

President Taped Lawyer Ties Ehrlich

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Talks, Phone Calls; man to Payments

Kalmbach Testifies Aide Approved Cash to Defendants

By Peter A. Jay 7/17/73
Washington Post Staff Writer

Former presidential assistant John D. Ehrlichman gave his explicit approval for the clandestine payment of about \$220,000 to the defendants in last year's Watergate burglary, Herbert W. Kalmbach testified yesterday.

Kalmbach, President Nixon's personal lawyer and a high-powered Republican fund-raiser, told the Senate select Watergate committee that Ehrlichman assured him last July 26 that instructions he was receiving from John W. Dean III for distribution of money were given with the full authority of the White House behind them.

As he began a tale of secret meetings, code names and bundles of \$100 bills, Kalmbach told the committee that after nearly a month of raising thousands of dollars for the Watergate defendants and their families he began to wonder about the propriety of what he was doing and sought reassurance from Ehrlichman.

Ehrlichman, who resigned April 30 as the President's top assistant for domestic affairs, told him he should continue his undercover work, Kalmbach said. Secrecy was essential, he said Ehrlichman told him, because, "but for the secrecy the whole assignment could get to the press and be misinterpreted. . . . they (the press and the Democrats) would have our heads in their laps."

Under questioning by lawyers for the committee, Kalmbach said he at first assumed the money he raised was to be used to provide legal aid for the five—later seven—Watergate defendants and support their families, not to buy their silence. It seemed "a very human thing," he said.

"The fact that I had been directed to undertake these

See KALMBACH, A18, Col. 1



Herbert W. Kalmbach: President's lawyer tells of secret meetings, code names and bundles of \$100 bills.

Kalmbach Handled Payments

KALMBACH, From A1

actions by the No. 2 and No. 3 men on the White House staff (Ehrlichman and Dean, then counsel to the President) made it absolutely incomprehensible to me that my actions . . . could have been regarded in any way as improper or unethical," he said.

Kalmbach testified that Dean summoned him to Washington from his home in California on June 28, 1972, 11 days after the arrest of the first five Watergate defendants in the offices of the Democratic National Committee.

He said Dean met him in Lafayette Park in front of the White House on June 29, and asked him—while making "wide gestures," apparently to give a casual appearance to their meeting—to raise from \$50,000 to \$100,000.

Dean "waved aside" his suggestion that a public committee could best handle the project, Kalmbach said.

After receiving his instructions from Dean, who he recalled "used the editorial 'we' all the time," Kalmbach said he then called former Commerce Secretary Maurice Stans, who headed the Finance Committee to Re-elect the President, and passed on the request for funds.

He said he did not tell Stans what the money would be used for, only that it was needed urgently. Stans, he said, produced \$75,100 within a few hours.

Then, saying he used a former New York City policeman named Anthony Ulasewicz as a go-between, Kalmbach began to dole out the money as Dean directed.

The procedure was complicated and occasionally bizarre. Code names were used, Kalmbach testified, and calls made from pay telephones. Ulasewicz was referred to as "Rivers," among other names. E. Howard Hunt Jr., one of the defendants and an author of spy

novels, was called "the writer," and Mrs. Hunt, "the writer's wife."

Once, Ulasewicz wrapped a briefcase filled with money in a laundry bag, and after that, Kalmbach recalled, the money itself was called "the laundry."

Some of the money was used for legal fees, but not without difficulty. Douglas Caddy, a lawyer originally retained by Hunt, refused to accept a fee from mysterious men who used only cash and dropped out of the case. His successor, William O. Bittman, received \$25,000 for his legal services the second week in July, Kalmbach testified.

"Most of the remaining funds went to Mrs. Hunt," he recalled, who handled most of the distribution thereafter.

Mrs. Hunt, carrying \$10,000 in \$100 bills, died in a Chicago plane crash last December, a month before her husband and the other six Watergate defendants were convicted for their roles in the burglary.

As July wore on, Kalmbach testified, he "began to have a degree of concern about the assignment" in which he found himself. The clandestine nature of the operation, he said, was "very distasteful to me."

At one point, he was given another \$40,000 in cash by Frederick C. LaRue, an aide to Nixon campaign director John N. Mitchell, at a meeting in Dean's office. This money, also in \$100 bills, was given to Ulasewicz in New York.

Kalmbach, a tanned, black-haired man of 52 who has handled Mr. Nixon's personal legal affairs for the last four years, then went to Ehrlichman for reassurance. (Earlier this year presidential press secretary Ronald Ziegler said Kalmbach was no longer Mr. Nixon's personal attorney. But Kalmbach testified yesterday that he still was.)

