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Nixon Fund Trustees Bar Legal Fees

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Two trustees of President Nixon's leftover 1972 campaign funds have decided to end a policy that allows use of the money to pay legal fees of former campaign officials found guilty of misdemeanors.

The two, Charles E. Potter and Guilford Dudley Jr., also have drawn up language for a trust agreement that specifically bars the third trustee, Maurice H. Stans, from taking part in any decision on whether to pay Stans' legal expenses.

Stans, former Secretary of Commerce and finance chief of Mr. Nixon's re-election campaign, is on trial in New York federal court on charges of lying to a grand jury and conspiracy arising from a secret \$200,000 campaign contribution from financier Robert L. Vesco.

Potter, a former U.S. senator from Michigan, and Dudley, a Nashville, Tenn., insurance executive, said in separate telephone interviews yesterday that they also have proposed language that would deny reimbursement of legal fees to a former campaign official who is acquitted of felony charges if the trustees believe he is guilty.

Potter and Dudley said they both informed Stans of the changes by telephone last Saturday.

While they said Stans did not object, Potter said it came as something of a surprise and that Stans said, "Let's turn it over to the lawyers."

"I said, 'It's going to be done or else you're going to lose a couple of trustees,'" Potter said.

"I told Stans if it wasn't done I'd resign," said Dudley. "He said, 'Well, it will never come to that.'"

Dudley said he and Potter discussed the new language at to the trustees who will have a meeting in Washington Wednesday.

He said Thomas P. Jackson, long-time lawyer for the Finance Committee to Re-elect the President, which Stans headed from its inception early in 1972 until it closed its books last month, brought up numerous questions, saying, "and the other thing."

"I'm not sure about this, that 'But we just ruled him down,'" said Dudley. "We said we're gonna do this or else."

Jackson is a law partner of Kenneth W. Parkinson, the finance committee's chief outside counsel in most of the major legal actions that arose from the Watergate break-in in June, 1972.

Parkinson was indicted in the Watergate cover-up along with six other former campaign and White House officials last month.

In a financial report filed with the General Accounting Office March 10, the 1972 Campaign Liquidation Trust, which succeeded the Finance Committee to Re-elect the President as custodian of \$3.5 million in surplus campaign funds, listed an outstanding bill of \$25,000 to the Jackson-Parkinson firm.

Under an agreement signed Feb. 11 by Potter, Dudley and Stans, the Campaign Liquidation Trust said it would pay legal fees for any former campaign official found guilty or innocent of a misdemeanor and would also reimburse an official for expenses if he was found innocent of felony charges.

The agreement, signed just eight days before Stans went on trial along with John N.

Mitchell, the former Attorney General and campaign chief, was a change from previous policy, although both Dudley and Potter said in interviews last month they had not been aware of that when they signed the agreement.

The previous policy, devised with the help of both Stans and Mitchell last April before the flood of Watergate revelations began, was to pay legal fees only up to the time of an indictment.

Dudley said that, under the new language he and Potter

are insisting on, reimbursement of legal expenses will be left up to the trustees who will have the right "to examine fully the reasons why a person was found not guilty as well as the circumstances surrounding the charges . . ."

He said this would cover such possibilities as a mistrial on a technical point, expiration of the statute of limitations or the case of a person who confessed to a crime but whose confession was ruled inadmissible on constitutional grounds.