SFChronicle MAR 2 1974

Sources Say Secret Report Links Nixon to Coverup

By Carl Bernstein and Bob Woodward
Washington Post

Washington

The Watergate grand jury yesterday presented U.S. District Judge John J. Sirica a secret report describing its belief that President Nixon was involved in the conspiracy to obstruct justice in the case, according to informed sources.

The secret report was submitted by the grand jury to Sirica along with the indictment charging seven former White House and Nixon re-election campaign officials with involvement in Watergate coverup. The indictment itself did not discuss Mr. Nixon's guilt or innocence.

However, the indictment implicitly challenges one of Mr. Nixon's key claims of innocence — his contention that he opposed making payments to the original Watergate defendants for the purpose of buying their silence.

The indictment charges that H. R. Haldeman, Mr. Nixon's former White House chief of staff, lied when he testified that the President had said in a White House meeting last March that raising a million dollars for the payoff scheme "would be wrong."

The indictment suggests that a White House tape recording of the meeting shows that the President only said "There is no problem in raising a million dollars," and that he did not add, "but it would be wrong."

Hours after the White House meeting, according to the indictment, arrangements were made for the delivery of $75,000 in cash intended for Watergate defendant E. Howard Hunt Jr. On the next day, the indictment charges, Haldeman attended another White House meeting, at which former

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Attorney General John N. Mitchell assured the participants that Hunt "was not a problem, any longer."

The federal grand jury, several sources have told the Washington Post, considered indicting the President, but decided not to do so after Special Prosecutor Leon Jaworski concluded that the Constitution precludes the indictment of an incumbent President.

For the past several weeks, the sources reported, Jaworski's office has been studying methods to forward evidence against Mr. Nixon to the House Judiciary Committee, which is considering the impeachment of President Nixon.

The grand jury's secret report, the sources said, represents the culmination of that study and contains approximately 50 paragraphs outlining evidence involving the President.

According to the sources, the document cites specific acts by the President as well as a theory of the case which holds that Mr. Nixon participated in the conspiracy to obstruct justice.

In court yesterday, assistant special prosecutor Richard Ben-Veniste gave Sirica a large briefcase which, he eaid, contained "material which is made referenee to" in the secret report.

The decision by Jaworski and the grand jury to turn over evidence to Sirica concerning the President gives Sirica some new problems.

Various sources said Sirica has several available options, including:

- Examining the evidence in the secret report himself and ruling that it should be forwarded, in whole or in part, to the House Judiciary Committee studying impeachment.
- Reviewing the evidence and ruling that the House committee must attempt to obtain it by subpoena.
- Ruling that the House committee is not entitled to evidence developed in a secret grand jury proceeding, and declaring that the House committee must gather its own information.
- Ruling that the grand jury has authority to take action against the President. If Sirica made that finding, the evidence might be sent back to the grand jury for its reconsideration and the possible indictment of Mr. Nixon.

Sirica gave no indication when he will decide what course of action to take on the secret report.

According to the indictment produced by the grand jury yesterday, Haldeman's alleged false statements on whether the President approved buying the original Watergate defendants' silence were made July 30 and 31 in testimony before the Senate Select Watergate Committee.

Former White House counsel John W. Dean III had testified under oath earlier during the committee's hearings that in a conversation with Mr. Nixon on March 13, 1973, the President told him: "There is no problem in raising a million dollars, we can do that."

Haldeman told the committee this conversation took place during a March 21 White House meeting of which Haldeman attended only a portion. Haldeman listened to the White House tape of portions of the meeting, however, and he testified that although Mr. Nixon made the remark about the million dollars, the President added the phrase, "but it would be wrong."

Haldeman and Senator Howard Baker (Rep-Tenn.), a member of the Watergate committee, engaged in the following exchange on that part of Haldeman's testimony:

Baker: Now, if the period were to follow after "we can do that," it would be a most damning statement. If, in fact, the tapes clearly show he said "but it would be wrong," it is an entirely different context. Now, how sure are you, Mr. Haldeman, that those tapes in fact say that?

Haldeman: I am absolutely positive that the tapes —

Baker: Did you hear it with your own voice?

Haldeman: With my own ears, yes.

