

White House Denies Story On Haldeman

By Peter Osnos
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The White House and the Republican Party leadership denied yesterday a Washington Post story that H. R. Haldeman, President Nixon's White House chief of staff, had been authorized to approve payments from an alleged secret Nixon campaign fund used in part to finance intelligence gathering and political espionage.

At the White House, press secretary Ronald L. Ziegler coupled his denial with a lengthy denunciation of The Washington Post for engaging in a "political effort" at "character assassination" that he said was "the shoddiest type of journalism."

"I will say," Ziegler said of the story, "that it is political and it is an effort to discredit individuals within this administration based on hearsay and it is a blatant effort at character assassination that I do not think has been witnessed in the political process in some time."

The statement from the White House was the sharpest yet in attacking The Post. It was the first to comment so specifically on individual allegations contained in the newspaper's stories detailing the operation of what federal investigators have said was an apparently unprecedented spying and sabotage campaign against Democratic candidates.

Post Executive Editor Benjamin C. Bradlee said yesterday, "We stand by our story."

The Post reported yesterday that Haldeman had access to the fund, which at times totaled \$700,000. The newspaper attributed the story to federal investigators and accounts of sworn testimony before the grand jury investigating the Watergate bugging incident.

The Post said that the testimony to the grand jury came from Hugh W. Sloan Jr., former treasurer of the Nixon campaign. Sloan's attorney denied "unequivocally" yesterday that his client had named Haldeman in connection with the secret fund.

The attorney, James R. Stoner, told CBS News: "As a matter of fact, we categori-

cally deny that such a statement was made to the grand jury."

Ziegler denied that "Bob Haldeman had access to the fund," and also the existence of the fund itself. He said also that Haldeman had not been questioned by the FBI in connection with sabotage and espionage charges as The Post had alleged.

At a press conference at the headquarters of the Committee to Re-elect the President, Clark MacGregor, the campaign chairman, also issued a direct denial of The Post story.

"I am assured by both Mr. Haldeman and Mr. (Maurice) Stans (the finance chairman of the committee) that at no time did Bob Haldeman have authority to disburse or to direct the disbursement of funds contributed for the President's re-election."

MacGregor also denied for the first time that Herbert W. Kalmbach, the President's personal lawyer who until April 7 served as associate finance chairman of the Nixon campaign, had control of re-election funds.

Kalmbach was named by The Post on Oct. 16 as another of the five high-ranking presidential associates authorized to approve payments from the secret fund. "At no time," said MacGregor, "did Herb Kalmbach have authority to disburse or to direct the disbursement of funds contributed for the President's re-election and no time did he in fact do so."

Time magazine independently identified Kalmbach as the man who made payments

entirely to an attack on The Post that Katharine Graham, the paper's publisher, told a "nationally known journalist" seated next to her at a dinner party that the newspaper was attacking the President, "be-

Committee.

Ziegler and Dole have said that Post Executive Editor Bradlee "is not a supporter of President Nixon."

Dole also said in a Baltimore speech Tuesday night devoted

of \$35,000 to an alleged political saboteur working on behalf of President Nixon's re-election.

Besides Haldeman and Kalmbach, the persons named by The Post as having access to the secret fund are: Former Attorney General John N. Mitchell, who resigned as Mr. Nixon's campaign manager July 1; Stans, a former Commerce Secretary in whose office safe the fund was allegedly kept; and Jeb Stuart Magruder, a former White House assistant and now deputy director of the campaign.

As the source of its information about the five names, the Post cited accounts of Sloan's grand jury testimony and sources close to the investigations. The denial by Sloan's attorney yesterday mentioned only Haldeman.

After issuing his statement about Haldeman and Kalmbach, reporters asked MacGregor about the other three people identified as having access to the fund.

"I don't know precisely who had authority to disburse funds contributed to the President's re-election before July 1 when I became director," MacGregor replied, "I can tell you this, that I have been assured by the gentlemen you mentioned that none of them had any awareness whatsoever of the use of funds contributed for the President's re-election in pursuing any illegal, improper, as we know the phrase to be, improper activity."

Later, MacGregor specified "improper activities" as "tailing people, or surveillance or wiretapping."

Asked whether such activities ever took place or whether a fund was established to pay for them, MacGregor replied: "I know there was no fund set up for such activities. Whether such activities took place, I know about what I've read in the papers."

Ziegler said he had been told there was no secret fund by John Dean III, the White House counsel who conducted an investigation of the Watergate incident at the President's direction.

The first reference to the fund came on Aug. 26, when the General Accounting Office, the investigative arm of Congress, reported that the re-election committee failed to make a required public disclosure on contributions and expenditures involving \$350,000 in cash possibly left over from the 1968 presidential campaign.

The GAO said the fund was kept in Stans' safe, and that some of the money, originally

received as checks, had been deposited in the bank account of Bernard L. Barker, one of the Watergate bugging suspects. Sources close to the investigation said this was done to keep the checks from being traced as campaign contributions.

On Sept. 12, a 58-page confidential report by the House Banking and Currency Committee staff stated that Texas fund-raisers took \$700,000 to Washington in an oil executive's suitcase on April 5, two days before a strict campaign disclosure law took effect. In-

cluded in that money, the report says, were funds from Mexico that ended up in Barker's bank account.

On Sept. 18, The Post reported that the only record of the fund—a single sheet of yellow lined ledger paper listing the names of about 15 people who had received payments from the fund and how much they had received—had been kept by Sloan and destroyed by Nixon committee officials.

Ziegler was asked about the existence of the GAO report alleging there was a secret fund.

First Ziegler said: "I cannot confirm that. I am told there was no such fund."

Later Ziegler said: "I have read the GAO report as you have, but I also stand on what I said."

Although Ziegler denied all aspects of The Post story on Haldeman, he refused to go beyond past White House statements on allegations that Donald H. Segretti, a young California attorney and a number of other persons, were hired by the White House and campaign committee for the purpose of sabotaging Democratic candidates.

Instead, he focused on The Post's reporting. "I think," he said, "this is a vicious abuse of the entire journalism process by The Washington Post."

Ziegler said he had not discussed The Post statement or his remarks with the President, but stressed that he was speaking as a White House spokesman.

Pressed for evidence that his accusation that The Post stories were part of a "political effort, well-conceived and well-coordinated," the press secretary replied:

"It is my opinion. It is my observation based on the techniques used in the story and based upon the careful placing of the stories, and based upon the pattern of the release of the stories."

Ziegler has said before that

cause I hate him."

Mrs. Graham said yesterday that she never made such a statement to anyone, and that she did not feel that way.

Dole, at the press confer-

The Post is acting out of political motivation in publishing allegations about the operation of the President's campaign. So have MacGregor and Sen. Robert J. Dole, chairman of the Republican National

ence with MacGregor refused to disclose the source of his information.

*For threat by Mitchell against Mrs. Graham and Washington Post, see this file, SFChronicle 29 Sep 72.