

MAY 22 1973  
**White House,  
 Watergate 7  
 Fund Linked**

By Morton Mintz

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President Nixon's former personal attorney has told federal investigators that the White House directed him to undertake a money-raising effort that netted at least \$210,000 for the seven men arrested in the Watergate break-in last summer.

A person close to the attorney, Herbert W. Kalmbach, told a reporter yesterday that the directive was issued late last June—several days after the break-in—at a meeting with “several officials at the White House, not including the President.”

The source declined to identify the officials, but one of them was then White House counsel John W. Dean III, one federal investigator said. Dean told Kalmbach there was an “emergency” need for funds, the investigator said.

Newsweek, in the issue out yesterday, said the directive to Kalmbach was issued by Dean as well as by John D. Ehrlichman, then Assistant to the President for Domestic Affairs, with the knowledge of former Attorney General John N. Mitchell and re-election campaign aide Frederick C. LaRue.

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**KALMBACH, From A1**

Kalmbach's associate said that the White House officials he declined to name assured Kalmbach that it was “perfectly proper and right” to raise money for the Watergate defendants, because the money was intended to pay legal fees and “sustain” their families.

At the time, the Finance Committee to Re-elect the President had at least \$10 million in cash on hand but, under the election-financing disclosure law that took effect in April, 1972, would have been obligated to report expenditures for the defendants to the General Accounting Office.

The GAO, in a report last Saturday, said Kalmbach had told its investigators

that he had solicited, received and transmitted the minimum of \$210,000. This should have been reported to the GAO by one of the committees or individuals involved, because the funds were “on behalf of the President's re-election effort,” the GAO said. Comptroller General Elmer B. Staats referred these “Apparent violations” to the Justice Department.

Kalmbach said he had raised \$75,100 from Finance Committee chairman Maurice H. Stans, who said the money was not the committee's but refused to say where it came from. Stans and Kalmbach's associate both said that the former Commerce Secretary did not know why the money was requested. “Stans simply assumed it was for an important White House mission,” the associate said.

Another \$120,000 to \$160,000 came, in two payments, from LaRue, who refused to discuss the payment with the GAO's Office of Federal Elections.

Kalmbach, who also has been interviewed by federal prosecutors and the staff of the Senate select Watergate investigating committee, told the GAO that he collected \$75,000 from Thomas V. Jones board chairman of the Northrop Corp., a defense contractor, in Los Angeles.

Kalmbach's associate said the President's lawyer “absolutely” did not indicate to Jones that the money was for the Watergate defendants. Jones himself told The Washington Post that he thought he was making a campaign contribution.

Jones also told the GAO that he had given \$50,000 not \$75,000. The discrepancy has not been explained.

Kalmbach turned over the \$210,000 to intermediaries who have not been publicly identified. They did not include Dean but did include a person who is well known in the Watergate affair, Kalmbach's associate said.

This source also said that over the summer Kalmbach became disturbed by news accounts reporting that funds were available for the Watergate defendants as “hush money.”

In September, the associate recalled, H. R. Haldeman, the White House chief of staff, directed Kalmbach anew to raise money for the Watergate defendants, who were awaiting trial.

This time, Kalmbach refused the fund-raising mis-

sion because he felt that the original “coating of propriety”—the need of the defendants to pay legal fees and support their families—had been removed, the associate said.

In January, five of the defendants pleaded guilty. Two others, G. Gordon Liddy, former counsel to the finance committee, and James W. McCord Jr., were convicted.

Liddy was receiving money as recently as five weeks ago to stay quiet about his knowledge of the Watergate case, Scripps-Howard News Service said yesterday.

Reporter Dan Thomasson said sources close to the Watergate inquiry reported having been told by former campaign aide LaRue “that ‘hush’ money was being delivered to defendants in early April in a last-ditch effort to protect the White House.”

Liddy, who refused to testify before the Watergate grand jury even though this would have assured him immunity from further prosecution, was “the principal recipient of the money,” Thomasson said.

All told, at least \$460,000 is known to have been raised for the defendants by persons close to the President.

The sum included, along with Kalmbach's \$210,000, another \$250,000 passed along by White House staffer Gordon Strachan.

The GAO, in its Saturday report, said that Strachan had made the payment out of \$350,000 in cash given to him by the finance committee immediately before the election financing disclosure law became effective 13½ months ago.

The payment, which the GAO said was “an obvious attempt to evade” the law, was made on Haldeman's orders, reliable sources said.

The White House said on May 1 that as of that date Kalmbach no longer was handling Mr. Nixon's personal legal affairs. The disclosure was not elaborated.

Kalmbach was Mr. Nixon's chief fund-raiser in the 1968 election and had the same role in the re-election drive until Stans took over the finance committee last February.