

THE PERISCOPE

A KITTY FOR THE WATERGATE SEVEN

White House counsel John Dean and Nixon aide John Ehrlichman, investigators say, ordered California lawyer Herbert Kalmbach, then the President's personal attorney, to raise money to pay legal fees and family expenses for the seven men arrested in last June's Watergate break-in. The orders (known to ex-Attorney General John Mitchell and his aide, Frederick LaRue) came in a conference call in July 1972. Kalmbach complied but in September, after seeing news accounts that the seven men were being pressured to stay quiet in return for support for their families, he refused to raise any more money, despite new orders from Dean and Ehrlichman.

UNEASY SEAT IN THE NIXON CABINET

The Watergate uproar is the only thing keeping Labor Secretary Peter Brennan in the Nixon Cabinet, Administration insiders say. The President is thoroughly disillusioned with the former New York construction-union leader but is reluctant to bring more embarrassment on the White House by dismissing him at this time. Brennan has cut himself off from Labor Department regulars, causing bureaucratic paralysis. He also has acquired new, powerful critics—Treasury Secretary George Shultz, the White House economic czar, and AFL-CIO president George Meany, his original sponsor in Washington. Asked if he sees Brennan, Meany says: "I am afraid to go over there. I don't have a pearl-handled revolver," a reference to the Secretary's penchant for carrying a gun.

A BILLION-BARREL OIL BANK

Washington's tentative steps toward fuel rationing don't tell the whole story. Along with "voluntary" gas-rationing plans, the Treasury is working quietly on plans for a 95- to 105-day oil reserve as a hedge against a fuel drought or an Arab oil boycott. (The present reserve is five days.) Still to be worked out is the problem of storage: with the U.S. consuming 18.9 million barrels of oil a day, such a reserve would have to hold 2 billion barrels. The facilities would be enormously expensive, and neither the oil companies nor the government is eager to foot the bill.

PEKING'S NEW PRIESTS

China is showing small but significant signs of reviving religion, officially downgraded since the Communist take-over in 1949. After seven years in obscurity, the chairman of the Chinese Bud-

dhist Association has made a public appearance in Peking. Canton and other cities also have started to recruit high-school graduates for training as Buddhist priests. Recent visitors suspect that, with the old priests dying off, China wants the new ones to help build ties to such Buddhist countries as Sri Lanka (Ceylon) and Thailand.

A VOTE FOR POSTCARD REGISTRATION

The plan for voter registration by postcard, passed by the Senate despite a filibuster by Republicans and Southern Democrats, now has a good chance to pass the House, according to its sponsor, Sen. Gale McGee of Wyoming. The White House opposes the bill, claiming it would lead to widespread election fraud, but with the erosion of the President's standing on Capitol Hill, McGee now has a pledge of support from House Speaker Carl Albert.

THE CLOSED-CIRCUIT PRESIDENT

The current crisis has made the closed-circuit style of White House operations tighter than ever. The two top Republicans on Capitol Hill, Senate Minority Leader Hugh Scott and House Minority Leader Gerald Ford, learned of recent shifts of Cabinet officers through the newspapers. In the past, the President's practice was always to check such major shifts with his party leaders.

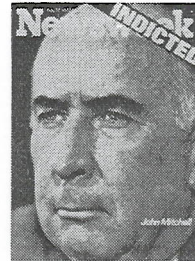
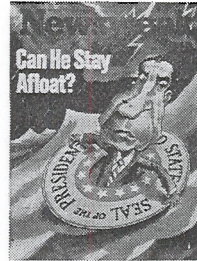
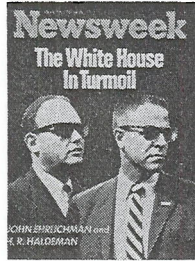
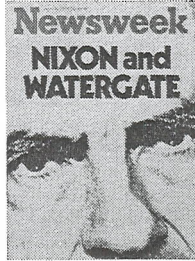
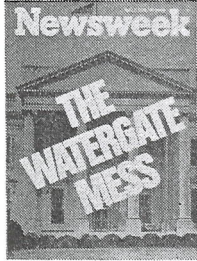
SECRECY. UNLIMITED

The classic "Top Secret" stamp, once the hallmark of tight security, has lost its old prestige. A former White House aide who spent eighteen months studying intelligence for the President collected 38 security clearances above the top-secret level—and still did not have them all. When Mr. Nixon, acting to implement the findings of this probe, ordered classification reforms, his instructions carried no fewer than 45 different security classifications.

STRIKING THE COLORS

The Nixon Administration's symbol of loyalty, the American-flag lapel pin, may be headed for eclipse. Phillip V. Sanchez, the former head of the Office of Economic Opportunity, was sporting one when he arrived at the Senate Foreign Relations Committee for hearings on his appointment as ambassador to Honduras. When he was called to the witness chair an hour later, however, members of the committee (which has been markedly unfriendly toward the Nixon forces) noted that Sanchez had removed the pin.

