



Wally McNamee—Newsweek

A room with a view: In the historic Senate Caucus Room, the Watergate inquest begins

Exposing the Big Cover-up

The President's ability to govern is at stake. Another Teapot Dome scandal is possible, and the government may fall. Everybody else is on track but you. You are not following the game plan.

That was the message, James McCord told an enthralled nation last week, that he got from his bosses in the Nixon Administration when he threatened to tell all he knew about the Watergate bugging—and not since Whittaker Chambers and his “pumpkin papers” had Washington heard such a tale. The message was delivered in furtive meetings in a Washington suburb and by a mystery voice calling McCord at a public telephone booth; the pressure to clam up, he said, was backed by promises of Presidential clemency and financial support. In fact, McCord implied, he was the one honest law breaker in the case—and, as he told it, he had been assured that Richard Nixon himself was involved in the Watergate cover-up.

The Senate's long-awaited investigation of Watergate had begun quietly enough—perhaps too quietly for the mil-

lions of Americans who watched it on television. Once crusty Democratic Sen. Sam Ervin had gavelled the proceedings to order, the select committee (four Democrats, three Republicans) and counsel Samuel Dash made a lawyerly effort to lay the groundwork in an atmosphere free of razzle-dazzle. Cherubic young Nixonians explained the workings of the Committee for the Re-election of the President (CRP) and of the White House staff; stolid plain-clothes men told of busting the Waterbuggers.

Then on the morning of the second day it was McCord's turn. Like so much of the information that had emerged before, his testimony hinged on hearsay, and as Ervin repeatedly pointed out, McCord's “evidence” on the President would not be admissible in a court of law. Even so, the moment was historic: after eleven months of mystery and muckraking, someone was finally standing up in public and telling what he knew about Watergate. McCord's talk electrified the hearings—and sent the panel off full-tilt in pursuit of the story of the Watergate cover-up.

The day-long TV coverage and banner headlines only intensified Richard Nixon's predicament. Amid increasing talk of Presidential impeachment or resignation, Mr. Nixon's authority was ebbing steadily as Congress and his own party balked him at every turn. Fresh Watergate revelations further stained the CIA, the FBI and the former directors of both agencies, and the chairman of the Securities and Exchange Commission resigned hurriedly in the wake of the Vesco scandal. At the White House, one of the few untouchables left at the top, Henry Kissinger, found himself tainted, too. The Administration was forced to admit that former Presidential counsel John Dean had told essentially the truth when he insisted that he had never made a formal report to the President on his supposed Watergate investigation, as Mr. Nixon himself had maintained.

At the weekend, the General Accounting Office said it had discovered still more illegally unreported troves of Presidential campaign money, checks and securities; the cash haul alone totaled \$1.7 million before a law requiring fuller

disclosure went into effect on April 7, 1972. And as if that wasn't enough, Martha Mitchell staged another of her sidewalk press conferences, charging that her husband was taking the rap for the White House and that Mr. Nixon should resign. Later, John Mitchell himself warned that he would not be the "fall guy" for Watergate.

There was little the Administration could do, for the moment, at least, to fend off these adversities. White House press secretary Ronald Ziegler resurrected an earlier statement that "the President did not participate in any way, or have any knowledge regarding the cover-up"—and then found himself repeatedly denying that Mr. Nixon would resign. About the only good news was that Attorney General-designate Elliot Richardson had apparently saved his Senate confirmation by signing up, at long last, a special prosecutor for the Watergate case: Harvard law professor Archibald Cox, 61, who had served as U.S. Solicitor General under John Kennedy and Lyndon Johnson.

Conspiracy of Silence

It was McCord's testimony, however, that dominated the week. A former FBI agent and a nineteen-year hand at the CIA, the 49-year-old electronic-surveillance specialist calmly and meticulously described the burglary of Democratic National Committee headquarters, for which he and six other men have already been convicted. And in addition to depicting the attempts to silence him, McCord flatly contradicted John Mitchell. He had been told, McCord declared, that the former Attorney General did indeed participate in the planning of the Watergate raid.

McCord also added a new name to the Watergate cast: John (Jack) Caulfield, 44, a onetime New York City police detective who had served as a White House aide and a CRP official and has lately been on the staff of the Treasury Department. It was Caulfield, McCord said, who tried to persuade him to plead guilty at the Watergate trial earlier this year and keep silent about the break-in. In return, Caulfield allegedly promised that Mr. Nixon would grant McCord executive clemency after about a year in jail, that McCord's family would receive financial support and that the ex-CRP security chief himself would be "rehabilitated" and given a job after his prison stretch. According to McCord, Caulfield assured him that the President himself was aware of the cover-up "game plan."

