

## Nixon Lawyer's 'Secret Fund'

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SF Examiner APR 23 1973

WASHINGTON — (UPI) — President Nixon's personal lawyer, Herbert W. Kalmbach, had control of a secret fund that may have contained as much as half a million dollars during the presidential campaign, the Washington Star-News said today.

The newspaper said the money was kept at a Newport Beach, Calif., bank and that it was used in part "for political spying and disruption" including payments to a Los Angeles attorney, Donald W. Segretti. Segretti previously was identified as an undercover operative during the Nixon campaign.

**Hidden Account**

The West Coast fund, the Star-News said, was kept in a hidden bank account at the Newport Beach branch of the Bank of America.

The money was funneled into the account by cashier's checks bought with cash at a different Newport Beach bank, the Security Pacific National Bank, the newspaper said.

There have been previous reports of Washington funds during the Nixon campaign totaling \$750,000 or more, with some of it being used for political surveillance activities, allegedly including the Watergate bugging case.

The newspaper said "various sources" put the total amount that passed through the Newport Beach account as "anywhere from \$200,000 to \$500,000."

**Closed Out**

It apparently was closed out, the Star-News said, early last year — well before the break-in of Democratic headquarters at the Watergate Building in Washington June 17.

The new disclosure came as:

• The Washington Post said it was told by "highly reliable sources in the executive branch" that Nixon was warned as early as last

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December that some former and present close associates, including John W. Dean III and John Mitchell, "were probably deeply involved in both the illegal electronic surveillance (at the Watergate) and the cover-up."

• The Watergate grand jury continued its investigation of the case today, with Dean, White House legal counsel, expected to appear either today or tomorrow. He has said he will not be a "scapegoat" in the affair.

• Sen. Edward W. Brooke (R-Mass.) said he found it "inconceivable" that the President's subordinates would not have told him about the Watergate bugging plans.

• White House sources indicated the President plans to announce the resignations of a number of key advisers as a result of the Watergate investigation, possibly within a few days. Nixon was in seclusion today in the Bahamas, reportedly considering his plans. Among those reported possibly leaving is Chief of Staff H. R. "Bob" Haldeman.

**Payments**

The Star-News quoted investigators as saying that Kalmbach made payments from the West Coast fund to Segretti, rather than from Washington-based funds as previously had been believed. These payments have been said to have totaled \$30,000 to \$40,000.

The Star-News said a Senate subcommittee learned of the fund last fall but that the findings were not disclosed. It said the new special Watergate Committee now was looking into the matter.

The Post said that Nixon was advised in December and again in January about possible involvement of Mitchell, his onetime campaign manager and former attorney general, along with Dean and possibly others on the staff in the Watergate affair.

**'Inconceivable'**

Nixon responded by saying "give me some evidence," one source said, ac-

ording to the Post. NIXON reportedly pointed out that Dean and Mitchell had denied any involvement.

Brooke said that Nixon's aides "conceivably" could have concealed the espionage campaign from the President, but he added it was "difficult for me to understand that they could."

"... It is difficult to understand how persons working with the President would not make known to him an enterprise of this magnitude involving hundreds of thousands of dollars and involving such potential risk as the Watergate incident involved," Brooke said.

"It is inconceivable to me that they would not have told the president about this matter — in fact, that they wouldn't have asked for his approval of disapproval."

**Complaint**

Rep. William J. Keating (R-Ohio), complained in Cincinnati that the Watergate case was not handled "appropriately" by the White House and could have a "terrific impact" on the 1974 congressional elections.

The President announced last week there had been "major developments" in the case. He has been conducting his own probe to determine the extent of involvement of his aides.

The series of developments in recent days apparently has triggered a bitter struggle for survival among key presidential assistants.

The federal grand jury probe appeared to be focusing on efforts to hide involvement of Nixon's closest advisers, particularly Haldeman.

**Targets**

It was reported that targets of the grand jury investigation include not only Haldeman and Dean, but Mitchell, former deputy campaign director Jeb Stuart Magruder and, perhaps, White House domestic advisor John D. Ehrlichman.

In weekend reports, the New York Times, the Washington Post and the Washington Star-News, said the

federal grand jury is concentrating on Haldeman's possible role in the Watergate incident and alleged payoffs to seven convicted or confessed Watergate conspirators to keep them quiet about higher-ups involved in the plot.