The indictment charges that Haldeman's statements "as he then and there well knew, were false" — both in regard to what he heard on the tapes and the President's purported remark that "it would be wrong" to raise money for the defendants.

The grand jury had access to the March 21 tape, and its indictment suggests that the remark "It would be wrong" is not on the tape.

The indictment includes another perjury count against Haldeman accusing him of falsely testifying that Dean did not tell Mr. Nixon at the March 21 meeting that former White House aide Jeb Stuart Magruder had lied to the grand jury.

Mr. Nixon has cited the March 21 meeting as the core of his claim that he did not participate in the conspiracy to cover up Watergate. It was at that meeting, he has said, that Dean warned him of "a cancer growing on the presidency" and outlined to Mr. Nixon a blackmail scheme by Hunt to extract money from the White House in exchange for the Watergate defendants' silence.

Mr. Nixon's claim of innocence includes his assertion that Dean lied when he said the president agreed to meet Hunt's demands.

In his testimony before the Watergate committee, Dean said he informed Mr. Nixon "there were money demands being made by the seven convicte."

"He asked me how much

it would cost," Dean testified. "I told him that I could only make an estimate that it might be as high as a million dollars or more. He told me that was no problem, and he also looked over at Haldeman and repeated the statement."

The true version of what transpired, the President has insisted, was the one given by Haldeman to the Senate Watergate ed defendants' Committee — tBe same version which the Watergate grand jury indictment alleges is perjury on Haldeman's part.

At a press conference on Aug' 22, 1973, the President was asked what John Dean told him on March 21 on the subject of naising funds for the Watergate defendants. Mr. Nixon answered as follows:

"Certainly. Mr. Haldeman has testified to that, and his statement is accunate . . . Mr. Dean said also on March 21 that there was an attempt, as he put it, to to blackmail the White House by one of the defendants . . . and that unless certain amounts of money were paid, I think it was $120,000 for attorneys' fees and other support, that this particular defendant would make a statement, not with regard to Watergate, but with regard to some national security matters in which Mr. Ehrlichman (John Ehrlichman, then assistant to the President for Domestic Affairs) had particular responsibility . . .

"I said, the second point is that isn't it also quite obvious, as far as this is concerned, that while we could raise the money — and he indicated in answer to my question, it would probably take a million dollars over four years to take care of this defendant, and others, on this kind of basis — the problem was, how do you get the money to them, and also, how do you get around the problem of clemency, because they are not going to stay in jail simply because their families are being taken care of. Anddid testify very effectively, one, when I said, 'John (Dean), it is wrong, it won't work. We can:t give clemency and we have got to get this story out. And therefore, I direct you, and I direct Haldeman, and I direct Ehrlichman, and I direct Mitchell to get together tomorrow (March 22) and then meet with me as to how we get this story out.' And that is how the meeting on the 22nd took place."

According to the grand jury's indictment, a meeting attended by Haldeman, Ehrlichman, Dean and Mitchell was held at the White House the next day — March 22.

According to the indictment, Mitchell's assurance to Ehrolichman came after events, all of them listed by the grand jury as "overt acts" in the conspiracy to obstruct justice:

1.— On March 19, Ehrlichman tells Dean to inform Mitchell "about the fact that E. Howard Hunt Jr. had asked for approximately $120,000."

2. — The March 21 meeting in the president's office, "at which time there was a discussion about the fact" that Hunt had asked for the money. The meeting, attend- and Haldeman, lasted from 11;$5 a.m. to approximately noon.

3. — About 12;0 p.m. Haldeman and Mitchell have a . telephone conversation.

4. — Early in the afternoon, Mitchell and Frederick C. Larue, his former deputy at the committee for the re-election of the president, have a telephone conversation in which "Mitchell authorized Larue to make a payment of approximately $75,000 to and for the benefit of E. Howard Hunt Jr."

5. — That evening, "Larue arranged for delivery of approximately $75,000 in cash to William O. BIttman," Hunt's attorney.

6. The meeting on the 22nd in which Mitchell assured Ehrlichman that Hunt was no longer a "problem."

7. — A conversation that same day between Ehrlichman and an aide of his, Egil Krogh, "at which time Ehrlichman assured Krogh that Ehrlichman did not believe that E. Howard Hunt Jr. ters."