

Sparkman Bill Written by Beneficiary

By Jack Anderson

Through a telltale "m" in the type face, we have traced a Senate bill back to the investment house that secretly prepared it.

The bill could benefit the Continental Investment Corp., a multi-billion-dollar financial conglomerate, at the expense of its customers. Yet Senate Banking Committee Chairman John Sparkman (D-Ala.) introduced the bill without bothering even to run it through one of his own typewriters.

The legislation was drafted by John Horne, a Continental director, who used to be Sparkman's administrative assistant. The telltale clue, identified for us by an expert, was a slightly defaced "m" which appeared both in the bill and some of Horne's correspondence.

Continental manages a mutual fund and operates a brokerage firm that do business with one another. Under this arrangement, the conglomerate can keep pumping commissions from the mutual fund into the brokerage fund by turning over the stock.

In other words, Continental can squeeze money out of its mutual fund customers any time it wishes simply by making another stock transaction.

Sen. Harrison Williams (D-N.J.) introduced a bill that would stop this practice. Not long afterward, Horne sud-

denly turned up on Capitol Hill peddling an amendment that would gut the bill. It would permit Continental to continue harvesting money from its mutual fund shareholders until April 30, 1976.

Solicits Senators

Horne first tried to get Sen. Wallace Bennet (R-Utah) to introduce the amendment. This would have spared Sparkman the embarrassment of coming out in the open to help his old friend and aide. But Bennett refused to sponsor the windfall.

The amiable Horne, who had a reputation for decency on Capitol Hill, finally prevailed on his ex-boss for assistance. Not only did Sparkman introduce the amendment without bothering to retype it, but he broke his own rules requiring that proposed amendments be submitted in writing to the committee 24 hours in advance of meetings.

Unaware of Sparkman's close ties to the bill's beneficiary, the Senate Banking Committee routinely approved the amendment. The senators didn't notice that the type face was different from other committee papers.

Footnote: A spokesman for Sparkman explained that the amendment would help several firms, in addition to Horne's, by granting them time to adjust to the new re-

quirements. We left messages for Horne in Bermuda where he is cruising but no response. Meanwhile, Continental's brokerage firm. Waddell and Reed, has been accused by the Securities and Exchange Commission staff of violating antifraud laws. The brokerage firm caused the mutual fund to do business, according to the formal charge, for the benefit of the conglomerate instead of the shareholders.

Washington Whirl

Petersen's Plight—Assistant Attorney General Henry Petersen, who was in charge of the Watergate prosecution until the appointment of a special investigator, may find himself at the other end of the investigation. The prosecutors have served notice upon him that he will be called as a witness. We reported last week that Petersen had been quoted as saying President Nixon personally instructed him to "go easy" on the Watergate investigation. Petersen denied he had made the statement, which was attributed to him by his brother-in-law. As early as Dec. 26, we reported that the Justice Department was sounding out Watergate defendants through their attorneys about pleading guilty. The White House wanted to avoid a public trial.

Barker Balks—Bernard Barker, who recruited the Cu-

ban crew that committed the celebrated Watergate break-in, swore to senators that he hadn't been offered money or clemency to plead guilty and keep his mouth shut. This conflicts with what I was told the night that Watergate ring-leader E. Howard Hunt met with the burglary squad at the Arlington Towers, a fashionable apartment building across the Potomac from Washington. It was a cold night in early January on the eve of their trial. I was waiting secretly in a nearby room awaiting a report from one of the participants. He came directly from the meeting to report to me that Hunt had offered them \$1,000 a month to maintain their families if they would plead guilty. We published the first report on Jan. 15 of this attempt to bribe the Watergate defendants.

Last Junket—Though his office is closing down on July 1, Darrell Trent, acting director of the Office of Emergency Preparedness, is taking one last junket at government expense. Trent flies to Ankara the first week in June for an earthquake conference and may drop in on Kuwait, Saudi Arabia, Iran and other spots. The far-traveling Trent insists the trip will be useful because after his present job folds up, he may get a post in the federal oil program.