

Jury Is Told Nixon Aides Knew of Watergate Fund

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WASHINGTON, Jan. 26 — Evidence that \$199,000 in campaign funds was paid to a defendant in the Watergate trial with the approval of two ranking Presidential advisers was read to the jury today.

Chief Judge John J. Sirica of the United States District Court here summoned the panel to hear a transcript of his examination on Tuesday of Hugh W. Sloan Jr., former treasurer of the Finance Committee to Re-elect the President.

The judge, who had appeared skeptical about some of Mr. Sloan's testimony in the absence of the jury, ruled today that it might have an "important bearing" on the witness's credibility and on other issues

Reacting strongly to a remark by a defense attorney, the judge also said he would continue to examine witnesses personally whenever he felt dissatisfied with the questioning by either side.

When the prosecution finished with Mr. Sloan on Tuesday, Judge Sirica sent the jurors from the courtroom and began to examine the witness on a number of financial points and other issues.

Mr. Sloan said he had "no idea" why the \$199,000 in cash had been turned over to G. Gordon Liddy, a defendant in the trial who was then counsel to the finance arm of President Nixon's political organization.

The witness said he had "verified" the payments with Maurice H. Stans the former that Mr. Stans had in turn verified them with John N. Mitchell, the former Attorney General. Mr. Mitchell was head of the Committee for the Re-election of the President and Mr. Stans headed the finance group.

These points had not emerged on direct examination by Earl J. Silbert, the principal assistant United States attorney, and the jury, thus, heard them for the first time today. The judge

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placed no particular stress on them, however.

He read virtually all the transcript of his questioning, deleting only two or three brief exchanges that he said might indicate to the jurors some doubt on his part about Mr. Sloan's remarks.

Judge Sirica dropped parts of the testimony relating to a remark Mr. Liddy was said to have made at Nixon headquarters on the day five men were arrested inside the offices of the Democratic National Committee.

"My boys got caught last night," Mr. Liddy had been quoted as telling Mr. Sloan. "I made a mistake by using somebody from here, which I told them I would never do. I'm afraid I'm going to lose my job."

Question of Immunity

James W. McCord Jr., a co-defendant, was the re-election committee's security coordinator when the Democratic headquarters was entered on June 17.

"Didn't it occur to you it was mighty strang you knew nothing about this matter, that you didn't see anything wrong with that remark?" the judge asked. Mr. Sloan replied that nothing occurred to him until later.

The judge had observed, when Mr. Sloan said he did not know what Mr. Liddy had used

the \$199,000 for, that the witness was a college graduate, and he concluded his questioning by asking whether Mr. Sloan had been granted immunity from prosecution.

Mr. Sloan said he had not received immunity.

Both the Government and the defense objected when Judge Sirica proposed at the beginning of today's session to read the Sloan testimony.

The prosecution did so on the ground that it would be better to recall Mr. Sloan and let the panel hear his testimony directly. Judge Sirica remarked that the witness "might have a lapse of memory."

The defense objected on two grounds. Peter L. Maroulis of Poughkeepsie, N.Y., complained that reading the testimony would serve to "emphasize and reinforce" Mr. Sloan's evidence.

Also, he said, reading conferences at the bench that dealt with proposed questions would be improper because on at least one occasion a line of inquiry had been dropped by the Government with the approval of the judge and the defense.

The judge observed that neither the defense nor the

Government had "pursued" the examinations of Mr. Sloan, and Mr. Maroulis said that in his judgment no cross-examination had been needed.

Judge Sirica appeared to interpret the remark as a question about the propriety of his examining Mr. Sloan himself,

and he replied with sharp words:

"I exercise my judgment as a Federal judge and as the chief judge of this court . . . and as long as I'm a Federal judge I'll continue to do it . . . I could care less what happens to this case on appeal."