

WATERGATE INVESTIGATION TO HIGH WHITE HOUSE EHRlichman ORDERED TORS LINK COVER-UP AIDES AND MITCHELL; '71 ELLSBERG INQUIRY

6 MAY BE INDICTED

Promises of Clemency in Break-In Called Part of Scheme

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WASHINGTON, May 1—Government investigators say they now have evidence that high-ranking officials of the White House and the Committee for the Re-election of the President conspired after the June, 1972, Watergate break-in to arrange a careful cover story designed to obstruct the Federal investigation.

The investigators also say the evidence shows that the obstruction of Justice was coordinated by President Nixon's two closest advisers, H. R. Haldeman and John D. Ehrlichman, who resigned yesterday, and former Attorney General John N. Mitchell, who headed the re-election committee at the time.

Three other former White

House aides, Jeb Stuart Magruder, a special assistant to Mr. Nixon, Frederick C. LaRue, another special assistant, and John W. Dean 3d, the president's counsel, were also involved in the initial cover-up attempt, investigators said.

Secret Meetings

The cover-up was formulated during some planned secret meetings held at the re-election headquarters here in late June, according to investigators.

The basic scheme was said to have called for all of those involved in the operation to deny any knowledge of it, and for the re-election committee to issue public statements to that effect. In essence, investigators said, everyone involved in the operation repeatedly lied to Federal investigators, prosecutors, other White House officials, and finally, to President Nixon.

All six men are expected to be indicted by the Federal grand jury now hearing testimony on the Watergate incident, sources close to the case today.

Four Others Involved

At least four other persons were also involved in the cover-up, and are now under

investigation by the grand jury, the sources said. They are Dwight L. Chapin, the President's former appointments secretary, Gordon Strachan, a Haldeman assistant, Herbert L. Porter, who worked for Herbert Klein's information office, and Kenneth W. Parkinson. The last is a Washington lawyer who was hired by the re-election committee shortly after the June 17 break-in.

In addition, investigators said, there were many others who were—in the words of one source—"seduced by the operation." The grand jury and Senate investigating committee are now trying to determine, among other things, whether those persons knew the full implications of their roles in the cover-up.

The scheme, as allegedly worked out by Mr. Ehrlichman, Mr. Haldeman, Mr. Mitchell and Mr. Dean, included payments to the arrested defendants, promises of executive clemency, a series of public denials, and arrangements with Mr. Magruder and Mr. Porter to perjure themselves during the trial of the seven Watergate defendants.

The additional funds needed

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for the payoffs, sources said, were collected by Herbert W. Kalmbach, President Nixon's personal lawyer, who also served as a chief campaign money raiser. Although Mr. Kalmbach made a special effort to raise the cash after the men were arrested, the source added, it has not been determined whether he was aware of its ultimate use. He, too, is now under investigation by the grand jury. The White House said today that the lawyer is no longer handling legal matters for Mr. Nixon.

"This is the thing which absolutely blows my mind," one investigator said in an interview.

The account of the cover-up provided to The New York Times was confirmed and corroborated in interviews during the last 24 hours with a variety of officials and attorneys involved in the case.

Perhaps the grossest fabrication, sources said, was the coordinated account provided to the Federal prosecutors, and used by them as a bulwark in the subsequent Watergate trial, of the initial rationale behind the cash payments to G. Gordon Liddy, one of those convicted of the bugging of the Democratic National Committee.

10 Month Study Cited

The Government was told by a number of re-elected committee officials that the \$100,000 given to Liddy was to pay 10 intelligence agents \$1,000 a month each for 10 months in 1972 to find out if anti-Republican demonstrations were planned.

"That was a complete fabrication," one investigator said. "Just a complete lie."

Hugh W. Sloan Jr., treasurer of the re-election committee, who gave the cash to Liddy, according to investigators, was the only key official who apparently chose not to participate in the cover-up, causing his superiors to alter some details of the agreed-upon story.

Mr. Sloan had been urged to commit perjury during the Watergate trial by testifying that he gave Liddy and his associates only \$40,000 in 100 bills rather than the \$235,000 that was actually provided, informed sources said. On at least three occasions, Mr. Sloan has told investigators

that Mr. Magruder and Mr. LaRue attempted to pressure him into changing his story.

