

'Blow the Lid'

Mitchell Trial's Sharp Testimony

New York.

On the eve of President Nixon's re-election, financier Robert Vesco took the Fifth Amendment before the Securities and Exchange Commission rather than "blow the lid" on his secret \$200,000 campaign contribution, government witness Harry Sears testified yesterday.

"He said, 'Those bastards would like nothing better than to nail me and the President to the wall together,'" Sears told a jury at the criminal conspiracy trial of former Attorney General John N. Mitchell and ex-Commerce Secretary Maurice H. Stans.

However, after Mr. Nixon's re-election, Sears went on, Vesco sought through Mr. Nixon's brother, Donald, to "get a message to the top," appealing for White House aid in his legal battle with the SEC. Otherwise, he threatened to personally disclose the contribution, the government has charged.

The government charges that in return for the \$200,000 contribution, Mitchell and Stans impeded an SEC fraud investigation into Vesco's multibillion dollar global financial empire. The two former cabinet members are accused of conspiracy, obstruction of justice and perjury.

Vesco fled the country prior to the indictment, which also named him a defendant.

In return for his testimony, Sears was given total immunity as the fourth defendant in the indictment.

Sears said Vesco borrowed the \$200,000 and routed it to Stans through Barclay's Bank of New York. It was this transaction, Sears said, that caught the attention of SEC investigators.

They suspected that Vesco had milked one or more of his companies for the money.

It was around the First of October, 1972, Sears recounted, when Vesco told him that "he was absolutely positive the Securities and Exchange staff was making a

concerted effort to zero in" on the contribution. Vesco had just been subpoenaed by the SEC.

"There's no way I'm going to testify — that will blow the lid on this," Sears said Vesco told him. The witness added: "He said, 'Nixon may survive some of those other things, but this would be the crusher.' He said he wished I would get hold of John Mitchell and see if there was anything he could do."

"I was told by Mr. Mitchell that he thought the subpoena was going to be withdrawn," added Sears, one-time Republican majority leader of the New Jersey State Senate who switched to a \$60,000 a year job on Vesco's legal staff.

"Mr. Mitchell indicated to me that he hoped we could get beyond election day," Sears testified. "I asked him if he thought we could. He said he certainly hoped so, if they had any concern for the President of the United States."

Deciding to take the Fifth Amendment against self-incrimination, Vesco was quoted by Sears as declaring: "I hope to hell that will make them happy, because this is just like another contribution."

Sears said Mitchell's reaction was: "Please tell Bob that I'm grateful."

However, the SEC's next move was to subpoena four of Vesco's top associates.

"I told Mr. Mitchell that that posed the same problem regarding the election date," Sears continued. "Mr. Mitchell said, 'Don't tell Vesco, but this time I will go to the White House. I'm going to talk to John Dean.'"

Dean was ousted as White House counsel as a result of the Watergate scandal. He is expected to testify for the government at the Mitchell-Stans trial.

In the end, the four Vesco associates again saved the day, Sears said, by following their boss' lead and taking the Fifth Amendment.

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