



By James K. W. Atherton—The Washington Post

Hugh W. Sloan Jr. answers questions at hearing.

JUN 7 1973

WXPost Sloan Says Officials Asked for Perjury

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Former Nixon campaign treasurer Hugh W. Sloan Jr. testified yesterday that he told federal prosecutors last July that top Nixon re-election committee officials attempted to persuade him to commit perjury and cover up cash payments made to the Watergate bugging team.

Sloan's testimony before the Senate select Watergate committee is the first sworn public statement indicating that the prosecutors investigating Watergate disregarded early warnings that high re-election committee officials were trying to cover up their involvement in the affair.

In particular, Sloan testified yesterday, he warned the Watergate prosecutors in July that deputy Nixon

campaign manager Jeb Stuart Magruder had asked him to lie to the prosecutors and the federal grand jury about how much campaign committee cash had been paid to G. Gordon Liddy, who commanded the Watergate burglary team.

The Washington Post also learned from Senate sources yesterday that another re-election committee official, Powell Moore, has told Senate committee investigators that he, also informed the prosecutors that Magruder tried to persuade him to commit perjury. (Moore is scheduled to testify before the committee today.)

Despite these warnings, Magruder testified as a

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prosecution witness at the Watergate trial in January, and his version of events was heavily relied upon by prosecutor Earl J. Silbert in his opening statement to the jury. A source close to the prosecution said yesterday that "the fact that Magruder told Sloan to perjure himself, refuted by Magruder, doesn't indicate anything . . . because there is never, never a case without conflicts."

Sloan's testimony yesterday provided a richly detailed account of the early stages of the Watergate cover-up. He told the Senate committee that he had turned to both John D. Ehrlichman, then chief domestic assistant to the President, and Dwight Chapin, then the President's appointments secretary, to warn them of the cover-up. But neither man, Sloan testified yesterday, would talk to him about it.

Sloan said he told Chapin there was a "tremendous problem" at the re-election committee, but Chapin's response was that Sloan was "somewhat overwrought and (he) suggested a vacation." And Ehrlichman told Sloan he didn't want to know "any details," Sloan testified.

Sloan's lawyer, James T. Treese, told the Senate committee yesterday that he received a telephone call in October, 1972, from then White House counsel John W. Dean III urging Sloan to take the Fifth Amendment in his appearance at a trial of Watergate conspirator Bernard Barker then under way in Florida. Barker had been accused there of falsely notarizing a check made out to the Nixon campaign committee.

Dean, according to Treese, said Sloan "could be a real hero around here if he took the Fifth. And I said, John, relax . . . Hugh Sloan is not going to take the Fifth Amendment."

Later, in January, 1973, Sloan testified yesterday, he requested a meeting with H. R. (Bob) Haldeman, then the White House chief of staff, told him "how strongly I felt about certain individuals in terms of what they had done that I thought was wrong" and "that I thought positive action should have been taken away back when."

Haldeman replied, according to Sloan, that he had no personal knowledge about the Watergate bugging but conceded "that some mistakes had been made in the handling of the Watergate matter."

Besides detailing the cover-up, Sloan's testimony described the "nightmare" of millions of dollars in campaign contributions cascading upon the re-election committee in a last-minute rush of contributors to avoid the new campaign finance reporting law.

Just prior to the effective date of the new law on April 7, 1972, Sloan said, the committee received \$5 million to \$6 million in a two-day period.

According to Sloan's testimony, the committee had so much money—including about \$2 million of it in cash salted away in safes and safe deposit boxes—that finance director Maurice H. Stans lost control over how the money was spent.

Sloan said he was instructed by Magruder at various times to give convicted Watergate conspirator G. Gordon Liddy a total of \$199,000 in cash from the campaign funds. Although Sloan said he did not then know the purpose of the expenditures, it was some of this money that paid for the Watergate bugging.

When he asked Stans about the money Sloan testified, Stans replied, "I do not want to know and you do not want to know (how it is being spent)."

Sloan's testimony about his warning to the prosecution about a cover-up came the day after the committee heard Robert Reisner, former aide to Magruder at the re-election committee, testify that he was not contacted by the federal prosecution team until after the Watergate trial when news accounts announced that the Senate committee had subpoenaed Reisner.

A source close to the prosecution told the Washington Post yesterday that the prosecution had not talked to Reisner before that time because the prosecutors did not know of his existence.

During his Senate testimony yesterday, Sloan gave the following account of what happened at the Nixon re-election committee in the days after June 17, the day that five men were arrested inside the Democratic National Committee's Watergate headquarters. Sloan said he gave essentially the

same account to the prosecutors and to the grand jury last summer.

About last June 21 or 22, Sloan testified, he spoke with Magruder about the disbursements of funds he had authorized Sloan to give Liddy. "He (Magruder) indicated to me . . . or suggested to me a figure of what I had given to Mr. Liddy in the range of somewhere (around) \$75,000 to \$80,000," Sloan said.