That was only the tip of the Caulfield iceberg. Presidential aide John Ehrlichman had hired Caulfield in 1969, ostensibly to act as a liaison man between the White House and law-enforcement agencies. But NEWSWEEK has learned that Caulfield also ran a broad political

espionage operation for Ehrlichman. He recruited another former New York detective who was assigned to investigate Sen. Edward Kennedy's Chappaquiddick incident and to spy on Democratic Presidential hopefuls Edmund Muskie and Hubert Humphrey, among other pols and public figures (page 38). All the assignments, Caulfield has told government investigators, came from Ehrlichman himself.

'Political Pressure'

Despite the circumstantial nature of his testimony, the seasoned McCord made an oddly compelling witness. His cool, bureaucratically precise style of speech carried weight, even when he ventured into his lurid description of the "political pressure from the White House" to keep silent in exchange for executive clemency. McCord had mentioned pressure in his letter last March to Watergate trial judge John Sirica, but until last week he had provided no details. In fact, he had not discussed the incidents during executive sessions of the Ervin committee and had supplied the information to the panel's staff only two days before the first public hearing.

The agents of pressure, McCord now said, included co-defendant E. Howard Hunt, Hunt's wife Dorothy (who later died in a plane crash with \$10,000 in her handbag), Hunt's lawyer, William O. Bittman, and McCord's own attorney, Gerald Alch, a partner of F. Lee Bailey. But the main arm-twister, said McCord, was the man who had helped him get his job at CRP—his old friend Jack Caulfield. McCord's story:

The first contact came in July 1972, shortly after McCord was released from jail while awaiting trial. A note in Mc-



McCord: The hearsay was vivid



Mr. Nixon meets with Congressional leaders: The heat was on

Cord's mailbox instructed him to "Go to the phone booth on Route 355 near your home" and was signed "Jack." McCord went, the phone rang and a voice said: "I am a friend of Jack's. I formerly worked with him. Jack will want to talk with you shortly." McCord said he did not know the name of the caller. Later he had a call from Caulfield himself, who said that he was going overseas and that if McCord needed help, he should phone Caulfield's home and ask for "Mr. Watson." After Caulfield's return, McCord could contact him by leaving a message at Caulfield's office that "Mr. Watson is calling."

On Jan. 8, 1973, the day the Watergate trial began, the mystery voice again summoned McCord to the phone booth on Route 355 and delivered a message from Caulfield: "Plead guilty... You will get executive clemency. Your family will be taken care of and when you get out you will be rehabilitated and a job will be found for you. Don't take immunity when called before the grand jury."

Midnight Message

A few nights later, following instructions from the anonymous caller, McCord drove to a Potomac River overlook on the George Washington Memorial Parkway and met his friend. "Caulfield advised that he had been attending a law-enforcement meeting in San Clemente, Calif.," McCord began, and the audience in the packed Senate Caucus Room exploded in laughter. "Caulfield stated that he was carrying the message of executive clemency to me 'from the very highest levels of the White House,'" McCord continued. "He stated that the President of the United States was in Key Biscayne, Fla., that weekend, had been told of the forthcoming meeting with me and would be immediately told of the results of the meeting... He further stated that 'I may have a message to you at our next meeting from the President himself.'"

But McCord refused to stay quiet. Two days later, the men met again at the overlook, and Caulfield complained that McCord was "not following the game plan." "My response," reported McCord, "was that I felt a massive injustice was being done, that I was different from the others, that I was going to fight the fixed case and had no intention of either pleading guilty, taking executive clemency or agreeing to remain silent."

