

4/22/73
W Post

\$350,000 Said Slated For Watergate Seven

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About \$350,000 in cash from President Nixon's campaign funds was set aside for payments to the seven Watergate conspirators after the June 17 arrests at Democratic headquarters, according to a highly placed source in the executive branch.

A federal grand jury is attempting to determine if the payments were ordered by White House chief of staff H. R. (Bob) Haldeman, another government source reported last night.

The sources said most of the money was used to pay legal fees and family living expenses of the conspirators and, in

effect, represented monthly salaries after the June 17 break-in.

Government prosecutors have established that most of the payments to the conspirators were made by ex-White House aide Frederick C. LaRue, a top campaign assistant to former Attorney General John N. Mitchell, the source reported.

In sworn grand jury testimony, Haldeman's former principal political aide, Gordon Strachan, has said that the White House chief of staff ordered him to give \$350,000 in campaign cash to LaRue last year.

The Watergate grand jury is now attempting to determine whether the \$350,000 set aside for the Watergate conspirators

was the same money that Strachan testified he turned over to LaRue, a government source said last night.

The New York Times reported in today's editions that the grand jury is also investigating whether Haldeman personally received transcripts of the wiretapped conversations of Democratic Party officials.

Meanwhile, Washington attorney John J. Wilson said yesterday that he has been hired to give legal advice on the Watergate case to Haldeman and John Ehrlichman, the President's top domestic adviser.

UPI reported that Wilson has been seen at the White House every day for the last

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As recently as two weeks ago, the committee denied that its funds had been used to pay any of the conspirators after the Watergate break-in.

The payments to the conspirators have not been reported to the General Accounting Office, and, at a minimum, they therefore represent a possible violation of the federal campaign finance disclosure law.

It is known that the government is concentrating its investigation on the far more serious question of whether the payments to the conspirators represent an obstruction of justice. If they were intended to buy the conspirators' silence, government sources said this weekend, all persons involved in the payments could be indicted on obstruction of justice charges.

One government source said that the investigation of the payments began last month when an attorney employed by the President's re-election committee went to Assistant U.S.

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three days. Asked if he had conferred personally with the President on the matter, Wilson said, "I'm not going to deny that I saw the President."

Presidential counsel John W. Dean III, who said last week that he would not allow himself to become a "scapegoat" in the Watergate case, was also involved in supervising the payments to the conspirators, according to government sources and associates of Dean.

The associates said last week that Dean is prepared to implicate Haldeman, the President's principal assistant, in the attempt to cover up the White House role in the Watergate bugging and other political espionage and sabotage.

According to a government source, former presidential special counsel Charles W. Colson has provided documentary evidence to prosecutors indicating that there was a White House cover-up in which Dean was involved.

David I. Shapiro, Colson's attorney, turned over the information during an hour-long meeting on Friday with the assistant U.S. attorneys handling the case, the source said. It could not be learned if the evidence supplied by Colson implicates anyone other than Dean or if it relates to the payments to the conspirators.

Former Attorney General Mitchell, according to an associate, testified before the grand jury Friday that he approved the payment of money to the Watergate conspirators after June 17. However, the associate said Mitchell denied allegations that the money was intended to buy the silence of the Watergate conspirators.

Since last summer, Mitchell and the Committee for the Re-election of the President have repeatedly insisted that only two of the Watergate conspirators ever had any official connection with the re-election committee, and that they acted in the conspiracy without the consent of campaign officials.

Attorney Earl J. Silbert to tell the chief prosecutor about the payments and the role of Dean and other White House officials in supervising the distribution of funds.

According to the source, Silbert said that the payments could not only involve obstruction of justice but extortion.

Two sources have told The Washington Post that Dean tried to stop the payments and quoted the presidential counsel as saying he was acting on orders from White House superiors in continuing them.

One source quoted Dean as saying, "This has gone too far," when asked to approve more of the payments late this winter.

The federal grand jury and prosecutors now feel that the obstruction of justice charges are even more serious than the Watergate bugging itself, according to the source.

The federal investigation is now focused on what appears to have been cover-up of high-level involvement by presidential aides in the illegal

electronic surveillance of the Democrats' Watergate headquarters.

The payments to the seven conspirators — amounting to about \$3,000 a month for the three highest ranking and \$1,000 a month to the other four—were made almost entirely in \$100 bills, which have become a symbol of the Watergate operation.

When five of the men were arrested in the Watergate they were carrying or had in their possession \$5,300 in \$100 bills.

Testimony and evidence presented at the Watergate trial in January revealed that the conspirators also used \$100 bills to pay for travel, hotel rooms, and bugging equipment.

The \$235,000 that went to Watergate conspirator G. Gordon Liddy from a large cash fund kept in the safe of former Commerce Secretary Maurice H. Stans, the chief Nixon fund-raiser, was mostly in \$100 bills.

New York lawyer Henry B. Rothblatt, who handled the Watergate case for four Miami

defendants until he was fired for not allowing them to plead guilty, has confirmed that he was paid \$11,000 in \$100 bills.

There are unconfirmed reports that other lawyers in the case received legal fees in \$100 bills.

When the wife of Watergate conspirator E. Howard Hunt Jr. was killed in a Chicago airplane crash last December she was carrying \$10,000 in \$100 bills. According to one reliable report, the \$10,000 was part of money was Kenneth W. Parkfar," when asked to approve from Nixon campaign funds.

Convicted Watergate conspirator James W. McCord Jr., the first conspirator to begin cooperating with the investigation, has said that Mrs. Hunt told him the source of the money was Kenneth W. Parkinson, an attorney for the President's re-election committee.

Parkinson has flatly denied any involvement in the payments and one other knowledgeable source has backed up Parkinson's contention.

The hiring of an attorney by Haldeman and Ehrlichman came after a week in which President Nixon announced that there were "major developments" in the Watergate case, and in which there was an air of uncertainty in the White House.

Haldeman has reportedly been excluded from any role in the Watergate investigation.

Ehrlichman's name has seldom come up in connection with the Watergate or related acts of espionage and sabotage on behalf of President Nixon in the 1972 campaign.

In a deposition in the Watergate civil suit last summer, Colson, former special counsel to the President, said it was Ehrlichman who had approved the hiring of Watergate conspirator E. Howard Hunt Jr. for a White House position.

Colson, who had been friendly with Hunt for years, said he had recommended to Ehrlichman and others that Hunt be hired as a consultant. "The day that he was brought on the White House payroll was on a day that it happened I was here in Washington and Mr. Ehrlichman was on the West Coast at San Clemente with the President.

"There was a need for someone to come on board to work on this particular Pentagon Papers controversy, and Ehrlichman and I conferred by telephone that day, and the decision was made to bring Howard Hunt on board."

Hunt served as a White House consultant beginning in July, 1971, and, with the approval of Ehrlichman's office, a special private telephone was installed that Hunt used almost exclusively for conversations with Bernard L. Barker, another of the coconspirators.

The telephone was not connected to the White House switchboard and apparently was the only one in the executive complex for which bills were sent to a private home, that of a secretary. The secretary, Kathleen Chenow, said she submitted the bills to an aide in Ehrlichman's office for payment.