

... who used huge professionally prepared charts to ... how he would tap the telephones of Democratic party officials.

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WFOPT edited 4- grafts out of today's Anderson column if the version in the Frederick Post is complete. The omitted grafts are marked and folling in sequence.

The Washington Merry-Go-Round

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'Gemstone' Drew Watergate Noose

By Jack Anderson

The story can now be told how one word, "Gemstone," slowly tightened the Watergate noose around the neck of Jeb Stuart Magruder until he decided to confess.

He has confirmed Watergate wiretapper James McCord's written statement, quoted to us on April 2, that the Watergate bugging was planned in the Justice Department office of then-Attorney General John Mitchell in February, 1972.

Present were Mitchell, Magruder and White House counsel John Dean. They were briefed on the bugging plan by Watergate ringleader G. Gordon Liddy.

Magruder has also confirmed our reports of Dec. 26, Jan. 11 and Jan. 15 that the Watergate defendants were offered money to plead guilty and keep their mouths shut. The attempt to buy their silence, Magruder has now said, was ordered by Mitchell and Dean.

Throughout McCord's revelations, Magruder stuck to his sworn testimony at the Watergate trial that he had no knowledge of the bugging. It was Liddy's secretary, Sally

Harmony, who finally shook his story. She held back during her first appearance before the grand jury. But she went back this month and told all she knew.

In secret session, she told how she had typed up the telephone conversations of Democratic Party official Spencer Oliver on secret stationery marked with the code word "Gemstone."

Asked about the substance of the tapped telephone conversations, she recalled: "There was one conversation at one time, something that had to do with Mr. Oliver's taking a trip either to North Carolina or South Carolina, I have forgotten which."

McGovern Memos

Mrs. Harmony also testified that "I have on occasions typed a couple of memos that have come from (Senator George) McGovern's headquarters."

"At one time," she said, "(Liddy) dictated a memo to me giving information that the workers in the McGovern campaign were very unhappy that their funds were low, they were not going to be

paid, or their pay would be cut drastically . . ."

"Now, did you ever have anything to do with anything else from McGovern headquarters besides the memo relating to staff?"

"Just the list of names," she replied. "I did get the list of names of persons working in McGovern headquarters, on one occasion."

She reported that wiretapper McCord had dropped off reports for Liddy and that she once took an empty brown manila envelope to the campaign treasurer and brought it back filled for Watergate conspirator Howard Hunt.

Mysterious Envelope

Liddy instructed her, she said, to "give it to Hugh Sloan (the campaign treasurer). He will give it back to you. Call Howard Hunt and ask him to pick it up."

"Did you do that?" asked Silbert.

"I did that . . ."

"And where did you give it to Mr. Sloan?"

"I took it to Hugh's office, which was right in the same area."

"And," asked Silbert, "was it

different in any way when you got it back?"

"Yes," she testified. "It had something in it, and it was sealed."

"Do you know what was in it?"

"I do not."

"Was it the same size as money would have been?"

"Yes," she said. "I would assume it was the same size as money would have been." Thereafter, she handed the envelope to Hunt.

But it was the code word, "Gemstone," that upset Magruder's appercart. His assistant, Robert Reisner, testified that he had been instructed by Magruder to remove all sensitive material from his office after the Watergate burglary-bugging team was arrested. One of the files that was removed, stated Reisner, was a blue folder marked "Gemstone."

This was evidence that Magruder had received the Watergate bugging reports from Liddy. The handsome, cavalier Magruder, facing perjury charges for denying any advance knowledge of the bugging, decided to turn state's evidence.

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... appearance before the grand jury. She held back this month and told all she knew.

Would you explain to the grand jury, she was asked, why it was that on your prior appearances you were less than candid with them?

Well, she confessed, "I find it difficult to explain what I did, or how it came about. I was absolutely terrified of all of you to be in with, but I had no one to talk to, and I got my loyalty was with Mr. Liddy and the committee at that time, and I couldn't."

In secret session, she told how she had typed up the telephone conversations of Democratic party official Spencer Oliver on

... stationery marked with code word "Gemstone."

Do you remember, asked Silbert, U.S. Attorney Earl Dean, whether or not there was any reference by any of the participants to conversation at any time?

Yes, she answered. There was one conversation dealing with the name of Terry Sanford, former Democratic governor of North Carolina.

Asked about the substance of the tapped telephone conversations, she recalled: "There was one conversation at one time, something that had

to do with Mr. Oliver's taking a trip either to North Carolina or South Carolina — I have forgotten which.

Mrs. Harmony also testified that "I have on occasions typed a couple of memos that have come from (Sen. George) McGovern's headquarters."

"And what kind of memo," asked Silbert, "would you have typed that came from the headquarters of Senator McGovern?"

At one time, she said,