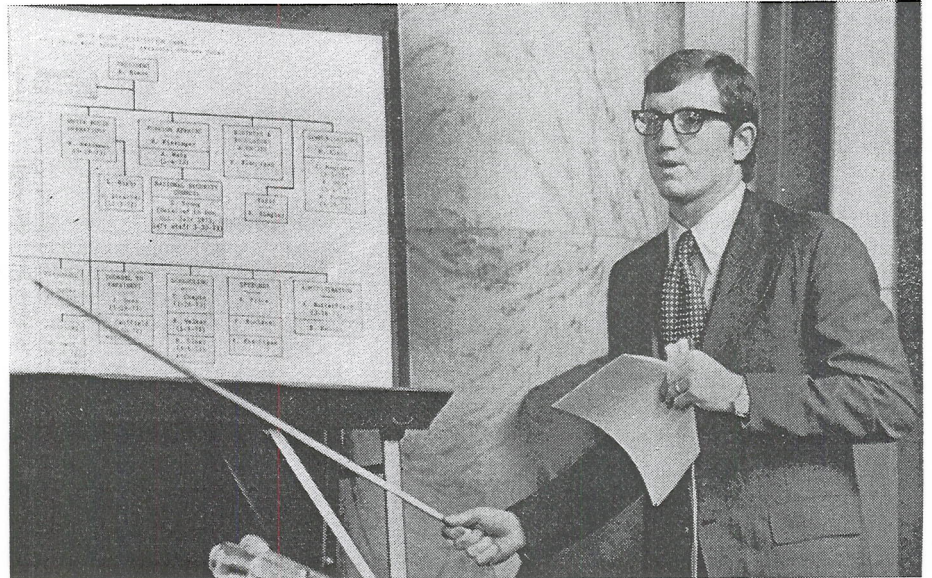
On Jan. 25, five days before McCord was convicted, he and Caulfield drove together toward Warrenton, Va., and McCord declined to discuss the offer of executive clemency. "He stated that I was 'fouling up the game plan,'" McCord told the committee. "I made a few comments about the 'game plan.'" When McCord said he planned to make a clean breast of his role in Watergate, Caulfield purportedly warned him: "You know that if the Administration gets its

back to the wall, it will have to take steps to defend itself." "I took that," McCord told the committee, "as a personal threat, and I told him in response that I had had a good life, that my will was made out and that I had thought through the risks and would take them when I was ready."

During the hearing, Senator Ervin and others repeatedly pointed out that McCord's testimony was hearsay and would not stand up as evidence against the

according to Federal investigators). Caulfield said he still considered McCord a friend, "even though I may disagree with certain aspects of his statement." McCord will continue his testimony this week, followed by John Caulfield.

Caulfield himself has had a curious career. Until mid-1968, he was a \$12,000-a-year detective in the New York City Police Department, and his record shows no special commendations or awards. But in 1960 he was assigned to guard

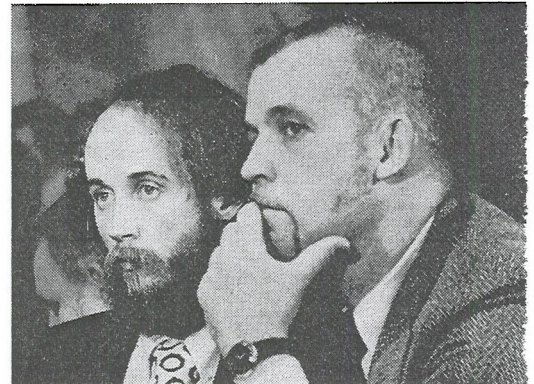


Kehrli: The flow chart flowed from the White House



Odle: Memos from Mitchell

President. After the session, the White House quickly denied that Mr. Nixon had known of any plan to offer McCord executive clemency in exchange for his silence. John Caulfield, who went on paid leave last week from his job in the Treasury Department, issued a restrained statement. He admitted that he had met with McCord and had "conveyed to him certain messages from a high White House official" (John Dean,



Barrett and Leeper: Gangbusters

Richard Nixon, and in 1968 he was hired away by the candidate. Next came stints at the White House and CRP, and in April 1972 he moved to the Treasury Department, eventually assuming his \$31,203-a-year job as head of 1,600 special agents of the Bureau of Alcohol, Tobacco and Firearms.

NEWSWEEK has also learned that in early 1972, Caulfield submitted to White House and CRP officials a broad "security" plan code-named "Sandwedge." Caulfield, a friend reported, thought he could do a better job than the "two clowns who seemed to be in charge of security" at CRP—Waterbuggers G. Gordon Liddy and E. Howard Hunt. Sandwedge was never adopted, but the ex-

cop's friend added: "No doubt Caulfield later recognized in action many of the suggestions he had submitted. God only knows what they took out of Sandwedge"—possibly even the idea of surveillance at the DNC.

McCord had many other stories to tell last week, but most of them had been heard before. He admitted that there had been an earlier raid on the Democratic National Committee headquarters, a "visit" on May 28, 1972, when McCord planted bugs in the telephones of National Chairman Lawrence O'Brien and one of his deputies, Spencer Oliver. He reported that his boss in the espionage activities, CRP counsel Liddy, had budgeted the dirty tricks at \$450,000, a sum that was later reduced by about \$100,000.