"I do not believe at that point in time I had prepared a summary of the figures so I did not know the precise amount of money that I had given to Mr. Liddy at that point. However, I did know that the sum was considerably larger than that because Mr. Magruder himself had authorized a payment for \$83,000 in one single installment.

"I must have indicated to him, well, that just is not the right figure, I did not have the right figure, but that is too low . . . he must have been insistent because I remember making to him on that occasion a statement I have no intention of perjuring myself," Sloan said.

Magruder replied, according to Sloan, "You may have to."

Later that same day, Sloan said, he was approached by Frederick C. LaRue, then an assistant to Nixon campaign manager Mitchell. LaRue was conducting an investigation of the Watergate incident for Mitchell, Sloan said.

While talking to LaRue, Sloan said, he was informed that two FBI agents were waiting to talk to him. LaRue told him to see Mitchell before talking to the FBI agents, Sloan said. Hoping to get some "guidance" or reassurance before talking to the agents, Sloan said he went to Mitchell's office, where he found Mitchell and Robert Mardian, then political coordinator of the committee.

"I was essentially asking for guidance," Sloan said. "The campaign literally at this point was falling apart before your eyes, nobody was coming up with any answers as to what was really going on. I had some very strong concerns about where all of this money had gone. I essentially asked for guidance, at which point he (Mitchell) told me: 'When the going gets tough, the tough get going.'"

Failing to get the guidance or reassurance he sought from Mitchell, Sloan said he then went to talk to the FBI agents who asked him only about Alfred C. Baldwin III. Although Baldwin was the man who monitored the wiretapped conversations from the Democratic Party's Watergate offices, Sloan said the agents asked him no questions about the Watergate affair.

Sen. Howard H. Baker Jr. (R-Tenn.) questioned Sloan about the FBI interview.

Baker: "Do you have any idea why the FBI limited its inquiry to Mr. Baldwin?"

Sloan: "No, sir, I did not."

Baker: "Did it seem to be limited to a particular purpose? Did they express a reason for wanting to know particularly about Mr. Baldwin?"

Sloan: "They indicated they had information that Mr. Baldwin had been involved in a demonstration — I am not sure. They did identify where it was, but I have forgotten where that was."

Baker: "No one asked you about the Watergate break-in in the course of that FBI interview?"

Sloan: "No, sir, it was never mentioned."

Baker: "Nobody ever asked you about Mr. Liddy?"

Sloan: "No, sir."

Baker: "And no one asked you about \$100 bills that were found with or on the defendants that were involved in the break-in or illegal entry into Democratic National Headquarters?"

Sloan: "No, sir."

Following the FBI interview, Sloan said, LaRue came to his office to find out what had been discussed. "At that point he indicated to me that, and I do not have the precise words, the sense of the meaning as it came across to me, there was very brief reference something to the effect that the Liddy money is the problem, it is very politically sensitive. We can just not come out with a high figure, we are going to have to come out with a different figure.

"And I said, as I recall, I said there is a problem, I cannot see that it makes any difference whether it is \$200 or \$200,000, at which point he dropped the conversation."

That same night, Sloan said, he attended a party aboard a boat on the Potomac along with several White House aides.

Sloan said he talked to se-

veral aides, including Ehrlichman's assistant and Chapin, asking to meet with them.

The following day, Sloan said, he went to meet Chapin first. "I believe probably the tone of the conversation was that there is a tremendous problem there, something had to be done (at the re-election committee).

"Mr. Chapin evaluated my condition at that point as being overwrought and suggested a vacation . . . He suggested that the important thing is that the President be protected."

In the meeting with Ehrlichman, Sloan said he told him, "I believe somebody external to the campaign has to look at this because it raised in my mind at that point—possibility of the entire campaign being involved . . ."

Ehrlichman, Sloan said, responded that he would be glad to help Sloan get a lawyer if he was concerned about that "but do not tell me any details. I do not want to know. My position would have to be until after the election that I would have to take executive privilege."

On June 24, Sloan said, he met with Mardian at the campaign headquarters, since Mardian had taken over the internal investigation from LaRue. Sloan said when he told Mardian that Liddy had received \$199,000, Mardian "blew up, staggered by the amount. He (Mardian) said, 'God damn. Magruder lied to John Mitchell. He told him it was only \$40,000.'"

On July 5, after returning from a vacation, Sloan said he was again contacted by Magruder, who asked to talk with him. They met for a drink. "He (Magruder) said, 'you know, we have to resolve this Liddy matter.' He said, 'What we should do is you and I should go down to see the U.S. attorney, Mr. Harold Titus.' He said, 'I will tell Mr. Titus that I authorized the payments to Mr. Liddy and you merely have to confirm the fact that you did make those distributions under my instructions.'"

"Then he said, 'But we have to agree on a figure.' This time, the figure was even less than the time before. It was \$40,000 or \$45,000," Sloan said. He told the committee that the next day he told Magruder that "I had absolutely no objection to going down to see the U.S. attorney. However, you know, if I am asked point blank, did Mr. Liddy ever receive \$45,000, of course I will say yes. But I said, I will not stop there. If I am asked more than that, I will also say yes. If he asks what the total figure is, I will tell him to the best of my knowledge."

