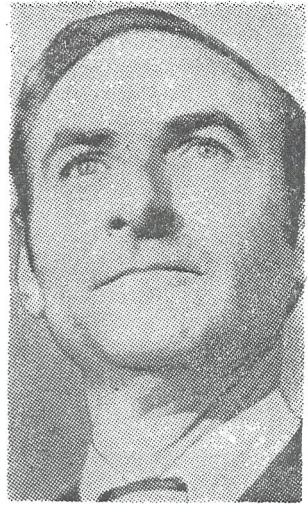


How Hughes Donation Went to Agnew Protege



C. STANLEY BLAIR
1970 candidate

Los Angeles

Ten thousand dollars in cash was obtained from a Las Vegas gambling casino owned by Howard Hughes for the 1970 Maryland campaign of a protege of Vice President Spiro Agnew — and depositions filed here allege that it was Agnew who initiated the transaction.

"... It was an Agnew request of Mr. Hughes, and ... Mr. Hughes wanted to do it, and it had to be done," Thomas G. Bell, Hughes' former assistant for political affairs, said in a deposition.

The funds — \$10,000 in \$100 bills — were obtained from the cashier's cage of Hughes' Silver Slipper casino for the Maryland gubernatorial campaign of Agnew's friend and former administrative assistant, C. Stanley Blair.

The money was flown to Washington and deposited in a Blair campaign account, according to campaign officials. The identity of the donor was concealed, one official said, and does not appear in the Blair for Governor committee reports.

Alvin B. Krongard, the treasurer for the Blair committee, said he believes the \$10,000 contribution was reported anonymously as part of a total \$12,000 Blair netted from ticket sales to a campaign "bull roast"—a Maryland fund-raising affair akin to a Texas barbecue.

Agnew's press secretary J. Marsh Thomson would

New Report Of Abuse At IRS

Washington

Newsweek magazine's Periscope column said yesterday that former Republican campaign advance man Roger Barth had apparently been placed in the Internal Revenue Service by the administration to report on the ideological views of tax officials.

Reached at his home, Barth, deputy chief counsel of IRS, said, "I laughed when I heard about the article."

Periscope also said evidence indicates the IRS may have been used to reward political friends and punish enemies.

It said the evidence had been gathered by the Senate Watergate Committee, special Watergate prosecutor Archibald Cox, private law suits and the Joint Congressional Committee in Internal Revenue.

Associated Press

not respond directly to Newsday queries about the allegation that the Vice President had personally requested the Hughes contribution. Nor would he provide a direct comment from Agnew on the matter.

Instead, Thomson issued

the following statement through an assistant: "The vice president's office has no knowledge of any such intervention by the vice president and suggests the only place to verify the reasons for any contributions by Mr. Hughes would be his (Hughes') office."

Hughes' spokesman Richard Hanna declined to comment on the transaction.

Blair, a Republican, was defeated by Democratic incumbent Governor Marvin Mandel in the 1970 election, and was subsequently appointed by President Nixon to a U.S. district court judgeship in Baltimore.

Blair also would not comment.

The cash contribution was set in motion at the time of Agnew's September 1970 visit to Las Vegas for a speaking engagement. The transaction was disclosed in depositions filed in connection with a libel suit filed against Hughes by Robert A. Maheu, who headed all of Hughes' Las Vegas enterprises until Dec. 7, 1970, when he was fired.

Since the Silver Slipper is not a corporation — it is wholly owned by Hughes — it is not illegal for the casino funds to be contributed to an election campaign, provided they are properly reported for tax purposes. The Internal Revenue Service is investigating the \$10,000 transaction, as well as other cash contributions flowing from the Silver Slipper.

The contribution to the

Blair campaign immediately followed Agnew's Sept. 14, 1970 appearance in Las Vegas at fund-raising efforts for Nevada Republicans.

Maheu and the vice president have been friends for a number of years, according to sources close to Maheu, and they saw each other during the Agnew visit. The vice presidential party stayed at the Frontier Hotel, one of the many Maheu directed enterprises owned by Hughes.

A source who was close to Maheu at the time told Newsday that Agnew had talked with Maheu while in Las Vegas. This source also recalled: "The vice president mentioned (to Maheu) that he had this friend who was running for governor back in Maryland and having trouble raising campaign money, and he'd appreciate any help we could give him, something like that." This account could not be independently verified.

Reuters