

Stans Says He Gave \$75,000 to Kalmbach

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Former Commerce Secretary Maurice H. Stans, President Nixon's chief campaign fund raiser, testified yesterday that last June he gave Mr. Nixon's personal lawyer \$75,000 that investigators later said was used to buy the silence of the Watergate conspirators.

Stans also said that just six weeks ago the lawyer, Herbert W. Kalmbach, told him that the order to raise the money came from White House counsel John W. Dean III and had been confirmed by John D. Ehrlichman, then the President's chief assistant for domestic affairs.

Stans was not asked by the Senate select Watergate committee yesterday if he knew at the time that the \$75,000 would be used for the Watergate cover-up. But throughout his testimony, Stans emphasized he had no prior knowledge of either the Watergate bugging or any subsequent cover-up.

Stans testified that on June 29, 1972, he received an urgent call from Kalmbach, a 51-year-old California lawyer who was Mr. Nixon's personal attorney until this May.

"I'm here on a special mission on a White House project," Kalmbach said, according to Stans. "I need all the cash I can get."

Stans testified that Kalmbach also told him that the request for money had "nothing to do with the campaign. I'm asking for it on high authority.

You will have to trust me that I have cleared it properly."

Stans told the Senate committee yesterday that he had "no reason to doubt anything he (Kalmbach) told me" and that he gave Kalmbach \$75,000.

Stans, who is under indictment by a New York federal grand jury on charges of perjury and obstruction of justice growing out of a Securities and Exchange Commission investigation of international financier Robert L. Vesco, is the first former Cabinet officer to testify before the Senate committee.

The Senate committee heard Stans only after his lawyer, Robert W. Barker, unsuccessfully argued that the committee should postpone questioning Stans because of the pending criminal trial.

Committee Chairman Sen. Sam J. Ervin Jr. (D-N.C.) told Barker the committee already had considered his request before yesterday's session and had rejected it. Ervin said the committee would not, however, question Stans on any matter related to dealings with Vesco or the New York court case. By thus restricting itself in its examination of Stans, the committee may have established a precedent for dealing with other witnesses who might be indicted before they appear for committee testimony.

Stans' testimony dealt primarily with the tangled financial dealings of the Finance Committee to Re-elect the President, the fund-raising arm of the Committee for the Re-election of the

President. Stans was chairman of the finance committee.

Included in Stans' testimony was a discussion of various amounts of money—estimated at a total minimum of \$460,000—that allegedly went to the Watergate conspirators to buy their silence. The \$75,000 Stans gave to Kalmbach was part of this money.

Stans also identified the foreign source of \$30,000 included in the \$75,000 he gave to Kalmbach. The money, Stans said, was given to him by Ernesto Lagdameo, former Philippine ambassador to the United States, who Stans said told him he was acting for himself and two business partners, Jesus Cobarrus Sr. and Eugenio Lopez Jr., also Filipinos.

Lopez is the brother of the vice president of the Philippines and a member of one of that country's most prominent families, which has extensive interests in utilities and sugar.

While Stans was testifying yesterday, Samuel Dash, chief committee counsel, and Fred Thompson, minority counsel, were elsewhere in the Capitol interviewing former deputy Nixon campaign manager Jeb Stuart Magruder, who is scheduled to follow Stans at the witness table.

Magruder was given immunity from prosecution yesterday for his testimony before the committee by Chief U.S. District Judge John J. Sirica, who also ruled against a government re-

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quest that live television and radio coverage be prohibited for testimony by witnesses given immunity.

Stans testified yesterday that when Kalmbach asked him for the cash on June 29 he asked Kalmbach what it was for. Stans said Kalmbach replied, "This is for a White House project that I have been asked to take care of and I cannot tell you. You will have to trust me."

Kalmbach, according to a person close to him, has told federal investigators that he raised \$210,000 last summer after a White House meeting in which Dean told him there was an "emergency" need for funds to pay the legal fees and support the families of the Watergate conspirators.

Kalmbach, according to a report by the General Accounting Office, also told GAO investigators that he raised this \$210,000. Included in this sum was the \$75,000 Stans said he gave Kalmbach. The GAO report said the money should have been reported under the new election financing disclosure law because it was raised "on behalf of the President's re-election effort."

GAO Comptroller Elmer B. Staats has referred these "apparent violations" to the Justice Department for further investigation.

Stans testified yesterday that six weeks ago Kalmbach "told me the request to raise the money came from John Dean. That he (Kalmbach) asked Mr. Dean whether it was a legal transaction and Dean assured him it was. But being unwilling to proceed solely on that basis, he (Kalmbach) went to Mr. Ehrlichman and asked Mr. Ehrlichman if it was something that should be done and whether it was legal and Mr. Ehrlichman told him it was. Now that is hearsay, but I got that as I said, about six or eight weeks ago from Mr. Kalmbach and his attorney."

