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CHARLES COLSON, President Nixon's top political strategist, has threatened Time magazine with a multi-million-dollar libel suit unless the issue out tomorrow says it regrets not publishing his denials of any link to the conspiracy to bug Democratic National Headquarters at the Watergate.

On advice of counsel, Colson declined to talk to us. But based on our conversations with his associates in and out of the White House, Colson seems deadly serious about seeking at least \$2 million in punitive damages unless Time prints a statement of regret. At this writing, lawyers for Colson and Time are still negotiating Colson's demands.

Colson leaves the White House around March 1 to resume private law practice in Washington but even then is expected to maintain immense influence at the White House. For anybody that close to the President to threaten a libel suit against a major national publication is without precedent in contemporary politics. It can be regarded as part of the administration's hard-line campaign against the media, atempting in this instance to forcibly remind newsmen of the libel laws.

The disputed report, published in last week's Time and given further national distribution by the wire services, suggests that a guilty plea by four Watergate defendants "staved off" their courtroom testimony that they had been told the bugging was approved by Colson and former Attor-ney General John Mitchell, then Mr. " Nixon's reelection campaign manager. When Time's report became public, Mitchell and Colson both issued public denials. Mitchell told us he considered a libel suit but decided against it because of the Supreme Court's 1964 Sullivan decision (requiring proof of malice to support a libel charge). But Colson immediately consulted his attorneys (among them Thomas Hogan of Washington) who informed him he had a shot at proving malice. Friends insist Colson means business, pointing out that he sought legal counsel instead of publicly denouncing the magazine.

For one thing, nobody from Time contacted Colson or Mitchell to confirm or deny their report. For another, the Time charge is based on an alleged conversation between the four Watergate buggers and ex-CIA agent E. Howard Hunt, key figure of the Watergate Crime. Time reported: "When Hunt recruited them into the Watergate conspiracy, he grandly told them: "it's got

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to be done. My friend Colson wants it. Mitchell wants it."

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In the story's context, it appears that quote might conceivably have come from a long interview with Hunt by Time Washington correspondent David Beckwith. In fact, it. did not: In a sworn affidavit, Beckwith tolui sHunt's lawyers last week that Hunt did not give him the quote and he did not so report to his editors: Asked by us whether Time stood by its story, Managing Editor Henry Grunwald replied, "Sure," adding, however, the story might have been "more complete" in some respects. He declined further discussion because of possible legal implications.

A footnote: If a Colson libel suit ever did get to trial, it might possibly open up the Watergate scandal to more detailed exploration than anything produced by the Watergate trial itself. However, Colson has always unequivocally denied any knowledge of the affair and reiterated that denial under oath in sworn depositions, Based on those depositions, Colson was not called as a witness in the trial.