

Kleindienst Said To Withdraw From Inquiry Into Watergate; Associates' Involvement Seen

APR 19 1973

3 MAY BE CHARGED

One Key Official Says the Case Has Been 'Broken Open'

NYTimes

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Special to The New York Times

WASHINGTON, April 18 — Attorney General Richard G. Kleindienst has disqualified himself from further involvement in the Watergate investigation, sources close to the case said today, amid persistent reports that three or more of his present and former colleagues in the Nixon Administration would be indicted.

The Attorney General's action, which followed a long meeting Sunday between him and President Nixon, was reported to have been taken so that he would not be in the position of having to prosecute any of those colleagues.

There was no official announcement from the Justice Department about Mr. Kleindienst's decision nor about further indictments. But there was wide-ranging speculation in the Capitol about who and how many persons would be accused. Among those figuring prominently in the speculation were the following:

¶ John N. Mitchell, the former Attorney General who was Mr. Kleindienst's superior in the Justice Department for three years.

¶ John W. Dean 3d, the White House counsel who served under Mr. Mitchell and Mr. Kleindienst in the Justice Department in 1969 and 1970.

¶ Maurice H. Stans, the former Commerce Department Secretary who served as a chief fund raiser for Mr. Nixon in the 1972 campaign.

¶ Jeb Stuart Magruder, former deputy director of the Committee for the Re-election of the President and now a Commerce Department official.

¶ Gordon C. Strachan, a former White House staff aide who is now general counsel of the United States Information Agency.

Mitchell Lauds Decision

Mr. Mitchell said in a telephone interview tonight that he did not believe "any interferences should be drawn one way or the other" from Mr. Kleindienst's decision.

He called that decision an "entirely appropriate and correct decision for Dick to have taken" because of the Attorney General's "past associations" with a number of the people who have figured prominently in the Watergate speculation.

Mr. Mitchell said that what Mr. Kleindienst had done was "common practice" in private law as well as in the Justice Department. He said that if Mr. Kleindienst stayed with the investigation, "no matter what he did he would be accused of playing politics because he knew so many of the people who have been mentioned in this thing."

However, Mr. Mitchell insisted, it would be a "serious mistake" to read into Mr. Kleindienst's decision the "implication" that those who have appeared before the Watergate grand jury — including Mr. Mitchell himself — would be prosecuted.

Mr. Mitchell, who was reported to have conferred with President Nixon sometime last weekend, sounded confident and relaxed during the conversation. He refused to discuss any of the other former or present Administration officials who have been con-

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nected with the incident.

A key Administration official said in an interview today that the Watergate prosecution team had "broken the case wide open."

"We know the whole story now, and now they can't play about it," he said. He did not amplify his remark.

The over-all thrust of the Government's continuing grand jury inquiry is known to have shifted from an investigation into the original break-in of the Democratic National Committee's headquarters in the Watergate complex to the possibility that Administration officials were involved in obstruction of justice—that is, interfering with the Justice Department's inquiry.

Two Administration sources said that the name of Mr.

Mitchell, who headed the Republican re-election campaign until his sudden resignation two weeks after the Watergate arrests last June 17, had been raised during the secret grand jury investigation. A third source said, however, that the Government has had difficulty in determining precisely how much Mr. Mitchell knew about the bugging operations at the time he quit the committee.

In a telephone interview with The New York Times yesterday, Mr. Mitchell's wife, Martha, was quoted as saying, "They're all trying to pin this on him."

In other Watergate developments today:

¶ The grand jury continued its investigation, with Mr. Strachan testifying for the second straight day. The Associated Press also reported that the prosecutors had subpoenaed Frederick C. Larue, a former Republican re-election committee official, on short notice. Mr. Larue is known to be under investigation in connection with the possible cover-up of the investigation of the break-in.

¶ Robert S. Strauss, the Democratic National Chairman, said that he had not decided whether to accept a settlement offer of a reported \$525,000 from the Republicans in connection with a series of Democratic civil law suits that were filed after the break-in. Mr. Strauss told a National Press Club luncheon that he had met with Mr. Mitchell at least once to discuss the case and added, "I would think it [the Republican settlement] an admission of guilt."

¶ Mr. Stans arranged a meeting with lawyers for Common Cause, the citizens' group that has sued the Republicans for a full disclosure of their campaign finances. A Common Cause spokesman said that he had come with a written proposal to settle the case, but that John Gardner, the head of Common Cause, had refused the offer and the meeting had broken up.

¶ Mr. Dean was reported by associates to be prepared to implicate others in the event he was indicted in the Watergate investigation. Mr. Dean, who was not available to newsmen, was also reported to have hired a new lawyer, Robert C. McCandless of Washington.

¶ The Senate's Watergate investigating committee, made

public its guidelines for interrogating witnesses. They included a provision calling for committee members to decide among themselves whether to accept a witnesses' refusal to answer specific questions. The provision clearly was aimed at those White House or Nixon Administration aides who might choose to claim executive privilege during formal testimony.