Besides the \$30,000 from the Philippines, Stans said he gave Kalmbach \$45,000 in cash left over from a \$50,000 personal expense fund that Kalmbach had turned over to him earlier. Kalmbach had served temporarily as Mr. Nixon's chief fund-raiser until Stans took over in February, 1972.

In addition to the \$75,000 that went to Kalmbach, Stans told the Senate committee, \$81,000 was given in late June, 1972, to Frederick C. LaRue, an aide to campaign manager John N. Mitchell's aide.

Stans said the money given to LaRue was cash left over from campaign committees that ceased to exist on April 7, when the new campaign finance reporting law became effective. Stans said that Robert Mardian, political coordinator of the re-election committee, told him "to get the money out of the office and out of the campaign and he (Mardian) suggested that I give it to LaRue."

"I do not know what happened to that money in the end," Stans told the committee.

LaRue, according to government sources, has told the federal Watergate grand jury that he paid the Watergate conspirators \$250,000 in cash for their silence. The first payments, according to the account of LaRue's grand jury testimony, came from the \$81,000 that LaRue received from Stans and from re-election committee treasurer Hugh W. Sloan Jr.

Stans, who said he complained repeatedly to other campaign officials about the runaway cost of the Nixon campaign—which started out with a budget of \$35 million-\$40 million and ultimately cost about \$50 million—said he knew almost nothing about another \$199,000 that Sloan paid out to Watergate conspirator G. Gordon Liddy.

At one point, about April 6 Stans said, Sloan came to him and said Liddy wanted a "substantial amount of money." Stans said he could not remember how much the amount was but that he "vaguely" remembers about \$30,000.

"Mr. Sloan said, 'Liddy wants a substantial amount of money. Should I give it to him?'" Stans told the Senate committee.

"And I said, 'I don't know. I will find out from John Mitchell.' I will quote my conversation with John Mitchell as best as I can paraphrase it. It is not precise. But I saw John Mitchell a relatively short time after and said, 'Sloan tells me that Gordon Liddy wants a substantial amount of money. What is it all about?'"

"And John Mitchell's reply was, 'I don't know. He (Sloan) will have to ask Magruder because Magruder is in charge of the campaign and he directs the spending.'"

"I said, 'Do you mean, John, that if Magruder tells Sloan to pay these amounts or any amounts to Gordon Liddy, that he should do so?' and he (Mitchell) replied, 'That is right.'"

"Now, that is my recollection in a paraphrase of the discussion that took place. I went back to Sloan and reported it to him and found out that he had already talked to Magruder and had the same information."

Stans said he never was shown the \$250,000 budget authorization that Liddy received from Magruder. However, at least part of the \$199,000 in cash that Liddy actually received, according to testimony at the Watergate trial last January, was used to finance the bugging and break-in of the Democratic National Committee's Watergate headquarters.

In addition to these payments, Stans said he learned in February, 1972, from someone, "I believe it was Mr. Kalmbach but I am not sure, that the White House would like to have some of the 1968 (campaign) money that he had turned over to our committee to use for special polling purposes."

Stans said he later learned from Sloan that \$350,000 had been turned over to Gordon Strachan, an aide to White House chief of staff H. R. (Bob) Haldeman.

Some portion of that \$350,000 was turned over to LaRue after the November election and used as part of the \$250,000 that LaRue paid to the Watergate conspirators, according to reliable sources.

At one point in the hearings, under questioning by Sen. Joseph M. Montoya (D-N.M.), Stans said: "I had several conferences with Mr. Haldeman on the subject (of total disbursements) because I was, as I said earlier, very much concerned, almost irate, about the level of spending in this campaign. . . . I went to Haldeman a couple of times and asked whether he couldn't get some help for me from the President in holding down the level of spending."

At another point, however, Montoya asked Stans if he had ever been curious about "the large sums which were being disbursed by Mr. Sloan?"

"Senator," Stans replied, "Mr. Sloan was the treasurer of the committee. He had the cash fund long before I got there. He continued to handle cash transactions. My only interest was really in knowing who had made contributions in cash, because I wanted to know who our contributors were."

"I wanted to know from time to time how much cash he had on hand because occasionally he and I would discuss that subject and I would suggest that he ought to put some of it in the bank, and he did from time to time. My recollection is that he banked about half of the money that came in in cash in the course of time."

"So that was the nature of my interest and curiosity," Stans said.

Asked by Rufus L. Edmisten, deputy chief counsel, if he talked to Mitchell about the Watergate affair on June 24, Stans said he may have met with Mitchell that day but he had no recollection of discussing Watergate.

"Do you recall at any time Mr. Mitchell telling you that there were others involved besides those who were apprehended?" Edmisten asked.

"No, I do not," Stans replied.

In addition to not being able to recall certain details, Stans denied any knowledge of a purported \$1 million fund maintained for political purposes while he was Secretary of Commerce.