Mr. Sloan confirmed the account in a telephone interview last night from his father's home, but refused to discuss the matter, saying that he would talk only to the appropriate officials.

Investigators said, however, that Mr. Sloan had unsuccessfully attempted, in the days following the first public disclosure of the Watergate break-in, to tell both Mr. Ehrlichman and Mr. Haldeman of his concern over the re-election committee's role in the bugging.

"Sloan made incredible efforts to get word to the President or somebody about what he knew was wrong," one source noted. "They all told him to go back to the committee."

Party in the Potomac

His first attempt to tell higher-ups of the impending scandal, investigators said, came six days after the break-in, during an evening party aboard a chartered vessel in the Potomac River. The party was in honor of Col. Vernon C. Coffey of the Army, a White House military aide who was being reassigned to the National War College, and many White House and re-election committee officials attended.

By this time, one source said, Mr. Sloan "had begun to read this stuff in newspapers about \$100 bills floating around and he really began to get scared."

"He thought his fingerprints might be on the bills and he also thought that if the White House didn't deal with the problem quickly it could hurt the President," the source said.

According to investigators, Mr. Sloan approached Mr. Chapin, who was then Mr. Nixon's appointments secretary and a Halderman protégé, and asked for an appointment with the White House chief of staff. Investigators also say that he sought out Kenneth R. Cole Jr., then a member of Mr. Ehrlichman's staff and arranged an appointment the next day with Mr. Ehrlichman, the President's domestic adviser.

According to the investigators, Mr. Sloan said that the following conversation, using roughly these words, took place during his White House meeting with Mr. Ehrlichman:

Sloan: "I think we've got some real problems at the committee in connection with this bugging of the Democrats."

Ehrlichman: "That's problem you have over there. I don't want to know any facts; it's none of my business. If you have a personal problem about

it, get a lawyer."

Sloan: "Let me tell you what I think may be going on over there."

Ehrlichman: "I don't want to be told any details."

Mr. Sloan, sources said, never did get an appointment

with Mr. Haldeman, and he was, in effect, told by Mr. Chapin to mind his own business.

But according to investigators, at precisely the moment when Mr. Ehrlichman was telling Mr. Sloan he wanted no "details," and Mr. Haldeman was refusing to see him, both men were already involved in developing the initial cover-up story.

Later, sources said, when Mr. Sloan told Mr. Parkinson, the re-election committee attorney, about the effort to force him to testify to smaller payments to Liddy than had been granted, Mr. Sloan said he would not do so. The sources said that this apparently forced Mr. Parkinson to go to Mr. Mitchell and urge him "and the others to tell the true story."

Nonetheless, investigators now suspect that both Mr. Parkinson, and one of his associates, Paul L. O'Brien, had reason to suspect that a cover-up was taking place in connection with the re-election committee's cash outlays, although the men apparently did not know for what use the Watergate team was using the funds.

"Everybody knew that Sloan was the fly in the ointment," one investigator said. "Sloan kept them a little bit honest, to his undying credit."

A number of sources cautioned that the investigations have yet to turn up — as one put it — "a nice, tidy little meeting where they all sat down and planned how to do it." Instead, the sources said, some meetings involving committee officials were held in late June, with telephone consultations handled at a high level with Mr. Haldeman and Mr. Ehrlichman.

'Running the Cover-Up'

"Haldeman and Ehrlichman were running the cover-up," one investigator said during an interview. He added that it was not known whether the two Presidential aides were aware of the Watergate bugging operation before the arrests.

"We don't know whether Nixon to this day knows what really happened," the investigator added. "He really thinks they're clean."

In a statement he issued after

accepting the resignations of the aides, Mr. Nixon emphasized that his action should not "be seen by anyone as evidence of any wrongdoing by either one." In their statements, Mr. Haldeman and Mr. Ehrlichman criticized the newspaper "rumors" and "innuendos" surrounding their roles in the Watergate inquiry and said a full inquiry would demonstrate that they were not guilty of any wrongdoing.