In what he described as

an emotional meeting on July 26 at the White House, he said, he confronted Ehrlichman and declared "John, I'm looking right into your eyes . . . You know that my family and my reputation mean everything to me. And it's just absolutely necessary John, that you tell me first that John Dean has the authority to direct me in this assignment (and) that it is a proper assignment and I should go forward."

Ehrlichman met his gaze, Kalmbach said, and replied: "Herb, John Dean does have the authority. It is proper, and you are to go forward."

Ehrlichman, who has denied any involvement in the Watergate scandal or its subsequent cover-up, is scheduled to appear before the committee later this summer.

Asked yesterday by committee counsel Samuel Dash how he thought, as Ehrlichman told him, the payments to the Watergate defendants might be "misinterpreted," Kalmbach replied that "the misinterpretation would be that this was being done to silence these people."

"Could anybody have had any other interpretation?" asked Dash.

"I did," Kalmbach said. He said he assumed that "the green light had been given to these people in some manner . . . (and) they had gone forward on this idiotic and stupid thing (the burglary)." He said he thought "the decent thing" would be to provide legal aid and support for the defendants' families.

On July 27, the day after the meeting with Ehrlichman, he received another \$30,000 from LaRue, Kalmbach recalled. And shortly thereafter, he went to Thomas V. Jones, the chairman of the Northrop Corporation in California and a Nixon supporter, and asked for another \$75,000 he said.

In his testimony before the committee, Kalmbach said he didn't tell Jones what the money was for, but

took the \$75,000 in cash and transferred it—this time at a meeting in an automobile in Newport Beach, Calif.—to the now-familiar Ulasewicz.

Jones denied yesterday that he had given Kalmbach \$75,000. In a prepared statement issued by a Washington spokesman, he said the amount was \$50,000—as the General Accounting Office has already reported—and that he gave it under the impression it was an ordinary campaign contribution.

"I believed the money would be used for the Nixon campaign (and) would go to the Committee to Re-elect the President," Jones said. He said he also believed "it would be reported as required (by law)," and that Kalmbach gave him "the strongest assurances" the money "would be handled in a proper and legal way."

By late August, Kalmbach testified, he had decided not to continue in his clandestine role as Watergate paymaster. He said he told Dean and LaRue—whom he saw as "interchangeable in a sense" in directing the distribution of the funds—that "I could do no more."

Though he met again on Aug. 29 with Ehrlichman—a personal friend to whom he said he lent \$20,000 during the past year—Kalmbach said he did not raise the question again of his unwillingness to continue.

On Sept. 21, he told the committee, he went to Dean's office and turned over to Dean and LaRue his accounts for the money he had disbursed. He asked Dean to shred Kalmbach's personal notes on the operation, he said, and they were then burned before he left the office.

That was the end of his involvement with the Watergate defendants, he recalled, except for a meeting last Jan. 19 in the Washington law office of John N. Mitchell.

Mitchell, Dean and LaRue were there, he testified, and "immediately I could see the purpose of the meeting."



By James K. W. Atherton—The Washington Post

Sen. Talmadge seems in deep thought during a conference at hearings.

was to ask me to raise additional funds." He said he refused, and left the office.

Kalmbach's testimony, which resumes today, follows that of Dean by several weeks and conflicts with it mostly in small details.

His account of his second meeting with Dean on the Watergate matter, for example, places it at his room in the Statler-Hilton Hotel. Dean first said they met at the Mayflower — but under questioning said it might have been at the Mayflower Coffee Shop at the Statler-Hilton.

Kalmbach's testimony in no way implicated President Nixon in the cover-up.

Since March, 1969, Kalmbach testified, he has met with the President not more than four or five times, and spoken with him on the telephone about as frequently. His regular White House contacts were with Ehrlichman and Dean, he said.

Kalmbach noted at the outset of his appearance before the committee that he chose to appear voluntarily and has not sought immunity from prosecution — as did Dean — in exchange for his testimony.

Kalmbach said he had been the custodian of \$915,000 in surplus funds left over from the Republican campaign of 1968.

This money, he said, was turned over to the Committee for the Re-Election of the President in February, 1972.

In April, 1972, he said, shortly before he resigned as the associate finance chairman of the re-election committee, he arranged—at the request of Larry Higby, an aide to Haldeman—the transfer of \$350,000 in cash from the committee to the be used "for polling pur-White House.

He said it was his assumption that the money would be used "for polling purposes," presumably to enable President Nixon to commission polls independently of the re-election committee.