McCord also said that plans had been

plan smacked of illegality, but he had assumed that Mitchell had a valid national-security reason for the break-in—and that as Attorney General he could make it all legal by giving the go-ahead. He also recalled that there had been a one-month delay in obtaining authorization for Liddy's \$350,000 espionage package, which led him to believe that the Watergate plan had gone all the way to the top. "I felt the President of the United States had set into motion this operation," said McCord.

Truth or Consequences

And the fact remained that, despite the conviction with which McCord spoke, his testimony had essential weaknesses—mainly that key portions of it were secondhand stories for which there was, as yet, no confirmation. That put the seven

madge, Hawaii's Daniel Inouye and Joseph Montoya of New Mexico—were not eager for the honor of serving, but once the hearings began, they set to with a will. "Let the chips fall where they may," growled Talmadge.

The Republican members were to send some chips flying themselves. Though the committee's vice chairman, Howard Baker of Tennessee, was described at the outset as an ambitious man who might serve as the White House apologist in the hearings, his questioning was aggressive. In some quarters, Florida's Edward Gurney was dismissed initially as an intellectual lightweight, while Senator Weicker was at first written off as an opportunistic maverick. But both men asked tough questions and prodded the committee into areas that might otherwise have been left for later. The quar-



Ken Felt—Washington Post

The Ervin committee at work: A lawyerly effort with no razzle-dazzle, and the country was watching

discussed—but never carried out—to bug Muskie headquarters and that he had tried, unsuccessfully, to plant "some electronic equipment" in the campaign offices of George McGovern. Prodded by Sen. Lowell Weicker of Connecticut, he confessed that he had received daily reports on political opponents from the Internal Security Division of the Justice Department, an arrangement approved, he said, by then Attorney General Mitchell and the former head of the division, Robert Mardian, later a CRP official.

What interested the senators most, however, was the question of why McCord had gone along with the Watergate raid. Gordon Liddy had assured him, McCord said, that the operation had been approved by Mitchell, Dean and deputy campaign director Jeb Stuart Magruder. McCord conceded that the

committee members, all of them lawyers, squarely between the hammer and the anvil. Although eager to ferret out the truth about Watergate, they were equally determined to prevent the hearings from disintegrating into the "circus" that some skeptics had predicted.

Sam Ervin, the 76-year-old constitutional-law expert from Morganton, N.C., was serving, in effect, as a judge, and his credentials for the job were impressive. A veteran of the Burke County Criminal Court and the superior and supreme courts of his state, Ervin has logged more time on judicial benches than any U.S. senator. As for his political ambitions, he likes to joke that he is "the only Democrat in the Senate who isn't suspected of harboring any plans to be President of the United States." The other Democrats—Georgia's Herman Tal-

ry, according to Weicker: "the men who almost stole America."

Dash, a 48-year-old law professor at Georgetown University, had orchestrated the hearings carefully. He believed that the probe should present a reasoned, step-by-step review of the Watergate case. Witnesses, he concluded, could be whisked in and out like participants in a moot court, telling only the appropriate part of their stories and then waiting in the wings until they would again fit in. Hence the inclusion in his opening-day line-up of junior White House aide Bruce Kehrli, who testified about the Presidential staff system, and Washington, D.C., policemen Paul Leeper and John Barrett, who told of the Watergate arrests.

This approach promised few fireworks for the large first-day audience,

NATIONAL AFFAIRS



The phone booth on Route 355 ^{AP}

which included Daniel Ellsberg on a sort of busman's holiday. Even so, there were surprising nuggets in the evidence of the very first witness, Robert Odle, 29, CRP's earnest young office manager. After lingering over an organizational chart of CRP, Odle was asked who really ran the show. He conceded that the White House pulled most of the strings. He said he spoke two or three times a week with Gordon Strachan, an aide to Presidential chief of staff H.R. (Bob) Haldeman.

'That Could Never Happen Here'

Then Odle proceeded to pin down John Mitchell in what appeared to be a lie. He said that Mitchell began to play a major part in the campaign decisions as early as May 1971. This contradicted sworn testimony by Mitchell before a Senate committee investigating the ITT affair last year. Mitchell had declared under oath that, before resigning as Attorney General on March 1, 1972, he had no "party responsibilities." Specifically, he denied taking part in the selection of a site for the national convention. Said Odle: "Major campaign decisions" were cleared with Mitchell.

