

or not the ads cost \$7,000 and so \$15,000 was returned to Haldeman, or whether the ads cost \$15,000 and \$7,000 was returned. Strachan does not know if anybody skinned off any of the \$350,000. (5135-5136)

Strachan turned the \$350,000 he received from CRP initially over to Lilly, Lilly was a friend of Butterfield's, and was able to travel. Although Lilly was not on the White House staff he was willing to accept custody of the cash. Dean had indicated that neither Dean or anyone he could think of on the staff would be able to travel and deliver their payments. Lilly's name had come up when they were scrambling around just before April 6 to find someone to deliver money to pollsters. (5129-5132)

Sometime around the Hanoi-Haiphong bombing, Howard came to Strachan and said that Colson had approved an advertisement indicating public support for the bombing and mining decision. Howard said that Colson needed \$22,000, and Strachan asked Haldeman if he could authorize such an expenditure. Haldeman said yes and the money was delivered. (5040-5043)

7. March 31, 1972. Aftermath of Key Biscayne Meeting

After the March 30, meeting Magruder called Strachan and gave him a list of about 30 items that had

^{rec'd} discussed at Key Biscayne. Included in those was the decision to establish a political intelligence-gathering system. Strachan wrote that up in a political matters memorandum for Haldeman. This information is included in Political Matters Memo No. 18. Strachan wrote 28 such memos. It was Haldeman's practice when he read such a memo to make notes and check off the paragraphs and then to write in the upper right-hand corner "To Strachan," indicating that the memo should be returned to Strachan. Strachan would then go through the memoranda after Haldeman returned them. He remembers reading this one and noting that Haldeman had checked off the paragraph about political intelligence-gathering. (5017-5020, 5517-5518)

Strachan included in the report at Tab "H" a political intelligence report which was an example of the type of information that would result from the intelligence-gathering system that Magruder had discussed. This report was entitled Sedan Chair II, and it, like two other reports that Strachan received, began with a statement such as, "A confidential source reveals," followed by a summary of some political information. The information dealt with Senator Humphrey's Pennsylvania organization. Strachan did not think

much about the intelligence-gathering system until June 17. (4991-4993, 5017-5020, 5517-5518)

The Sedan Chair II memo which was attached to the report had come from CRP. Strachan had received two other such reports. Strachan did not know the origin of the Sedan Chair report; he thought it might be a report from a reporter who was being paid by CRP. Strachan had known since December 2nd that Liddy was going to assume control of intelligence-gathering which Porter had heretofore run. He did not know when he heard about the March 30 meeting precisely what had happened. He thought maybe that the entire system had been consolidated. He assumed this because he had previously told Liddy that Segretti would report to him. (5058-5062)

Strachan had no explanation for why the figure he heard on March 30 was ^{300,000}~~250,000~~ when all other testimony ^{has}~~had~~ discussed the budget of \$250,000 for the Liddy operation. Strachan has never seen an accounting of Liddy's expenditures nor did the money have to pass through his hands. (5133-5135)

8. April 4, 1971. Haldeman and Mitchell discuss
Intelligence

After Haldeman read Political Matters Memo #18, he spoke on the telephone on some occasion with Mitchell. Haldeman buzzed Strachan, indicating to Strachan that he should pick the line up on a special extension whereby the person on the other end could not hear that the line had been picked up. Strachan did so and overheard the conversation between Mitchell and Haldeman. This was on April 4, 1972. Mitchell and Haldeman agreed to meet at three o'clock. Strachan prepared a talking paper for that meeting. In the talking paper, Strachan included an item of the intelligence plan with the budget of \$300,000. He received this talking paper back from Haldeman and there was no indication on the talking paper that the item should be raised again. When Haldeman did not cover a subject, he would make such an indication. Strachan filed this paper. (5021-5024, 5077-5099, 5063-5065)

Strachan, his secretary, Higby, and Colson all had capability on their telephone to switch on Dictaphones to record phone conversations. The tapes of

Strachan's telephone conversations were usually transcribed immediately and then the tapes were reused.

(5096-5099) The talking paper was later returned to Strachan and was filed in a package of papers surrounding the political matter memo 18. (5518-5519)

9. Later in April 1972. Strachan passes a message to Liddy

At some later date in April, Haldeman told Strachan to contact Liddy and tell Liddy to transfer whatever capability he had from Muskie to McGovern, with particular interest in discovering what the connection between McGovern and Kennedy was. Strachan called Liddy and had Liddy come to the White House where Strachan told him of the order. When Liddy came into Strachan's office, he reached over and turned on the radio. Strachan read Haldeman's message to Liddy. Strachan did not know what these "capabilities" were but he suspected that Liddy had plants in Muskie's campaign. It was common knowledge that Muskie's driver was either in the pay of CRP or supplying information to CRP. Liddy seemed to understand what Strachan meant and left shortly thereafter. Strachan knows nothing else about whether or not the mission was carried out.