The investigators say that the cover-up publicly began within two days of the arrests inside the Democratic headquarters, after newspapers identified James W. McCord Jr., one of those arrested, as a "security coordinator" for the Republican re-election committee.

The committee issued a statement in Mr. Mitchell's name declaring that "we want to emphasize that this man [McCord] and the other people involved were not operating either in our behalf or with our consent."

The Mitchell statement added: "The person involved is the proprietor of a private security firm which was employed by our committee months ago to assist with the installation of our security system. He has, as we understand it, a number of business clients and interests, and we have no knowledge of those relationships . . . There is no place in our campaign or in the electoral process for this type of activity and we will not permit it nor condone it."

That press release, investigators say, was the first stage of the conspiracy just beginning to unfold. "The original strategy was to blame it on McCord," one source said, and Liddy—who officially was a counsel for the Finance Committee to Re-elect the President—was among those advocating that strategy.

"There was a bunch of little meetings in C.R.P. [the Committee for Re-election of the President]," the source went on, and Liddy was quoted by one witness as saying "That's just

McCord, always doing something like that."

Liddy himself was dismissed on June 28, 11 days after the break-in, after a newspaper reports linked the \$100 bills found on the Watergate team to the finance committee, but the news did not come out until nearly one month later. By the time he was dismissed, for refusing to discuss the operation with agents from the Federal Bureau of Investigation, he had agreed to become a focal point



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"The strategy then became to blame it all on Liddy," the source added. "Everybody knew that Gordon knew how to keep his mouth shut, and they were right—he did."

During his closing argument at the end of the trial of the Watergate defendants, Earl J. Silbert, the principal Assistant United States Attorney trying the case, pointed his finger at Liddy and described him caustically and repeatedly as "the boss."

He depicted the Watergate team, led by Liddy and McCord, as being "off on an enterprise of their own." Mr. Liddy, a former F.B.I. agent and White House aide, "was the money man, the supervisor" of the group who had been "playing cops and robbers," Mr. Silbert said.

Withstanding Pressure

Liddy, who was jailed after his conviction in the bugging operation, is still withstanding pressure from the White House and the Federal prosecutors to give his account.

Sometime in late June, investigators said, President Nixon assigned Mr. Dean to investigate the possibility of White House involvement in the bugging operation. In his speech last night Mr. Nixon implied that his own investigators had lied to him.

"I don't think Dean had any

prior knowledge of the bugging," one investigator said. "He agreed to go along with the cover-up. Once he found out how many people would be hurt, he was convinced that the scandal would really damage the country."

The investigator gave this paraphrase of what he said was the approach used by the

two high-level Presidential aides to the counsel when the question of the bugging was initially discussed:

"Now, John, we know that the President is asking you to do this investigation. But the President doesn't know anything about all of this, and we do. Consider in your mind the consequences of the whole story coming out, and what it would do to the country."

The investigator said that after listening to the explanation from his superiors, "Dean went into the bag and falsified his report to the President."

Mr. Dean's subsequent release of information to various newspapers in the last two weeks about the involvement of higher-ups was based in part on his anger, the investigator said, upon learning that Mr. Haldeman and Mr. Ehrlichman had "given him all this bull about wanting to protect the Presidency, when really they were just protecting their necks."

Federal sources have since acknowledged that it was Mr. Dean who first told investigators earlier this month about the meeting at which L. Patrick Gray 3d, acting director of the F.B.I., was in effect told to destroy White files belonging to one of the Watergate participants. Also at the meeting, along with Mr. Dean, was Mr. Ehrlichman.

The overall effect of the initial cover-up was so complete, sources said, that the prosecutors ignored a number of vital clues pointing toward a conspiracy during their initial investigation and the trial.

The most significant of these, sources said, was provided by Mr. Sloan himself, who went to Mr. Silbert and Seymour Glanzer and Donald E. Campbell, his deputies, and told them that pressure was being placed upon him by Mr. Magruder and Mr. LaRue to commit perjury.

Mr. Sloan acknowledged the meeting with Mr. Silbert during the brief telephone interview, but the prosecutors, as has been their practice, refused to discuss grand jury matters with a reporter.