

U.S. Calls Sears

By Stephen Issacs
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NEW YORK, March 6— Prosecutors here today suddenly demanded that former New Jersey politician Harry L. Sears be declared a hostile witness in the trial of John N. Mitchell and Maurice H. Stans.

The motion was made during questioning of Sears, a key government witness, about his and Mitchell's involvement in what the government charges was a conspiracy involving Sears, Mitchell, Stans and financier Robert L. Vesco.

Granting of the motion would have meant that the government not only could ask leading questions of its own witness, but in effect could cross-examine him as to why his testimony varied from other sworn testimony he had given.

After U.S. District Court Judge Lee P. Gagliardi sent the jury out of the courtroom, Assistant U.S. Attorney John R. Wing said that Sears had forgotten something he told prosecutors last week-end, specifically just when he had told Mitchell that Vesco wanted to contribute heavily to President Nixon's 1972 campaign.

After an argument with defense attorneys and a short recess, Gagliardi refused to declare Sears hostile, but he granted Wing the right to ask leading questions.

The question of the contribution is a key to the charges, in that the government claims that Mitchell, the former Attorney General, and Stans, the former Secretary of Commerce, influenced a Securities and Exchange Commission investigation of Vesco in return for a secret \$200,000 cash payment to the 1972 Nixon campaign from Vesco.

This afternoon, Sears told how the President's younger brother Edward followed Vesco's orders in verifying that Vesco's money was to be in cash and not by check.

Sears testified that Stans had told Vesco and some associates to make their contribution before the new campaign reporting law became effec-

tive April 7, 1972, and to make it in cash.

At a meeting in Vesco's office in Fairfield, N.J., some time later, Sears said, Vesco "said that there was going to be some difficulty in, as he put it . . . moving the cash. He said he was raising the funds from sources offshore."

Vesco repeated, he said, "that it'd be a hell of a lot easier just to write a check."

Sears quoted a lawyer present at the meeting, Howard Cerny, as saying, "Well, when Ed [Nixon] gets here, we'll ask him to call Maury Stans."

"At the time Mr. Nixon arrived," said Sears, "he was asked, by Mr. Vesco, I believe, if he would contact Maury Stans in Washington, and Mr. Vesco said that 'we have had a discussion here about whether this contribution has to be in cash. Would you call Maury and find out?'"

He said Edward Nixon went into an adjoining room and used the phone, came back and reported that Stans had left on a shuttle for New York's LaGuardia Airport.

"Vesco," said Sears, "looked at his watch" and told Nixon "you'd have time to intercept him." He told Nixon and Cerny to take one of his helicopters to fly to LaGuardia to "try to meet him," which Sears said they did.

John D. Ehrlichman, former head of the President's Domestic Council, also came up in testimony today.

Sears said that in a conversation with his old friend Mitchell on the telephone one day, Mitchell "inquired of me with regard to a memorandum that he got from John Ehrlichman, which asked Mr. Mitchell to make some calls to certain embassies in Mr. Vesco's behalf."

He said Mitchell "didn't understand the memo, he didn't have enough detail, and he asked me when I came down [to Washington] to bring him some detail . . ."

One of the counts on which Mitchell is charged, perjury, claims that Mitchell denied before a grand jury that Sears

Hostile Witness



United Press International

Harry L. Sears arrives at federal court in New York.

had given him any materials in a meeting with him on Jan. 12, 1972.

Sears testified today that he had given Mitchell a number of documents, which Mitchell had skimmed while Sears was in his office, and one of those documents detailed why Vesco wanted help with embassies.

Sears' memo said that Vesco wanted embassies in four countries contacted with the message that Vesco was "a reputable American citizen."

Vesco, Sears' memo to Mitchell said, was concerned over the implications of his arrest

in Switzerland in November, 1971, and "what would be most helpful is if the embassies involved would look favorably upon Bob when inquiries are made."

His memo said that the embassies involved, in countries where Vesco had deals cooking, were Luxembourg (where Vesco had met with the head of the Luxembourg Banking Commission), Amsterdam (where, Sears' memo said, Vesco was dealing with Prince Bernard of Holland), Beirut, where Vesco wanted to buy control of a bank, and Hong

Kong, where a Vesco firm also was doing business.

Sears testified today as to many telephone calls and conversations between him and Mitchell, when Mitchell was Attorney General, about Vesco's business and about the 1972 campaign, in which Mitchell was President Nixon's campaign manager and in which Sears ended up as head of the New Jersey Committee for the Re-Election of the President.

At one point, said Sears, Mitchell called him and asked him to come to Washington to talk with him about some "input" Mitchell had as to Vesco's problems with the SEC.

At that meeting, on Feb. 11, 1972, Sears said, Mitchell showed him a memorandum written by G. Bradford Cook, the general counsel of the SEC, to then-SEC chairman William Casey.

The memorandum, detailing fraud by Vesco's company and alleged perjury by Vesco himself, was read into the record today.

The government is alleging that the memo, a secret SEC document, found its way into Vesco's hands.

Sears said he defended his client-employer, Vesco, to Mitchell.

Then, Wing had to pull out of Sears the testimony that "Mitchell told you that Casey said Vesco was a bad guy, or something like that."

Sears said that when he reported on the memo and his meeting with Mitchell to Vesco, "Vesco said that that was a lot of crap. He said that this was a typical example of the SEC staff's harassment . . ."

Sears also said today that Vesco often talked of wanting "to be a big enough contributor to be recognized," and that he wanted a diplomatic passport—"that was something he was desperately anxious to have, it was a status symbol that he wanted very badly."