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Hearing Delay Is Expected

By Lawrence Meyer
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The Senate select Watergate committee, originally scheduled to resume its examination of campaign financing today, is instead expected to postpone further hearings until late January, chief committee counsel Samuel Dash said yesterday.

Following a day-long series of meetings yesterday, Dash said that the suspension of the hearings was needed because of the White House's failure to turn over important documents as promised, difficulties with "recalcitrant witnesses" and new leads developed by the committee staff witnesses recently interviewed.

Dash said that both committee chairman Sen. Sam J. Ervin Jr. (D-N.C.) and vice chairman Sen. Howard H. Baker Jr. (R-Tenn.) and at least three other senators agree with the staff's recommendation for a postponement to give the staff time to complete its investigation.

The committee will meet in executive session today to discuss the schedule of its future hearings.

The expected suspension of the hearings until sometime in late January, when Congress returns from its Christmas recess, may also force the committee to miss its Feb. 28, 1974, deadline for filing its report with the Senate. Dash said that some staff members already are preparing part of the report—on the Watergate break-in and the subsequent cover-up—so that the need for an extension of the deadline would not be taken up by the committee until "a later time."

Other sources said, however, that it appeared doubtful that the committee would now be able to complete its report by the end of February.

A spokesman for Baker said last night that no one had spoken to him about suspending the hearings but that Baker "probably will go along with it" since he had recommended two weeks ago that the staff be given as much time as it needed to complete its investigation.

The committee still has two major areas to cover in its inquiry into campaign financing during the 1972 presidential election, the

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third and final phase of the hearings.

One area concerns the contribution by milk producers of \$427,500 to the Nixon campaign. The contributions coincided with a decision by the Nixon administration to raise government milk support prices to the producers.

The second area concerns a cash gift of \$100,000 from billionaire recluse Howard Hughes, made in two \$50,000 installments in 1969 and 1970 to Charles G. (Bebe) Rebozo, President Nixon's close friend. Rebozo reportedly has told the committee that he kept the money for three years in a safe deposit box and then returned it early this year to a Hughes lawyer, Chester Davis. The committee has received conflicting accounts of what the money was to be used for.

Dash said yesterday that the White House had agreed some time ago to turn documents relating to the milk contribution over to the committee but has failed to do so. Dash said the committee now will have to decide whether to subpoena those documents, a step that could lead to further delays.

In addition, Dash said, a "number of witnesses" from the Hughes Tool Co. have not responded to subpoenas. A committee source said that Davis, who is being sought as a witness in addition to being counsel for other Hughes employees, is refusing to have anyone con-

nected to Hughes be questioned by the committee staff in executive session. Davis could not be reached from comment.

Most important, however, Dash said, are a number of "new leads" developed in connection with the milk contributors from witnesses who testified only recently after receiving limited immunity from prosecution from the committee. Dash said the staff had developed a "whole set of new information and evidence that has to be checked out . . . There's no need to go ahead and hold public hearings until all your facts are in," Dash said.

"There have been a lot of expectations and innuendoes in these two areas," Dash said. "It's important that the facts are clear and that we not put on testimony about people who are innocent of wrongdoing. It's our responsibility as a staff to check out every lead. We want to do the same type of thorough hearing that we've done for every other phase."

Two other sources, however, said that in addition to the factors cited by Dash, the committee also has been hampered by ineffective staff work. In general, one source said, the staff led Dash "to believe that they had more than they did."

The staff began reviewing the status of the two investigations with Dash on Wednesday. By Friday, it apparently began to be clear to Dash that a delay would be necessary. Dash said he first spoke to Ervin about the matter on Friday, and then spoke to him again yesterday afternoon.

According to another source, Terry Lenzner, assistant chief counsel charged with conducting the Rebozo-Hughes investigation, has experienced serious difficulties in conducting the inquiry.

David Dorsen, assistant chief counsel in charge of the milk fund investigation, was criticized for being indecisive, not sufficiently forceful and for procrastinating in conducting interviews with important witnesses.