According to a memo from Magruder to Mitchell, dated July 28, 1971, and read to Stans by Edmisten, "The Secretary (Stans) has built up a discretionary fund at Commerce that will total approximately \$1 million. He is using this fund for conference, hiring, and other activities that will be beneficial to the President's re-election."

"I had no fund in the Department of Commerce apart from an authorized budgeted fund of the department," Stans said. "If somebody is implying that we had \$1 million set aside in the Department of Commerce to help in the election campaign, I would say they are off. I do not know what it means."

No further questions were asked about the memo.

Earlier yesterday, Herbert Lloyd (Bart) Porter a former White House and Nixon campaign official, provided the most detailed public look yet at Nixon re-election campaign "dirty tricks" which Porter described as ranging from simple pranks such as the waving of banners at the rallies of opposing candidates to the "very surreptitious" photographing of internal documents of Sen. Edmund Muskie's aborted campaign for the Democratic presidential nomination.

Last week, Porter admitted to the committee that he had committed perjury both before the Watergate grand jury in 1972 and at the Watergate trial

last January. He said that Magruder had asked him to lie about a false story Magruder had testified to concerning campaign money paid to Watergate conspirator G. Gordon Liddy. Porter appeared yesterday to complete his testimony on money he gave to Liddy and others.

In a listing of how he distributed \$69,000 for what Sen. Gurney described as a "sabotage program," Porter did not mention the expenditure of funds for a 35 mm film strip projector that would enable Porter and others including campaign director Mitchell, to view copies of the Muskie documents.

Sen. Weicker elicited Porter's admission that the Muskie documents had been photographed and that copies were sent on one or more occasions to Gordon Strachan, an aide to then-White House chief of staff H.R. (Bob) Haldeman. Porter was not asked, nor did he volunteer how the documents were photographed or how Nixon camp came into possession of the photographs.

Porter was asked, however, whether he regarded the photographing of private campaign memorandums of an opposition candidate as illegal.

"I put the photographing of a document in the same category as Xeroxing a document," he replied, "if you are taking a picture of it one way, you are taking a picture of it another way. So I did not think it was illegal. I thought it was very surreptitious, but I did not think it was illegal."

Why then, Sen. Weicker pressed, had Porter warned his secretary not to discuss the matter of the Muskie documents?

Porter replied: "I think that is, in my opinion, that would be self-evident, Sen. Weicker, that you would not go around discussing things like that, the same as you would not go around discussing any kind of information gathering that you might be doing."

In running down how the \$69,000 was spent, Porter listed some straightforward expenses such as \$1,100 to bandleader Lionel Hampton for a concert and rally. He also said he did not know the purposes for which a large portion of funds were to be used, including \$31,000 he said he gave to Watergate conspirator Gordon Liddy.

Of the money that Porter said he could account for, \$750 went to Theodore Brill, a George Washington University student who was retained to sit in front of the White House wearing dirty clothes and wearing a McGovern for President button; \$6,000 over a three-month period that went to someone from Louisville "who worked in two or three of the primary campaigns as kind of an eyes and ears"; \$350 for the printing of "a small pamphlet having to do with Sen. Muskie's candidacy"; \$300 to about "seven or eight people in various spots around the country to promote the President's campaign at opposing candidates stops, signs which would say 'This is Nixon Country' or whatever."

Porter indicated that much of the money he disbursed went through Roger Stone, head of the District of Columbia Young Republicans. Informed sources have said in the past that Stone served as an assistant to Porter whose job consisted of helping manage the dirty tricks operation.

For example, Porter said he gave Stone \$100 on one occasion to "go to New Hampshire to leave a leaflet . . . at Sen. McGovern's headquarters and I paid another \$200 . . . to go a second time to New Hampshire to make a cash contribution to Mr. McCloskey's campaign. These were all at the direction of Mr. Magruder."

McCloskey is apparently a reference to California Republican Congressman Paul McCloskey who mounted a challenge to Mr. Nixon in New Hampshire based primarily on his own antiwar stance. There was no explanation yesterday of why the Nixon campaign would be passing money to McCloskey, nor further explanation of the Muskie pamphlet or McGovern leaflet.

Senate committee members have shown from their questioning that they intend to adhere to their plan to defer exploration of these and other campaign dirty tricks later in the hearings.

Sen. Howard H. Baker Jr. (R-Tenn.), apparently responding to criticism from some commentators that the committee appears to be passing up chances to probe areas of the Nixon re-election effort besides the Watergate bugging and cover-up, made this observation near the close of Porter's testimony:

"Very frankly, there is a lot more material to cover . . . In the interests of time and orderliness the committee has tried in an informal way to compartmentalize these proceedings, the particular subject matters, so we omitted certain questions, we have not probed in great depth into other matters, but we intend to do that, and I understand you are fully agreeable to return to testify."