Position Reversed

President Nixon announced at a hastily scheduled news briefing yesterday that he had reversed his position on executive privilege and would order his aides to testify before the Senate committee, which is headed by Senator J. Sam Ervin Jr., Democrat of North Carolina.

Mr. Nixon also set off intense speculation here by announcing that "major developments" in the Watergate case had come to light as a result of an investigation that he had ordered.

A number of Administration officials readily confirmed that more indictments would be issued within the week, and perhaps even sooner, but it was unclear to which investigation Mr. Nixon was referring.

Reliable sources said that the new investigation was in fact the revitalized grand jury inquiry now being conducted under the direction of Earl J. Silbert, the principal Assistant United States Attorney who has been handling the case since last summer.

With the accumulation of new evidence in recent weeks, the sources said, Mr. Nixon ordered Attorney General Kleindienst to step aside and let Henry E. Petersen, the Assistant Attorney General in charge of the criminal division who has been running the Watergate investigation, to act alone.

Both Mr. Petersen and Mr. Kleindienst attended Sunday's meeting with Mr. Nixon. It was after that discussion, one source said, that Mr. Kleindienst agreed to withdraw.

"I wouldn't say he necessarily had to get out," one source said of Mr. Kleindienst, "but you can hardly criticize him for saying that he wants someone else to make the final judgment."

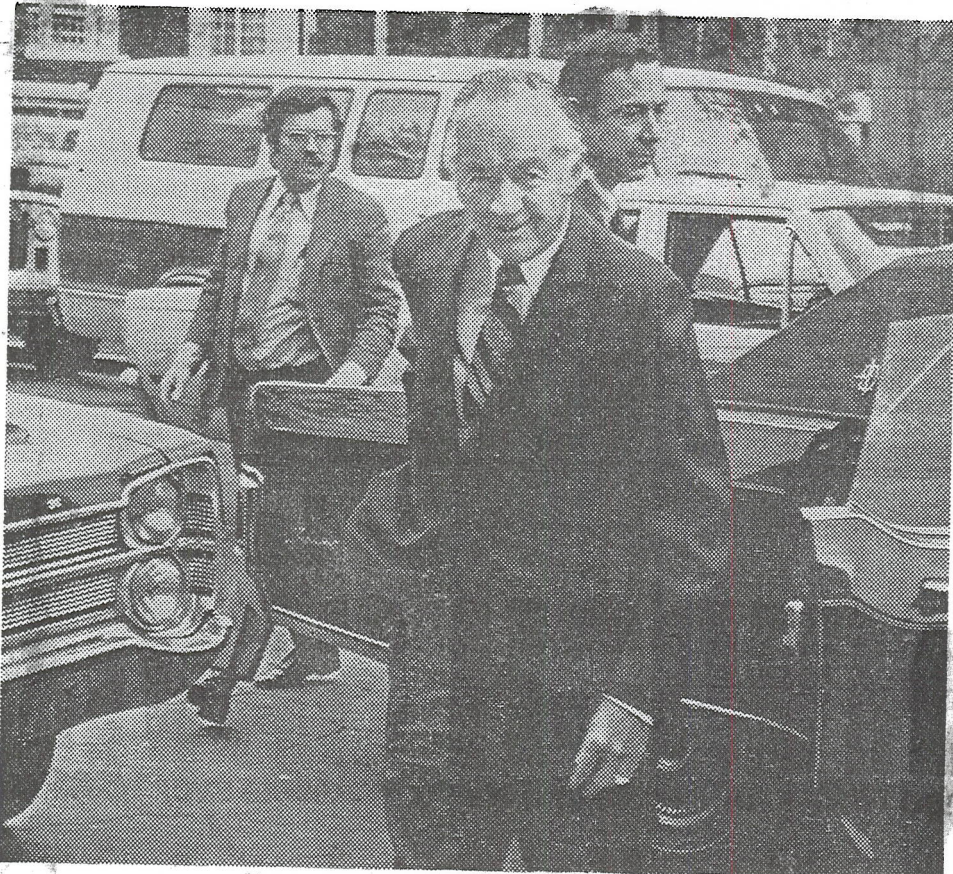
Officially, the Justice Department refused to comment on Mr. Kleindienst's decision to leave the Watergate investigation, citing the need to insure that no one's rights were jeopardized during the inquiry. Officials said, however, that it was "routine" for top-level officials to remove themselves from cases that might involve a conflict of interest.



Associated Press

Richard G. Kleindienst dissociated himself from Government handling of case.

THE NEW YORK TIMES, THURSDAY, APRIL 19, 1974



Maurice H. Stans, former Secretary of Commerce, arriving for a meeting with representatives of Common Cause. He was reported to have offered in vain to settle a suit in which the group seeks full disclosure of Republican campaign finance.

The New York Times