

# GOP Aide Is Paid For Pushing Loan

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A high Republican National Committee aide received a \$5,000 check two days ago, apparently a reward for helping a Washington builder get a \$500,000 bank loan.

The loan was secured after the banking director of the U.S. Postal Service, James T. Blair, made a phone call to the New York bank involved, First National City, which handles \$5 million of Post Office money every day.

Blair said he made the call at the request of the GOP aide, Douglas W. English Jr., whom he described as a friend.

English, 35, is special assistant to Thomas B. Evans, the cochairman of the Republican National Committee. Evans put him on a temporary leave of absence without pay from his \$25,000-a-year post yesterday pending further investigation of the matter.

A copy of the \$5,000 check of English was obtained by The Washington Post. It was made

out by Cyrus T. Anderson, a lobbyist due to come to trial on charges of bribing former U.S. Sen. Daniel B. Brewster to influence legislation on mail rates.

According to English and others involved, the source of the \$5,000 was Dr. Cyrus Katzen, a Washington dentist and builder who says he asked Anderson to forward the payment to English, thinking that English had arranged the loan.

After being told that The Post had a copy of the check, English made a series of contradictory statements, never revealing the role of postal banking director Blair.

English spoke to a reporter about the incident only after he was ordered to by his superior, Evans. At first he said he received the \$5,000 after placing a phone call on behalf of Katzen to an assistant cashier at First National City.

Banking officials denied this. English then said he had

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called a different person, John Stanton, the bank's vice president for government banking. Stanton, denied this, saying the initial contact about the loan was made by Blair.

"I'll be damned if I can imagine why English got \$5,000," Stanton said.

A reporter then called Blair, who confirmed having spoken to the bank on behalf of Katzen. Blair said he told Stanton that a friend of Blair knew someone in Washington who wanted a loan, and asked if Stanton could help.

Blair said yesterday in answer to a reporter's question that he had done nothing improper. "The fact that I make a call—what's the difference? I get calls all the time."

After being told that English had received \$5,000, Blair said: "Oh, God, what a mess." He said he met English three years ago when English worked at the Post Office De-

partment, and that he had made the call to Stanton simply as a favor to a friend.

Both English and lobbyist Anderson volunteered statements to a reporter that the \$5,000 payment had absolutely nothing to do with the charges against Anderson in the Brewster bribery case.

Anderson was a lobbyist for the huge Chicago based Spiegel mail order firm when he was indicted in the Brewster case. He said yesterday without being asked, that his personal check to English was "absolutely not political... I've never discussed my indictment with English. I want to make it emphatically clear that it was strictly a business deal."

There was a notation, "Investigatory Services," on the \$5,000 check in a space usually used to specify reason for payment. Anderson could offer no explanation for the notation.

He said it was his understanding that English had arranged the loan and the payment was for that. He declined to answer when asked

by a reporter whether \$5,000 was the typical fee for making one phone call for a large loan.

Dr. Katzen, head of the Mozel Development Corp., which built the Embassy Row Hotel on Massachusetts Avenue NW, said the \$5,000 represented 1 per cent of the loan and was "perfectly normal and routine." He said he was surprised that the Postal Service banking directors intervened in the loan application.

Katzen said he met English through Anderson at the Embassy Row about four or five months ago.

English, in his work for the GOP Committee, was in charge of placing advertising in the program for the Republican National Convention to be held Aug. 21 in Miami Beach.

Previously he had worked for the State Department in the bureau of international organization and for the Navy Department as administrative officer in charge of person: I

and security, as well as the Post Office.

English said he also owns a small real estate firm in Virginia. In 1968, he donated \$1,000 to the Nixon-Agnew campaign, records show.

Republican cochairman Evans said English was hired by the committee June 1. "I was not aware of any of his outside activities and will check into them thoroughly. They have nothing whatsoever to do with the Republican Committee," Evans said.

"I personally wouldn't have accepted a check like that," he said, "But it doesn't necessarily mean he did anything wrong."

There was court action favorable to Anderson in the Brewster case yesterday—but English emphatically denied that his association with Anderson has anything to do with what goes on in that matter.

"I would not make a call to the Justice Department. I have not had any dealings

with Anderson's problem," he said.

Anderson, Brewster and Spiegel, Inc., were indicted in 1969 after a grand jury investigation directed by Stephen Sachs, the former U.S. attorney for Maryland.

The trial was delayed after U.S. District Court Judge George L. Hart Jr. ruled in 1970 that Brewster could not be prosecuted for offenses allegedly connected to his official legislative duties. That decision was reversed by the U.S. Supreme Court in June.

Yesterday, Judge Hart announced that he had received a letter from Henry E. Petersen, head of the criminal division of the Justice Department, saying that the department wanted to retain Sachs, now in private law practice in Baltimore, as a special prosecutor in the case.

But a letter from Sachs, submitted by Petersen, indicated that the attorney could not be ready to try the case until next February.

Before Hart yesterday, attorneys for all the defendants in the case argued that they wanted the trial to be held before that time. Although Anderson and his attorneys had willingly consented to a delay of well over a year while the legal issues regarding Brewster were brought to the Supreme Court, they argued yesterday that Anderson must be tried quickly.

Edward C. O'Connell, Anderson's attorney, said that Anderson faced "economic disaster" because he has been "deprived of an opportunity to pursue gainful employment" while he is under indictment.

Michael Abbell, 31, a Justice Department attorney who participated in the grand jury investigation of Brewster but said he has never conducted a criminal trial, told Hart that without Sachs, "We don't have an experienced trial counsel who can take the case."

But Hart, after listening to arguments by the defense attorneys, told Abbell, "You bet-

ter find one." He set a trial date for Oct. 30 for all three defendants.

The removal of Sachs from the case was a major victory for the defense, since Sachs—the man who successfully prosecuted Rep. John Dowdy (D-Tex.) for bribery—is an experienced trial lawyer and handled the investigation of Brewster and Anderson and Anderson since its inception.

In addition, Hart announced that he plans to try Brewster and Anderson together—a action that could be extremely favorable to Anderson.

The Supreme Court ruled in June that Brewster can be tried for bribery, but it said that Brewster's formal legislative actions—such as his voting record on postal-rate legislation—cannot be used as evidence at Brewster's trial.

However, Brewster's voting record could be used as evidence against Anderson, since he is not a legislator, if Anderson were to be tried separately from Brewster.