

The Vesco Affair

MAR 10 1973

NYTimes

So much evidence of corruption in high Administration circles has been emerging in these past few weeks that it now requires President Nixon himself to reassure the country that every possible step has been taken to prevent the recurrence of any such episodes in or around the White House.

The latest revelation in a continuing series on the financing of the President's re-election campaign concerns an unreported contribution of \$200,000 from one Robert L. Vesco. A financier under investigation by the S.E.C. for the last several years, Mr. Vesco now faces Federal charges of having "spirited away" \$224 million in cash and securities from mutual funds controlled by himself and 42 other defendants.

The Administration's involvement with Mr. Vesco was no sudden affair sprouting in the heat of an election campaign. Former Attorney General John Mitchell has admitted that, while he still served as the nation's chief law-enforcer in 1971, he had tried to communicate with the American Ambassador in Switzerland on the subject of Mr. Vesco, who had just been jailed on complaint of the stockholders of a failing mutual-fund complex. Mr. Mitchell also sought to discuss the investigation of Mr. Vesco with William Casey, former S.E.C. chairman.

Against this background comes the report that Mr. Vesco's donation to the Finance Committee to Re-elect the President was made in cash, allegedly by a pre-arrangement confirmed by the President's brother. According to sworn testimony in a pre-trial proceeding, the gift had been solicited. And it was kept secret though it was made three days after the effective date of the new Election Campaign Act, which requires disclosure of campaign contributions.

It is true that the money was later returned to Mr. Vesco but much later—only a month ago, in fact, after a newspaper had spread the word about this shady transaction and after the President's fund-raisers had come under fire for other strange transactions starting with the sordid Watergate affair.

Among those who appeared before a grand jury in connection with that notorious case was Donald Segretti, who reportedly served the Administration during the campaign by running a political sabotage and spy operation. Mr. Segretti's "contact" in the White House was allegedly his friend, Dwight L. Chapin, a Presidential aide who abruptly resigned when the Segretti activities surfaced in the first wave of publicity over Watergate. White House spokesmen then decried reports that Mr. Chapin had been ousted for such a connection.

But L. Patrick Gray 3d, the President's choice for permanent director of the F.B.I., has now given the Senate a different version. Herbert W. Kalmbach, the President's personal lawyer, had told F.B.I. agents that he had paid \$30,000 to \$40,000 to Mr. Segretti, whom he had recruited for "service to the Republican party" at the suggestion of Mr. Chapin.

If Mr. Gray knew all this as acting director of the F.B.I., what does it say of his qualifications to be permanent director that he reveals it only now, under grilling by the Senate Judiciary Committee?