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Exposing the Big Cover-up Page 26

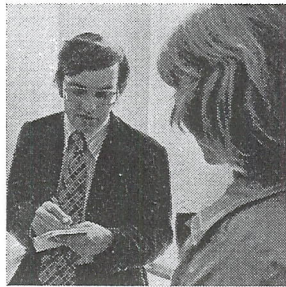
Not since the Korean War has a news story sustained itself insistently enough to warrant five consecutive cover stories in Newsweek. But the Watergate scandal, reaching into seemingly every corner of the Nixon Administration, now commands the cover for the fifth straight time—and is the sixth in nine weeks. The entire National Affairs section was given over to the week's explosive disclo-

tures; fifteen Washington bureau members contributed to major stories by Senior Editor Russell Watson, General Editors Richard Boeth and David M. Alpern and Associate Editor Tom Mathews. General Editor Richard M. Smith wrote on foreign reaction to Mr. Nixon's eroding authority (page 47), and General Editor Michael Ruby evaluated the economic consequences (page 85). Stewart Alsop and Shana Alexander also write about the scandal. (Newsweek cover photo by Wally McNamee.)



War-Torn Children 52

They are the most tragic casualties of Vietnam—the maimed or orphaned children. Loren Jenkins tells their story and Paul Brinkley-Rogers recounts how he adopted one orphan.



Golden School 69

Beverly Hills High is a very special blend of intellectualism, casualness and snobbery. Martin Kasindorf (above) reports.



Rich Hospitals 72

Persian rugs, a bath, color TV, air conditioning and a guest bed. Matt Clark reports on the luxuries of that new phenomenon, the private hospital.



Last Picassos 80

At 90, Picasso was still painting feverishly. Seth Goldschlager reports on an amazing show in France of his last pictures, and on the fight over his estate. With two pages of color.

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Hitachi TVs travel without hitchhikers.

Funny how a lot of portable TVs become less portable as soon as you take them outdoors.

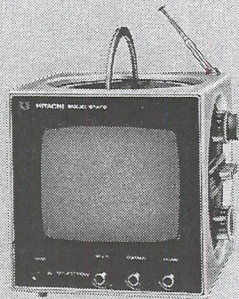
It's because of those battery packs you have to hitch onto their backs when you're away from an AC outlet.

But not Hitachi's.

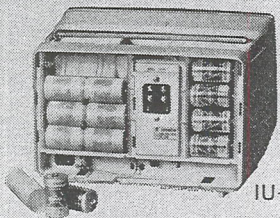
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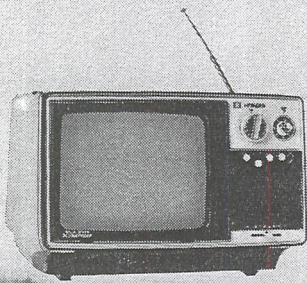
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V-17



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LETTERS

Watergate and the Presidency

As a Canadian resident in the United States, permit me to state that the exposure of the Watergate debacle is a phenomenon possible in relatively few contemporary states. It is to the enduring credit of the U.S.'s social and political system, and of the enlightened skepticism of a handful of men 200 years ago, that the most powerful figure in the U.S. must justify himself to the governed and solicit the respect and objectivity of the fourth estate. I hope no set of circumstances will ever destroy that fragile balance.

PAUL R. VAN LOAN

Placentia, Calif.

■ Each passing day brings to mind the ludicrous slogan of the '68 campaign, now ominous in tone—"Nixon's the One."

BOB GANCARZ

Free Soil, Mich.

■ On Watergate, if Nixon authorized and/or approved this caper, he is a traitor. If Nixon did neither and was indeed kept totally in the dark, then he is incompetent. Either way, he is not worthy of the trust of the Presidency. For I certainly don't want to wake up one day and find the President explaining how someone has started a nuclear war behind his back.

GEORGE HUNG

Nashua, N.H.

■ In his speech, President Nixon assumed "responsibility" for Watergate and all of its ramifications. Then he humbly asked the American people to grant him amnesty. That seems to me to be an overlarge request from one who has so consistently and so sternly insisted that those who broke the law by bugging out on the draft must pay the price.

GEORGE J. BERNSTEIN

Park Forest, Ill.

■ Considering the loss of revenue to the broadcasting companies from full television coverage of the Ervin committee sessions, I think it would be nice if ITT sponsored a live program of the entire proceedings.

JOHN N. MILLER

Madeira, Portugal

The Masada Challenge

In your article on "The Meaning of Masada" (INTERNATIONAL, May 7), you have seriously misquoted me and have given a misleading picture of what Masada really does mean to Israel and her people. You quote me as saying that young Israelis feel the Zealots of Masada "went to the massacre like sheep." At no time have I ever made any such statement, nor can I conceive of committing

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