Odle's testimony ran on and on, and soon Dash's grand strategy was in shreds. Inouye, followed closely by Gurney and Weicker, launched Odle into a vivid reconstruction of events at CRP on the day of the Watergate break-in last June 17. Odle recalled that, when he first learned of the burg-



Caulfield: A friendly arm-twister ^{UPI}

lary, he had no idea of the identity of the arrested men. "I said, 'That could never happen here, because I have this guy working for me named Jim McCord...'" The audience broke up. Odle also described Gordon Liddy asking directions to the office's "big" paper shredder (CRP had two sizes). Odle pointed it out, and Liddy asked: "How do you work it?" Odle: "You press the button." Liddy later pressed the button on a foot-high stack of documents.

Odle himself had been busy that day. Sometime in the afternoon, he said, he and colleague Robert Reisner held a phone conversation with Magruder, who was in California. Magruder, according to Odle, instructed them to remove from his office an armload of confidential files.

The reason, Odle professed, was that CRP's security chief, McCord, was in jail, and in his absence someone might try to swipe the papers. Reisner stuffed his briefcase with files, and gave Odle a single folder from Magruder's cache. Odle described it to the committee as a "strategy" file and admitted to suspecting later that it contained "things which have no place in a political campaign." But in the grand tradition of L. Patrick Gray, Odle maintained that he had not read the file. It sat in a closet at home, he said, and on the next Monday he returned it to Magruder.

Treasure Chest

Other things that supposedly have no place in a political campaign haunted the Republicans and will surely crop up in the hearings. Late last week, the Government Accounting Office released its strongest attack yet on GOP funding irregularities. GAO charged, among other things, that Herbert W. Kalmbach, Mr. Nixon's personal lawyer until recently, secretly raised at least \$210,000 that went "through intermediaries to the Watergate defendants or their attorneys." The agency also deduced that CRP had raked in \$1.7 million in unreported cash prior to April 7, 1972, when the new disclosure law took effect, "in addition to a larger total received in checks or securities." Of that sum, \$900,000 was disbursed to officials "in an obvious attempt to evade the disclosure requirements." GAO said that \$199,000 of the money found its way to Liddy.

Understandably, the first two days of the Ervin hearings raised more questions about Watergate and the cover-up than they settled. It may be a while before the really big names come forward to provide (or refuse to provide) some

THE MITCHELLS SPEAK UP

Like everyone else, John and Martha Mitchell watched the first two days of televised Watergate hearings last week, and the strain was taking its toll. Martha Mitchell emerged once briefly from her Fifth Avenue apartment to talk urgently—if somewhat disjointedly—with a pack of newsmen about James W. McCord's stunning testimony. "You can place all the blame right on the White House," she said vehemently. "Where do you think all this originated? Do you think my husband's that stupid? Whom do you think he's protecting? ... Mr. President," that's who.

Late that night, she followed up with another of her famous calls to UPI reporter Helen Thomas to repeat her charge that the White House was setting her husband up as the "fall guy." The President, she

warned, should resign "or he'll be impeached—I think he'd be much wiser to resign."

At that, the former Attorney General himself took the phone away—but not, this time, to hang up. Mitchell repeated his wife's warning that even though "somebody has tried to make me the fall guy ... it isn't going to work."

That was a theme that Mitchell repeated last week in talks with friends—and he had cause for concern. Senate investigative sources told Newsweek they have concluded that a White House group led by former top aide John D. Ehrlichman has in fact been preparing to place responsibility for the Watergate bugging and cover-up on former counsel John Dean III



Bernard Gotfryd—Newsweek

answers. The panel granted John Dean immunity last week, but the law permits the Justice Department to delay his appearance for as long as 30 days, and so far there was no sign that the privilege would be waived. (When Dean does appear, however, the celebrated documents he had stored in a safe-deposit box will also be on hand; Judge Sirica ordered them turned over to the committee last week.) Other superstars—Mitchell, Haldeman, Ehrlichman, Magruder and CRP finance director Maurice Stans, Mitchell's co-defendant in the Vesco case—come later on Sam Dash's meticulous schedule.

This week, however, should still provide ample grist for the Watergate mill. After McCord and Caulfield testify, former CIA director Richard Helms, now U.S. ambassador to Iran, may be squeezed in to tell how Haldeman and Ehrlichman tried to use the CIA in the cover-up, and he is said to be ready to testify that he was led to believe the President knew what they were up to. Next on the agenda is Hunt, and the committee will try to get from him evidence linking former Presidential counsel Charles Colson to the CIA matter. Gordon Liddy will follow; he may well give the committee its first dose of the Fifth Amendment.

