

A U.S. District Court judge in Washington today rejected on a technicality a Democratic party complaint alleging that former Commerce Secretary Maurice Stans had financed the activities of the five men charged with breaking into Democratic headquarters at the Watergate Hotel. The judge directed attorneys for the Democrats to file an enabling motion before filing their complaint. Judy Miller of our Washington bureau describes the contents of the complaint.

Judy Miller: The Democrats today accused Maurice Stans and three other members of President Nixon's Re-Election Committee of hiring a political espionage squad to spy on Democratic officials and candidates. The allegations were contained in an amended complaint filed by the Democrats in a Washington civil suit launched last June against five men arrested in the alleged bugging attempt at the Watergate offices of the Democratic National Committee.

The amendment to the Democrats' suit charges that Maurice Stans, chairman of the Financial Committee to Re-Elect the President, and three other committee members conspired last spring to obtain political secrets from the Democrats by any available means, including theft and photographing of documents, and installation and monitoring of wiretapping and eavesdropping devices. The additional charges also raised the demands for damages in the case from one million to three million, two hundred thousand dollars. The Democrats have also asked the court to prevent anyone who received illegally obtained information from using or distributing it.

Named along with Stans in the Democrats' amendment to their suit are Hugh Sloan, Jr., former treasurer of the Stans committee, Gordon Liddy, counsel to the committee who was fired after refusing to talk to the FBI about the case, and E. Howard Hunt, Jr., a former White House consultant.

According to the sources close to the Democrats, the latest allegations were based on information gleaned from a self-described participant in the alleged wiretap operation. He has not been identified, but according to the Washington Post, the person had served as a security guard for Martha Mitchell before being recruited for the Watergate operation.

Specifically, Stans and the other three men have been accused of attempting to destroy financial records showing that \$114,000 in Nixon campaign funds were diverted to a special account to support the espionage squad.

In the meantime, Stans' attorneys have informed the House Banking Committee that they advised Stans not to appear on Thursday [14 Sep] at a committee hearing on the financial aspects of the Watergate incident. Stans has never before made a public statement on the case.

Banking Committee chairman, Wright Patman, a Democrat from Texas, reacted angrily to Stans' refusal to appear. Patman said that Stans' refusal contradicted Nixon's statement last week that the incident should be brought out into the open. Patman added that he will cancel the committee hearing since his principal witness has refused to testify.

[Complete.]