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# Testimony Ties Top Nixon Aide To Secret Fund

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H. R. Haldeman, President Nixon's White House chief of staff, was one of five high-ranking presidential associates authorized to approve payments from a secret Nixon campaign cash fund, according to federal investigators and accounts of sworn testimony before the Watergate grand jury.

The secret fund, which at times totaled \$700,000, was uncovered during the FBI's Watergate bugging investigation. It financed an apparently unprecedented spying and sabotage campaign against Democratic presidential candidates that was conceived by high Nixon aides, according to federal investigators.

Haldeman, 47, is generally considered the man closest to President Nixon in the White House and the primary architect of his re-election campaign. He began his political association with the President in 1956, as an advance man for Mr. Nixon's vice presidential campaign.

Informed yesterday of the information obtained by The Washington Post, Haldeman issued the following statement through the White House press office:

"Your inquiry is based on misinformation because the reference to Bob Haldeman is untrue."

Haldeman and Gerald L. Warren, the deputy White House press secretary, refused to elaborate on the statement.

According to the sworn testimony, others authorized to approve payments from the fund, all of them among President Nixon's closest confidantes and all named in previous reports by The Washington Post, are:

Former Attorney General John N. Mitchell, who resigned as Mr. Nixon's campaign manager July 1; former Secretary of Commerce Maurice C. Stans, the finance chairman of the Nixon re-election campaign; Jeb Stuart Magruder, a former White House assistant to Haldeman and now deputy director of Mr.



H. R. (Bob) HALDEMAN  
... Nixon's most trusted aide

Nixon's re-election campaign, and Herbert W. Kalmbach, the President's personal lawyer who, until April 7, served as associate finance chairman of the Nixon campaign.

The Post has been told that all five were named in testimony to the grand jury by Hugh W. Sloan Jr., the former treasurer of the Nixon campaign. Sources close to the investigation said they had confirmed independently of Sloan that the five men had control of the fund.

It was learned that all five men have been questioned by the FBI about disbursements from the fund, which was kept in a safe in Stans' office.

See WATERGATE, A12, Col. 1

Haldeman's power vast. Page A11.

## WATERGATE, From A1

Among the persons who received payments from the secret fund, Sloan is known to have told the grand jury, was G. Gordon Liddy, one of the seven men indicted

aides to disrupt and damage the campaigns of Democratic presidential candidates.

Expenditures of hundreds of thousands of dollars—all approved by either Haldeman, Stans, Mitchell Ma-

after five men were arrested inside the Democrat's Watergate headquarters here on June 17.

When the question of the fund was first raised, a Nixon campaign spokesman said

penses that might prove embarrassing if made public.

An example he gave was the paying for lunch and entertainment of possible contributors who would want

... Liddy decided to spend money to determine what the crazies planned."

The public disclosures about the secret fund have been:

On Aug. 26, the General Accounting Office, the investigative arm of Congress, cited the existence of a fund of \$350,000 in cash as a possible violation of a new campaign finance disclosure law. The GAO said the fund was kept in Stans' safe.

Five checks from the fund totaling \$114,000 were deposited April 20 in the Miami bank account of one of the Watergate bugging defendants, apparently to "launder" the money so that its source could not be determined.

On Sept. 12, a confidential

report by the House Banking and Currency Committee staff said that Stans personally approved a possibly illegal transfer through Mexico of \$100,000 of campaign money that then went to the secret fund.

On Sept. 17, two days after the Watergate bugging indictments, the first disclosures of who allegedly controlled the fund were made. It was repeated then that principal associates of former campaign manager John Mitchell controlled it, but their names were not immediately made public.

The next day it was reported that Nixon deputy campaign director Magruder and Herbert L. Porter, the campaign scheduling director, each had withdrawn

more than \$50,000 from the fund. Magruder denied the allegation. He acknowledged that federal investigators questioned him about it.

On Sept. 29, it was reported that Mitchell, Stans and Magruder were three of the five individuals who were authorized to approve expenditures from the fund. Federal sources said that Mitchell controlled disbursements from the fund for nearly one year while he was attorney general and only later did the other four begin authorizing expenditures. Mitchell and Stans have denied having any knowledge of disbursements from the fund.

On Oct. 16, Kalmbach was named as the fourth person with power to authorize disbursements from the fund. Time magazine later reported that Kalmbach paid \$35,000 to Segretti, the California attorney who allegedly was a primary Nixon committee agent in the spying-sabotage campaign.

According to numerous sources, some specific acts of political spying and sabotage include:

Fabrication by a White House aide during the New Hampshire presidential primary election of the so-called "Canuck" letter that maintained that Sen. Edmund S. Muskie condoned a racial slur on French-Canadians. The letter played a part in Muskie's politically damaging "crying speech" before the office of the Manchester Union-Leader, a newspaper opposed to Muskie's candidacy.

Infiltration of the Democratic presidential campaign organizations by alleged California agent Segretti who recommended the use

of such tactics as planting stink bombs, disrupting campaign schedules, and forging press releases.

Forging of a campaign letter during the Florida primary under Sen. Muskie's letterhead, claiming that his opponents were guilty of sexual misconduct. The letter, determined to be "obviously

"Senator Jackson of Everett, Wash., was involved with a 17-year-old girl named Joanne—when he was a senior at Everett High School. The result was an illegitimate daughter named Mary Ann—born Feb. 7, 1929... Senator Hubert Humphrey has similar skeletons in his closet. He was driving in Washington, D.C. on Dec. 3, 1967, after hitting two parked cars and a mail box. In his car at that time was a known call girl named Mary Virginia..." Thousands of copies of the letters were distributed, possibly hurting Muskie, Jackson and Humphrey.

Plans to develop a computerized intelligence bank in early 1971 on various Republicans and Democrats that could be used to "lean on" people for political and financial support.

Payment of about \$2,000 to Charles Szihlik, an Indiana deputy state GOP chairman, to obtain schedules, campaign stationary and dossiers on the state Democratic convention delegates including information on bank loans and sexual activities.