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Kalmbach Hush Fund Tie Probed

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Herbert W. Kalmbach, President Nixon's personal attorney, is being investigated by the Watergate grand jury here on allegations that he obstructed justice by providing money used by others to buy the silence of the original seven defendants in the Watergate bugging.

Kalmbach, according to a government source, passed the money on, either directly or indirectly, to the defendants from a secret fund.

Sources from the Committee for the Re-election of the President said yesterday that between \$500,000 and \$1 million left over from President Nixon's 1968 campaign provided the money for the Kalmbach-maintained fund from which money was taken to pay the defendants. The left-over money from the 1968 campaign also provided money for a previously reported secret cash fund maintained by Maurice Stans, chairman of the Finance Committee to Re-elect the President.

One source said that the left-over money from the 1968 campaign apparently provided the impetus for political espionage in the 1972 campaign.

"If they didn't have the money, they could not have done it," the source said.

The Stans fund fluctuated between \$350,000 and \$700,000, investigative sources have said. A third, secret cash fund of \$350,000 was kept in the White House under the orders

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of White House chief of staff, H. R. (Bob) Haldeman.

Last week newspapers reported that Kalmbach had maintained a fund of at least \$500,000 in campaign money in a bank near his law office in Newport Beach, Calif. It could not be determined if this was the same fund as the one that allegedly was the source of the payments for the Watergate defendants.

Sources last week said that

at least \$30,000 came from the fund in the Newport Beach bank to pay Donald H. Segretti for alleged acts of political espionage and sabotage in the 1972 campaign.

Efforts to reach Kalmbach and his attorney at their homes and offices failed yesterday. Mrs. Kalmbach said she doubted that her husband would return a reporter's call.

Kalmbach was in Washington earlier this month to be questioned in connection with the grand jury investigation into the Watergate bugging, as well as the subsequent cover-up of the affair. The investigation has focused on many prominent Republicans, including pres-

ent and former White House and administration officials.

There was no indication as to how much Kalmbach allegedly funneled to defendants in the Watergate case following their arrests last June.

Sources have said that approximately \$350,000 has been paid altogether to the defendants and their attorneys since the arrests last June.

One of the convicted Watergate conspirators, James W. McCord Jr., testified before the grand jury earlier this month that he received an average of \$3,000 per month as a "continuation of salary" from last June through January. He said he also received \$11,000 for "legal expenses."

McCord, former security director for the Committee for the Re-election of the president, said he at first regarded the payments as salary, but later grew "suspicious" after he had several conversations with fellow Watergate conspirator, E. Howard Hunt Jr. and his wife, Dorothy Hunt, who later died in a plane crash.

Both Hunt and Mrs. Hunt warned him on several occasions after mid-September that he had better in McCord's words, "agree to plead guilty and take executive clemency at a later time" after going to prison and to "keep your mouth shut." If he didn't agree, McCord said he was warned by the Hunts, then the payments would be discontinued and there would be no possibility of his being granted presidential clemency.

McCord said he was not told specifically where the money was coming from or who wanted to know whether he would keep silent and not implicate others in the bugging.



Associated Press

Herbert W. Kalmbach: under grand jury investigation.

He said he "assumed" that the Hunts were reporting back to attorneys for the Committee for the Re-election of the President. The committee and its attorneys have denied this.

McCord said that the Hunts had told him that Hunt was receiving payments of \$3,300 a month. He said he had indications from one of the five Cuban defendants that they also had "been promised money if they pled guilty and so on." He said he did not know how much they had been promised.