

# '68 Nixon Cash Reportedly Used Against Wallace



ALBERT BREWER  
Help from administration

## Washington

John W. Dean III has told Watergate investigators that Herbert W. Kalmbach, President Nixon's former personal lawyer, approved the spending of up to \$400,000 in leftover 1968 Republican campaign contributions to help defeat George C. Wallace in the closely contested Democratic gubernatorial primary election in Alabama in 1970, sources close to the case said yesterday.

Wallace, then a former governor of Alabama who was widely viewed by Republican strategists as a political threat to Mr. Nixon in the 1972 presidential election, won a runoff for the Democratic governorship nomination by 3 percentage points in June 1970.

He defeated Governor Albert P. Brewer, who ran ahead of Wallace during the initial primary vote in May but failed to get a majority vote.

## ENDORSE

During the bitter primary election, which attracted national attention, both Vice President Agnew and Winton M. Blount of Montgomery, the former Nixon administration postmaster general, endorsed Brewer, who was considered to be more moderate than Wallace on the racial issue.

Wallace, in turn, repeatedly charged that Blount was raising money for Brewer, but no evidence was provided at the time. Wallace and Brewer were reliably reported to have spent more than \$1 million each during the campaigns.

Blount could not be reached for comment yesterday.

Although it has been widely reported that high-ranking officials in the White House and in the Republican re-election committee or-

ganized a massive campaign of sabotage and espionage in advance of the 1972 Democratic party presidential primary elections, yesterday's disclosure is the first describing a Republican financial involvement in earlier Democratic party contests.

## TALK

Dean, the former White House counsel, was quoted by the Times' sources as saying that Kalmbach had told him of the spending during a conversation early this year shortly before Kalmbach was to meet with investigators from the Senate Watergate committee to testify about campaign financing.

Kalmbach told him, Dean was quoted as saying, that he had approved the financial aid to Brewer early in 1970. Kalmbach served as the chief Republican fundraiser during the 1968 and 1972 presidential campaigns. His dismissal as Mr. Nixon's personal attorney was announced by the White House May 1, shortly after his role in the raising of cash for the seven Watergate defendants in return for their silence was made public.

It could not be immediately learned who authorized Kalmbach to spend the funds — part of nearly \$2 million in leftover 1968 campaign contributions — but Dean was quoted by one closely involved source as saying that Kalmbach took orders on campaign spending only from three high-level officials — Mr. Nixon, former attorney general John N. Mitchell, and J. R. Haldeman, Mr. Nixon's former chief of staff who resigned because of Watergate.

## BANKS

Dean has told investigators, sources said, that Kalmbach ordered the unspent 1968 campaign funds

— most of it in \$100 bills — to be scattered in various bank accounts for safekeeping. Some of the cash, Dean was quoted as saying, subsequently ended up in the control of France M. Raine Jr. of Rolling Hills, Calif., Haldeman's brother-in-law.

In a telephone interview yesterday Raine said he did not know whether Dean's recollection is "accurate or not."

"This will all come out in the laundry in due course," said Raine, who is in the real estate business. "I'm not confirming and I'm not disavowing anything."

On May 19, the General Accounting Office reported that Kalmbach, a Los Angeles lawyer, at one time held \$1.9 million in cash, including \$1.65 million in unspent contributions from the 1968 presidential campaign.

Of those funds, sources said, only \$500,000 to \$750,000 were still unspent by the time the Republican re-election committee began setting up its operations for the 1972 campaign.

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