

\$250,000 in warchest

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Watergate jury told of 'spy' fund

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WASHINGTON, Jan. 23—

Hugh W. Sloan, former treasurer of President Nixon's reelection campaign committee, testified today that he gave \$119,000 to one of the defendants in the Watergate trial for use in gathering political intelligence.

Sloan said he gave the money to G. Gordon Liddy, then legal counsel to the finance committee to reelect the President, on the orders of Jeb Magruder, deputy director of the Committee for the Reelection of the President.

Altho Sloan claimed he did not know the use to which the money would be put, Magruder, in prior testimony to the Watergate trial jury in Federal District Court, had admitted the funds were for gathering political intelligence.

MAGRUDER ALSO said the total amount authorized for the activities headed by Liddy was \$250,000. Of this amount, \$235,000 was actually paid to Liddy, Magruder said.

Sloan testified that when Liddy asked at one point for \$85,000, he questioned the authority of Magruder to approve such amounts.

Sloan said he checked this with Maurice Stans, finance chairman of the Nixon committee and former secretary of commerce.

"I merely verified it with Mr. Stans and Mr. [John] Mitchell that he [Magruder] was authorized to make the payment," Sloan said.

Mitchell, former attorney general, was Nixon's campaign director at the time. He later resigned the post citing his wife's demands that he get out of politics as his reason.

SLOAN RESIGNED as treasurer on July 14. He revealed today, under questioning by Judge John Sirica out of the presence of the jury, that he

did so because he was tearful of his involvement in the Watergate case.

Pressed by the judge on the matter, Sloan said he was afraid he might be implicated in violations of the new campaign financing law.

In his testimony to the jury, Sloan had admitted giving

Liddy checks totaling \$114,000 to change into cash because they questioned the legality of the checks under the new law. They also wanted to break down the donations to \$3,000 each to avoid gift taxes to the contributors, he said.

THE GOVERNMENT has introduced evidence showing the \$114,000 in checks was placed in the Miami bank account of Bernard Barker and withdrawn in cash which was sent back to the committee.

Barker, a Miami real estate broker, has pleaded guilty to conspiracy, burglary, and violations of federal wiretap laws in connection with the case. Four other persons also have pleaded guilty in the case.

Sloan implicated Liddy in the break-in and bugging of the Democratic National Committee Offices in the Watergate Office Building last June 17 during which Barker and four others — but not Liddy — were arrested.

ABOUT MID-AFTERNOON on June 17, Sloan said he met Liddy in the offices of the Committee for the reelection of the President.

"My boys were caught last night," Sloan quoted Liddy as saying. "I made a mistake by using somebody from here which I told them I would never do; I'm afraid I'll lose my job." The "someone from here"

was a reference to James McCord, former security chief for the committee who was arrest-

ed in the Democratic offices. McCord and Liddy are the two remaining defendants on trial.

What Liddy meant by "I told them" was not followed up by either the government prosecutors or Judge Sirica in questioning Sloan despite numerous reports that a higher ranking Republican was involved in the Watergate caper.

PRIOR TO SLOAN'S testimony, Magruder said Liddy was recommended for his job with the committee by John Dean III, counsel to the President. Liddy was first hired as general counsel to the committee.

Magruder testified that he and Herbert Porter, director of scheduling for the committee, asked Liddy in late 1971 to set up an intelligence gathering unit.

Liddy was given assignments to gather intelligence on radical groups who might pose a danger to persons campaigning for the President and to obtain plans for possible violence at the Republican convention then scheduled for San Diego, Magruder said.

As a result of Liddy's intelligence that as many as 250,000 demonstrators might show up in San Diego, Mitchell and President Nixon decided to move the convention to Miami, Magruder claimed.

MAGRUDER SAID he also asked Liddy to "look into" reports that a Democratic candi-

date for President "known for his antipollution stands" had accepted a large donation from a major polluter.

Magruder did not name the candidate, but it is believed by most political observers to have been Sen. Edmund Muskie [D., Me.], then the leading contender for the Democratic presidential nomination.

Magruder said Liddy was authorized to spend \$150,000 to learn about violence at the Republican convention and \$100,000 for the other assignments.

Another witness, Robert Odle Jr., director of administration for the Nixon committee, testified that he saw Liddy shred a large stack of records in committee offices just hours after the arrest of the five men June 17.

Odle said Liddy had a three-inch stack of papers and asked him how to operate the shredding machine.