

Magruder: Democrats Planned

By George Lardner Jr.

Washington Post Staff Writer

Former Nixon re-election campaign deputy Jeb Stuart Magruder said yesterday that an alleged Democratic "kickback" scheme was one of the reasons for last year's GOP espionage efforts.

He told the Senate Watergate committee that a pur-

ported deal involved plans for a "business exposition" at the Fontainebleu Hotel in Miami Beach during the Democratic National Convention last July.

The Fontainebleu served as Democratic Party headquarters for the convention.

Magruder said he got a tip early in the year from syndi-

cated columnist Kevin Phillips that the deal involved renting exposition booths at the hotel to corporations at prices high enough to help the Democratic Party pay off its debts.

The former deputy campaign manager and onetime White House aide said convicted Watergate spy G.

Gordon Liddy was subsequently dispatched to Miami Beach "to take a look at the situation."

According to Magruder, Liddy managed "through some manner to record a telephone conversation" between a Liddy informant posing as a businessman and a key Democratic convention official.

"That telephone conversation further indicated that, yes, there was this kickback situation," Magruder testified. "Because of the phone message and because of this information we had received, we thought it was—could be an appropriate situation to investigate further."

The episode was brought

Convention 'Kickback'

out under questioning by Sen. Edward J. Gurney (R-Fla.) who emphasized that "one of the missions of this committee is to look into all of the irregularities in the 1972 presidential campaign, Republican and Democratic."

Democratic National Chairman Robert Strauss, who was party treasurer before the convention, could not be reached for comment. The Democrats' 1972 convention manager, Richard J. Murphy, was also unavailable.

A spokesman for the Fontainebleu said that any organization that takes over the hotel for a convention is given charge of "any public

space" at the hotel and assigns booths at its choosing.

Magruder testified that columnist Phillips told him the Democrats had made arrangements with a business exposition company to lease space to various corporations in conjunction with the convention.

"The business would then take the space and pay—let's take a figure of, say, \$10,000—of which five [\$5,000] which go to the business exposition company that was putting on the exposition, and the company would get a booth," Magruder told the Watergate committee.

"But the other five would be kicked back to the Demo-

cratic Party to assist itself in its debts."

Magruder said that Phillips, passed along the information as "something of interest that we should look into.... He said this business exposition is a setup deal."

He said Phillips subsequently supplied him with "detailed brochures by this business exposition company" advertising the opportunities.

"I wrote a column about it," Phillips said last evening. "That's how I came to talk to Magruder. I wanted to know if they were doing the same thing. Somebody had sent me a copy of the prospectus. It seemed a very odd thing."