNTRY MISS

A DIVISION OF COUNTRY MISS, INC., 1407 BROADWAY, NEW YORK.

22

Money (cont.)

without asking why he needed it. Magruder didn't volunteer the information.

Between March, 1971, and April 7, 1972, Sloan gave Kalmbach cash adding up to \$250,000.

Starting in early 1972, Liddy drew \$199,000 in cash from Sloan. At first he took it in relatively small batches, \$10,000 or \$15,000 at a time. Then around April 7, Sloan recalls, Liddy came to him with a budget of \$250,000. "He did not release it from his hand. He merely showed me the figure and said, 'I will be coming to you for substantial cash payments. The first will be for \$83,000, and I would like to pick that up in a day or two.'" Sloan called Ma-

gruder, who confirmed what Liddy had said and instructed him to pay out the \$83,000. Still disconcerted, Sloan went to Stans and said the single payment of \$83,000 was "totally out of line with anything we had done before." Stans said he would check with Mitchell. A few days later, Sloan says, Stans told him he had talked with Mitchell who had said Sloan should take his orders from Magruder. With regard to the funds' purpose, Sloan recalls that Stans told him, "I do not want to know and you do not want to know."

Late in March, Sloan recalls, Kalmbach told him that Haldeman wanted \$350,000 in cash. He said Gordon Strachan, an assistant to Haldeman, would arrange to have the money picked up.

Sloan says he put the \$350,000 in a briefcase, which he left with his secretary. Over the lunch hour somebody—he presumes Strachan—picked it up. The money is reported to have ended up in Haldeman's safe.

Starting in December, 1971, Herbert Porter drew batches of cash that he recalls added up to \$69,000 and Sloan thinks totaled \$100,000. In January, 1972, Sloan recalls he asked Porter what one \$15,000 withdrawal was for. He says Porter replied, "I can't tell you. You are going to have to go over my head if you want to find out." Porter says he really didn't know much about what the money was used for, except that he'd been told it would finance "Dick Tuck-type pranks and dirty tricks."

Dirty Tricks

Haldeman: "You S.O.B., you started this."

Tuck: "Yeah, Bob, but you guys ran it into the ground."

—Dick Tuck's report of an exchange between him and H. R. Haldeman in the Dirksen Senate Office Building, May 5, 1973.

DURING the 1962 California gubernatorial race, a beaming Richard Nixon posed in San Francisco's Chinatown with children holding campaign posters. Not until later did he learn that the Chinese characters on the posters spelled out, "What about the Hughes loan?"—a reference to a disputed loan from multimillionaire Howard Hughes. The Chinatown caper was the work of Dick Tuck, a Democrat whose name has since become something of a trademark for political mischief.

Though wittier than many of his imitators, Tuck is by no means unique. In that very 1962 campaign, 500,000 Democrats throughout the state received postcards from a group called "The Committee for the Preservation of the Democratic Party." In the guise of an opinion poll, the cards asked whether Democrats were aware how their party—and their candidate, Gov. Pat Brown—had fallen

under the domination of the California Democratic Council, which the cards pictured as virtually a Communist front. Two years later, Judge Byron Arnold found that the Committee for the Preservation of the Democratic Party was actually a committee to enhance the political future of Richard Nixon and that the postcard poll, purporting to be a communication among concerned Democrats, was prepared under the supervision of H. R. Haldeman, Nixon's campaign manager, and "approved by Mr. Nixon personally."

Even before the 1970 returns upset the President's advisers, steps were apparently under way once again to insure Richard Nixon's political future. Convinced that a third-party candidacy by George Wallace would draw more votes from Nixon than from any potential Democratic opponent, the Nixon camp apparently set out to prevent Wallace from running. The Atlanta Constitution has reported that James D. Martin, the national Republican committeeman from Alabama, calling himself the President's personal emissary, demanded that Wallace sign an agreement not to run in 1972 (Martin has denied this). When Wallace insisted upon running, Republicans reportedly poured \$200,000 to \$400,000

of leftover 1968 funds into Alabama to defeat Wallace in the closely contested 1970 gubernatorial primary. According to John Dean, the expenditure was authorized by Herbert Kalmbach.

But Wallace was renominated and re-elected and soon began touring the country in preparation for another Presidential race under the banner of his American Independent Party. In early 1971, Robert J. Walters, a Los Angeles advertising man, approached Jeb Magruder with a plan for reducing the A.I.P.'s registration enough to remove it from the California ballot. One of Walters' former aides told The Washington Post that the effort was approved by John Mitchell. With \$10,000 supplied by Hugh Sloan, Walters' canvassers—some of them from the American Nazi Party—urged A.I.P. members to change their registration.

(As late as May 15, 1972, when Arthur Bremer shot Wallace in Maryland, the White House was still seeking to siphon off Wallace votes. According to accounts of Howard Hunt's secret testimony, within an hour of the shooting, Chuck Colson asked him to fly to Milwaukee, break into Bremer's apartment and find evidence linking the assassination attempt to left-wing causes. Hunt says he