

Magruder Admits Withholding Funds

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Jeb Stuart Magruder admitted yesterday that he had held onto \$6,000 in Nixon campaign money for his own "self preservation" when he started talking to government prosecutors last year.

Testifying at the Watergate cover-up trial here, Magruder said he had held onto some of the money until the Committee for the Re-election of the President paid his "initial legal fees."

The former deputy director of the Nixon campaign, Magruder, 39, insisted, however, that the legal expenditures were all for what he described as "committee business."

He said that when he first hired a lawyer to represent him in the Watergate case, he took former Attorney General John N. Mitchell's advice "not to tell the attorney the truth."

Now serving a 10-month to four-year prison term for his role in the cover-up conspiracy, Magruder candidly admitted that he finally decided to make the "best possible deal" for himself and began confessing first to his lawyers, and then to government prosecutors in mid-April of 1973.

The boyish-faced witness outlined it all again in U.S. District Court Judge John J. Sirica's courtroom yesterday, suggesting a cover-up in which everyone was, above all, looking out for himself.



JEB STUART MAGRUDER
... retained \$6,000

Despite the admissions about his own self interest, Magruder stood by his account of conspiracy in high places as soon as the Watergate bugging and break-in was discovered on June 17, 1972.

He said he was even told that then-President Nixon was "particularly pleased" with his initial success in blocking the government's investigation.

Magruder said he got the plaudits in early August of 1972 from White House counsel John W. Dean who also as-

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sured him that "if anything happened, I would be taken care of in the same way" as the Watergate burglars.

"It was my understanding," he said blandly, "that they were being paid funds to keep them from telling the truth."

When the first five arrests were made at Democratic National Committee headquarters here, Magruder was on

the West Coast with Mitchell, former Assistant Attorney General Robert C. Mardian, and Nixon campaign aide Frederick LaRue.

He said their involvement began immediately with a hurried telephone call from the leader of the break-in, G. Gordon Liddy, who told Magruder what had happened. One of those arrested was James W. McCord, security chief of the re-election committee, who was picked up under an alias that the police had yet to penetrate.

"Someone mentioned that McCord was an ex-CIA agent," Magruder recalled of the hurried strategy session that followed in Mitchell's hotel suite. He said it was proposed then that perhaps the CIA could be used to divert investigators from the Nixon campaign. "Everybody thought that was a good suggestion," Magruder added.

As a result, Magruder said, Mitchell told Mardian to contact Attorney General Richard G. Kleindienst in an effort to get McCord out of jail "before his alias was discovered."

Mardian, the jurors were told, tried to get Kleindienst on the telephone but was told he was at the Burning Tree golf course. Magruder said Mardian then left the room in an effort to contact Liddy on a pay telephone and have him go to the golf course to seek Kleindienst's help.

Mardian has denied making the call, but somehow or other, Liddy wound up on the golf course that day, only to be rebuffed by the Attorney General.

The next day, Sunday, June 18, 1972, Magruder said H. R. (Bob) Haldeman called from Key Biscayne, Fla., around 6 a.m. Eastern time, asking what had happened.

Magruder said he told the former White House chief of staff "that it was Liddy's operation" and then read a press release that had been drafted the day before in Mitchell's name denying that the Nixon campaign was in any way involved. By then, McCord's true identity had surfaced. The release said in part: "We want to emphasize that this man and the other people involved were not operating either in our behalf or with our consent."

Haldeman, the jurors were told, ordered the press release to be made public "as soon as possible," even though Magruder said he told the White House aide that the \$5,300 found on the burglars "was probably our money . . . CREEP money."

From there, Magruder spun out the tale of burning incriminating documents in his fireplace, concocting false stories for the Watergate grand jury, and finally prejouring himself once again at the original Watergate trial before Judge Sirica in January of 1973.

Two or three weeks after the break-in, during a meeting with Mitchell at Nixon campaign headquarters here, Ma-



Associated Press

Magruder outside court on second day of testimony.

gruder said, he offered "to take the blame" for the break-in that Mitchell had authorized earlier in the year as part of "Project Gemstone."

According to Magruder, the former Attorney General later told him he had discussed the idea at the White House, but "he and they had rejected this because I was too close to Mitchell and Haldeman." Government prosecutors, Magruder said he was told, simply wouldn't believe that he had enough clout to have authorized the political espionage on his own.

The "cover story" that was finally settled on, Magruder said, involved explaining away the \$250,000 that had been set aside for "Project Gemstone" as funds allocated for other legitimate political campaign security programs, including one that never existed and another that had already been financed under another budget. Liddy and his crew, meanwhile, were dismissed as wild men who had gone off on their own.

Magruder said both Dean and Nixon re-election campaign lawyer Kenneth Wells Parkinson—in whom Magruder had confided "what really happened"—both helped him polish the lie.

The story held through the first Watergate trial, but Magruder began to break ranks in March of 1973 in the face of Dean's apparent decision to start talking and McCord's letter to Judge Sirica, charging that perjury had been committed.

Under questioning by Assistant Watergate Special Prosecutor Jill Volner, Magruder said he finally sought out an attorney, James Bierbower, in late March of 1973 and flew down to meet him in Bermuda where Bierbower was vacationing.