During a break in the Senate hearings yesterday, Sloan told a reporter that he "can't conceive of a situation where there wouldn't be a follow-up question . . . Essentially, it was a graceful way of saying no without punching the guy in the nose."

The same evening, Sloan testified yesterday, he met with Kenneth Wells Parkinson and Paul O'Brien, attorneys for the re-election committee. Sloan said he told them about the money and Magruder's "continued suggestions of agreeing to a different figure." According to Sloan, "Their reaction was to be incensed. They were angry . . . They said, well, we have been lied to by the people here. We have not even been able to see John Mitchell and we are a month into this thing. They seemed to have an extreme frustration about the information I had given them at that point. It was certainly my judgment that they, from their reactions, that they had not heard any of the critical information before

from anybody and it has been told to other people within the campaign."

Sloan said the lawyers suggested that he take an out-of-town trip. Later, he said, he was called by LaRue who "impressed on me the urgency of departure, to the extent of suggesting that I had a reservation on, I believe, a 6 o'clock a.m. flight at Dulles. He urged me to take a room at the Dulles Marriott that evening and to leave my home immediately."

Sloan said he left the next day for California to join Stans there. When he returned on July 13, he said he had lunch with LaRue, and it was suggested to him then "that I ought to think perhaps about taking the Fifth Amendment."

Sloan said he would neither invoke the Fifth Amendment before the grand jury nor perjure himself. "I said I think it is in the interest of everybody under those circumstances for me to resign."

Sloan also told Stans that

night that he wanted to resign. Sloan said when he then met with Stans the following morning, Stans told him that he already had informed the FBI that Sloan had resigned.

On July 20, Sloan met with prosecutors Silbert, Seymour Glanzer and Donald Campbell. On July 31, Sloan said, he testified before the grand jury, spending about half the time in his testimony recounting Magruder's attempts to have him perjure himself.

Despite Magruder's apparent concern that the \$199,000 figure was too high for the money given to Liddy, that figure was used at the Watergate trial in 1973.

Silbert told the jury in his opening statement that Liddy received about \$235,000 to carry out a series of intelligence assignments given to him by Magruder that involved finding out about potential demonstrations at the San Diego Republican National Convention, possible threats against "surrogate" candidates who were appearing in the primaries in behalf of President Nixon and various other intelligence activities.

Despite the warnings from Sloan and from Moore that Magruder had sought to have them commit perjury, Silbert described Liddy in his final argument as "the money man, the boss."

Liddy, Silbert told the jury in the closing argument, "wasn't content to follow out what he was supposed to do. He had to divert it. He had to turn it." Silbert told the jurors that Watergate conspirators James W. McCord Jr. and Liddy "were off on an enterprise of their own, diverting that money for their own uses."

Assistant United States Attorney Glanzer, speaking for the prosecution team, said yesterday, "Sloan's testimony was followed up and pursued in the grand jury. It was explored and it's a matter of record. The matter—the amount of money disbursed by Sloan to Liddy—is in an inconclusive state as it pertained to the allegation of perjury against Magruder and obviously, without getting into it, Magruder's version of that conversation is strikingly different from Sloan's. It remains that way today."

After the Watergate trial, on March 23, it was revealed that McCord broke ranks with his six coconspirators and, in a letter to Chief U.S. District Judge John J. Sirica, charged that perjury had been committed at the trial by a principal prosecution witness. McCord later told Senate committee investigators that it was Magruder who had perjured himself. And McCord repeated that testimony under oath before the Senate committee.

After the news accounts reported that McCord had told Senate investigators that Magruder had committed perjury, the Watergate prosecutors insisted privately that McCord was not a believable witness.

Judge Sirica criticized the prosecution following the January trial. He said he was still not satisfied that all the facts concerning the Watergate affair had been brought out.

The Senate committee is known to be planning its own investigation of the Watergate prosecutors. One committee source said yesterday that testimony concerning the prosecutors may be heard by the committee in July.

Yesterday's testimony by Sloan was the first time in such a forum that three secret Nixon campaign funds were discussed.

They include \$250,000 held by President Nixon's former personal lawyer, Herbert W. Kalmbach, \$350,000 held in the White House by Haldeman and \$600,000 to \$700,000 held in office safes by Stans and Sloan.

The funds held by Stans and Sloan were used, among other things, to finance the Watergate break-in and bugging. The \$250,000 Kalmbach fund, according to reliable sources, was used to finance other espionage and sabotage activities. The \$350,000 Haldeman fund, according to reliable sources, was turned over to LaRue after the 1972 election to be used to buy the silence of the Watergate conspirators.

Sloan told the committee that his knowledge of the Watergate cover-up was limited to what he had read in newspaper accounts. Sloan said that last April, during an informal chat with Stans, after newspaper stories had appeared about the \$350,000 fund, Stans said, "Well, I think we know now where the \$350,000 went."