Also on tap, perhaps for this week, are such small fry as Reisner and Liddy's secretary, Sally Harmony. The parade of the famous, the near-famous and the potentially infamous will probably keep the Ervin committee plugging away at its four-day-a-week pace well into the summer and quite possibly into the fall. If last week's beginning is any guide at all, Watergate will be hanging over Richard Nixon's head for months to come—and perhaps forever.

and Mitchell himself. The Ehrlichman group charted this strategy, these sources said, when it was realized that Waterbugger James McCord was not going along with the cover-up "game plan."

Mitchell's response, as relayed by his friends, was as self-serving as the stories told by other Watergate figures. He resents what he sees as a plot to smear him. His friends say the plot included pressure from Washington to make sure he was indicted for his role in the Vesco case before he appeared at the Ervin hearings. Still, Senate investigators expect that his and Dean's testimony will be damaging to Ehrlichman "and others."

Mitchell says, however, that he will never implicate the President, and he doubts that Dean has the evidence to pin the cover-up on Mr. Nixon either. "This was not the President's doing," Mitchell told NEWSWEEK's Hal Bruno last week. "None of it."

Thinking the Unthinkable

No, said the White House press secretary, the President did not intend to resign.

That the question could be asked at all was a measure of rising national readiness to think the unthinkable; that Ron Ziegler felt obliged to answer it seriously was a gauge of punctured White House aplomb. "The President of the United States has a lot to do and a lot to accomplish in his second term," Ziegler declared, "and he fully intends to do just that." But the question kept coming back from the reporters assembled at the daily White House news briefing one day last week: Wasn't the pressure for resignation steadily increasing? Did the President still regard the 1972 election as a genuine mandate? Ziegler soldiered on without a hint of retreat: "He was elected to lead this country as President in 1972, and that he intends to do." In six short months, a huge victory had become a legal crutch for a crippled President.

Richard Nixon was doing his best to present an unruffled face to the world, but all over the nation Americans were asking the same tough questions as the newsmen in the White House press room. According to a nationwide survey of NEWSWEEK bureaus last week, very few citizens believe, on present evidence, that Mr. Nixon should resign or be impeached. But quite a number are at least beginning to contemplate that stark possibility, and many sense that his covenant with the electorate has suffered damage that cannot be repaired.

"I can't bring myself to conclude he ought to be impeached," said a politician on the coast. "But I'm beginning to think he ought to consider resigning." In Massachusetts, the proud heartland of anti-Nixonism, "Impeachment With Honor" bumper stickers blossomed on the highways. The prevailing mood seemed to be not so much outrage as a suspicion that the President had not told the full story of Watergate, a concern that the nation would have to muddle ahead three more years with a Chief Executive who had lost much of his respect and influence.

"How's Nixon going to bargain with Brezhnev with this hanging over his head?" asked one Illinois county farm agent. The remainder of the Nixon Administration, predicted Prof. William Lammers, head of the University of Southern California's political science department, will be a "rancorous stalemate, sprinkled with wrenches and lurches as finally a last-minute action is taken out

of dire necessity." One GOP campaign manager thought the prospect of Spiro Agnew would keep Democrats from pushing Mr. Nixon over the rim. "You've got to think of the country," he said. "To rip the thing threadbare may not be best. It's like living with a relative who's got a drinking problem. You keep quiet."

Arizona Sen. Barry Goldwater, a conservative whose conscience has overridden a long-standing personal friendship with Mr. Nixon, decided it was time to speak up. "It is not an easy thing for me to say this about my country or my President," he declared, "but I think the time has come when someone must say to



Haynie—Louisville Courier-Journal
'... WHAT Watergate cover-up ... ?'

both of them: 'Let's get going.' We are witnessing the loss of confidence in America's ability to govern . . . I urge my President to start making moves in the direction of leadership which have suffered from lack of attention because of an understandable concern about Watergate."

A Chins-Up Speech

Back in Washington, Mr. Nixon was all business-as-usual. He pointedly declined to watch the Watergate hearings on television ("He doesn't even have a set in his office," said Ziegler), though his new chief of staff, Gen. Alexander Haig, was sending him a daily summary of the transcript. The Brezhnev visit remained firmly on track, and on the domestic front the President met with Treasury Secretary George Shultz and his newly Republican adviser John Connally to dis-