Before he left, however, Ma-

gruder said, Mitchell told him, "not to tell the attorneys the truth."

Magruder said he flew down to Bermuda at the re-election committee's expense and told Bierbower "the cover story."

"Eventually they [the re-election committee] paid some of my legal fees," the witness added. He said he held on to "some" of the committee's money until the fees were paid.

One of Mitchell's lawyers, Plato Cacheris, picked up on the theme on cross-examination, citing an April 19, 1973, FBI interview that said in part:

"Magruder said that before June 17, 1972, he'd not received one dime from CRP except for salary and that since June 17, he has attempted to obtain as much money as possible for self-preservation. He said he had obtained approximately \$10,000 from LaRue expenses."

Magruder said he wouldn't want to quarrel with the FBI.

"That's what I said at the time," Magruder acknowledged. He also told the FBI in that same interview that he had some \$7,000 in a safe deposit box and \$4,000 to \$5,000 in a savings account but the figures, he said yesterday, later turned out to be "incorrect."

The one-time cosmetics salesman said he actually had only \$7,000 in a safe deposit box—of which \$6,000 had been given him by LaRue some time between November of 1972 and "early April" of 1973.

"You knew LaRue had given you money out of CRP that didn't belong to you?" Cacheris demanded.

"It was paid to me for expenses and committee business," Magruder insisted. "All that I expended was for committee business."

Magruder did not indicate

in yesterday's questioning how much he actually spent and how much he held on to until the campaign committee finally paid his initial legal fees."

He will resume the witness stand today.

Throughout his stay on the witness stand, Magruder, who is not a lawyer, seemed continually puzzled by Judge Sirica's apparently increasing determination to police the hearsay rule. In general, the rule prohibits witnesses from putting words in someone else's mouth unless that someone else is an alleged conspirator.

As a result, the former Nixon campaigner found himself continually cut off as he began to blurt out both ends of conversations with CRP workers like Herbert (Bart) Porter and Robert Reisner. Then, when Magruder apparently thought he had it all straight, prosecutor Volner invited him to tell the jurors what former White House aide John D. Ehrlichman had told him at a meeting on April 14, 1973.

"I'm allowed to say that?" Magruder asked in tones of disbelief.

Told that he was, Magruder explained how he had just come from his first meeting with government prosecutors.

"Mr. Ehrlichman said he'd been named by the President to try to find out the truth of Watergate," Magruder recalled. "He gave me the President's best wishes and solicitations."

Magruder later discovered that Ehrlichman was also tape recording the meeting.

Before yesterday's session was over, Watergate prosecutors also tried, unsuccessfully, to use Magruder as an expert witness on newspaper articles about the Watergate scandal—in a novel effort to show what the newspaper didn't say.

Assistant Watergate Special Prosecutor Richard Ben-Veniste explained that the effort was all tied in with the charges against Mitchell and Ehrlichman. In addition to conspiracy and obstruction of justice, each have been charged with lying to the FBI in July of 1973 when they claimed that all they knew about the Watergate break-in was what they read in the newspapers.

"That puts us in the position of having to prove a negative," Ben-Veniste explained. To support the charges, which carry a maximum of five years in prison, the prosecution, he said, not only has to show what Ehrlichman and Mitchell knew, but also to establish that they couldn't have read about it in the public prints.

Judge Sirica said he wasn't sure just how that should be done, but didn't want to hear from newspaper reader Magruder until defense attorneys have had a chance to plumb their lawbooks.

"It's a very interesting question," Sirica observed. "You want to prove something did

not appear in the newspapers, not that it did appear . . . Couldn't you get a subpoena out for the editor of a newspaper—the Star or The Post?"

Ben-Veniste allowed that the prosecutors might call Washington Post executive editor Benjamin C. Bradlee or reporters Bob Woodward or Carl Bernstein. "We could do that," he said. "It wouldn't involve confidential sources."

The question was left up in the air. Mitchell's chief lawyer, William G. Hundley, protested that the prosecutors could possibly prove what was, or what wasn't, in "every newspaper in the world." And neither Mitchell nor Ehrlichman are available as government witnesses to testify to which papers they read.

The day ended on an even lighter note with chief trial

prosecutor James F. Neal moving to the lectern to announce with delight that the government and the lawyers for Mitchell and Ehrlichman "have finally agreed on something."

The agreement, Neal said, involved charges of lying to the Watergate grand jury and to the Senate Watergate committee. The defense lawyers decided to concede that Mitchell and Ehrlichman had testified in the various forums, and that they had uttered the words attributed to them in the indictment—without requiring the government to prove it.

Happily, Neal said that could shorten the trial as much as a week by cutting down the he had also gotten Haldeman's combative lawyer, John J. Wilson, to concede that Halde-

man had indeed testified before the Senate Watergate committee although they are still quarreling over what Haldeman really said.

"That's as far as I've gotten with Mr. Wilson at this moment," Neal said. "I'm mighty surprised I got that far."

Wilson said that was as far as the prosecutors would get. He maintained the key perjury charge against Haldeman is full of misquotations, including "words left out and clauses left out."

Neal shrugged and promised to reproduce it all in courtroom with a video tape of the televised Senate sessions at issue.

"Let him put his movie picture on," Wilson said, declaring that he had no intention of giving in. Haldeman nodded, smiling confidently.