

Grand Jury Authorized to Probe Illegal Campaign Financing

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Another Watergate related federal grand jury was authorized here yesterday, to investigate charges of campaign corruption, focusing on illegal contributions by corporations, extortion by federal officials, conspiracy and obstruction of justice.

Chief Judge John J. Sirica of the U.S. District Court signed an order, requested by Watergate special prosecutor Archibald Cox, to empanel a new grand jury, which will begin its deliberations on Aug. 15.

It is the first grand jury requested by Cox since he was named to head the Watergate special prosecution force.

An assistant to Cox, Richard Ben-Veniste, presented the request to Sirica. Ben-Veniste said later that the new panel would probe "new areas" and would not replace the grand jury that now is taking testimony regarding the Watergate burglary and subsequent cover-up.

The written request said Cox believes "it would be necessary and in the public interest that a grand jury be empaneled as soon as convenient" to investigate possible violations of the several sections U.S. Code. Sirica ordered that 50 veniremen report next month, from which a 23-member jury will be selected.

Ben-Veniste and George T. Frampton Jr., another Cox assistant, said later the possible crimes include violations of the new campaign financing act of 1971, conspiracy to defraud the U.S. government, illegal campaign contributions by corporations, extortion by federal officials and employees and obstruction of justice.

After the chairman of American Airlines acknowledged on July 6 that he arranged an illegal corporate contribution of \$55,000 to President Nixon's re-election campaign, Cox said he might ask for another special grand jury.

George A. Spater, the American Airlines chairman, said he had made the gift, plus another \$20,000 from non-corporate sources, in five installments between November, 1971, and March, 1972, at the behest of Herbert W. Kalmbach, the President's personal lawyer and campaign fund-raiser.

Cox's staff would not comment on specific issues or individuals that will be singled out. But with its broad investigative powers, a new grand jury would also be expected to look into the so-called White House "master list" of donations made to the President's campaign before April 7, 1972, the effective date of the new federal campaign financing disclosure act.

That still-secret list of more than 2,000 names, which is in possession of the Cox task force, reportedly associates some contributors with defense contractors, electronics, oil and automobile firms. Some of the gifts were made in cash, and Cox' prosecutors are believed to be planning to question those donors about why they made contributions in that manner.

Other matters that the new grand jury may investigate include:

- The Nixon campaign's "milk money"—\$317,500 in 1971 alone from three dairy farm groups that won a increase in the government's price support for milk after they met with Mr. Nixon at the White House.

- The offer of a \$400,000 gift to the Republican National Committee, from the International Telephone and Telegraph Co., to help finance the 1972 GOP convention in San Diego (the convention was later moved to Miami Beach). A memo allegedly written by ITT lobbyist Dita D. Beard linked the offer to a favorable anti-trust settlement. California Lt. Gov. Ed Reinecke said last month that he has given information to Cox about a telephone conversation he had in May, 1971, with then Attorney General John N. Mitchell, about the ITT offer.

- The maneuvering over a Civil Aeronautics Board nomination allegedly involving American Airlines. Cox last week promised Sen. John O. Pastore (D-R.I.) that "we'll follow up on your (Pastore's) suggestion" to in-

vestigate the administration's decision not to reappoint CAB member Robert T. Murphy to another term. Pastore contended the decision to not reappoint Murphy was linked to Murphy's votes in CAB actions that were unfavorable to American Airlines.

Cox has urged "other responsible corporate executives" to come forward "in an effort to put an end to such practices" as allegedly pressuring corporation officers for contributions in return for favors.

It is a criminal offense for corporations and their officers or directors to make political contributions out of company funds, and for political fund raisers to accept or receive such contributions.

While a spokesman for Cox said "there was absolutely no *quid pro quo*" involved in discussions with attorneys for American Airlines, Cox has raised the possibility that officers who come forward as American's Spater has done might not be prosecuted as individuals.

"Whether they come forward or not," Cox warned, "we intend to get to the bottom of illegal funding practices."

Investigations of other matters related to the Watergate affair are being conducted by federal grand juries in Houston, New York, Orlando, Fla., and Los Angeles.

In Houston, the emphasis is on a \$100,000 contribution to Nixon's secret Watergate fund from Robert H. Allen, president of the Gulf Resources and Chemical Corp. Allen said he routed the gift through Mexico City to remain anonymous. After his identity was disclosed, the gift was returned, at his request.

In New York, a grand jury has returned indictments against Mitchell, former Commerce Secretary Maurice H. Stans, Harry L. Sears, Nixon's New Jersey campaign chairman, and financier Robert Vesco, whose unreported \$200,000 cash contribution to the President's campaign set off the probe. Mitchell and Stans were indicted on charge of perjury and conspiracy to obstruct justice.

In Orlando, a grand jury

has indicted Nixon campaign operative Donald H. Segretti and accountant George Hearing in connection with the distribution of a bogus letter written on Sen. Edmund Muskie's (D-Maine) stationery. The letter, circulated during the Florida presidential primary in March, 1972, accused Sens. Hubert H. Humphrey (D-Minn.) and Henry M. Jackson (D-Wash.) of sexual misbehavior. Hearing has pleaded guilty; Segretti, innocent.

In Los Angeles, the September, 1971, burglary of the office of the psychiatrist of Pentagon Papers defendant Daniel Ellsberg is the target. The burglary was reportedly committed by G. Gordon Liddy and E. Howard Hunt Jr., both of whom were later convicted in the Watergate break-in.

At yesterday's hearing before Judge Sirica, James F. Neal, Cox's special assistant for the Watergate section, filed evidence against former White House aide Gordon C. Strachan, who is to testify before the Senate Watergate hearing.

The action is designed to protect the prosecution's evidence from defense charges that it is "tainted" by virtue of the partial immunity from prosecution Strachan has been granted by the Senate select Watergate committee.

The special prosecution force also filed an answer yesterday opposing the Democratic National Committee's request to inspect the grand jury minutes and documents. But the Cox staff said it did not object to the Democrats' request to take depositions from the six imprisoned Watergate conspirators. The Democrats have a deposition from the seventh conspirator, James W. McCord.

In still another development, District Court Judge Charles R. Richey ruled that Dean temporarily need not submit to an oral deposition requested by the Democrats.

Richey has been assigned to the \$6.4 million invasion of privacy action that Democrats are pressing against the Nixon re-election committee officials.

Richey said he agreed with the special prosecutor's contention that early release of Deans deposition could jeopardize upcoming criminal procedures, and with Dean's argument that disclosure of his testimony might violate his Fifth Amendment guarantee against self-incrimination.