

Mexican

Fund Link

To Bugging

WASHINGTON — (AP) — Money from Mexico linked to the Watergate affair was part of \$700,000 in secret Nixon campaign gifts stuffed into a suitcase and rushed to Washington in an oil company plane last spring, according to a confidential House staff report.

The document, distributed last night to members of the House Banking Committee, also said a Southwestern fund raiser for the President's campaign had contradicted denials of involvement with the Mexican transactions by chief Nixon fund raiser Maurice H. Stans.

Committee investigators said they were unable to determine if the money — \$100,000 in all — actually came from Mexicans or

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from U.S. citizens living in that country.

Stans Statement

Stans issued a statement this afternoon in which he said, "from news descriptions of the report, it is obvious that it is a compilation of deliberate falsehoods, misrepresentations and slanted conclusions — all politically motivated."

"The news reports that I knew of and approved complex plans to transfer funds from contributions to Mexican banks and then to the Finance Committee to Reelect the President," the former Commerce Secretary said. "This is not true."

Bizarre Case

But they said that on the surface it appeared the money was from foreign nationals, and, if that is true, accepting it is a violation of U.S. banking laws.

The 58-page report, compiled during the past several weeks, both adds to the bizarre developments in the Democratic headquarters bugging case and vividly describes last-minute efforts by Nixon fund raisers to

beat the April deadline of a new elections law requiring full disclosure of campaign donors.

Despite a stern warning by committee Chairman Wright Patman (D-Tex.), against releasing the report to newsmen, a copy was obtained by columnist Jack Anderson who made it available to The Associated Press.

Stans asserted in his statement that certain staff members of Patman's committee "were rude and insulting to the point of shouting foul obscenities" and broke a commitment by Patman that Stans would be allowed to see the report in advance. *

Sen. George McGovern has seized on the bugging

case and the question of an anonymous \$10 million contributed to Nixon before the new law took effect April 7, making them a major issue in his campaign for president.

Four Checks

A new disclosure in the report is that a total of \$100,000 came from Mexico. Previously it was known that \$89,000 linked to the Watergate affair was made up of four checks drawn on a Mexican bank. *

It has previously been learned that the four checks drawn on the Mexican bank passed through the hands of Stans and other Nixon committee officials, then wound up in Barker's Miami bank account.

But the report provides the first account to challenge the original contention of Stans that he knew nothing about transfer of the funds which came from or passed through Mexico.

Full Account

The report gives this account:

In late March and early April, a group of Nixon fund raisers in Texas, headed by William Liedtke, president of the Pennzoil Corp., were collecting contributions in the Southwest.

Liedtke told committee investigators he was approached by Robert Allen, president of Gulf Resources and Chemical Co. in Houston and Texas fund-raising chairman for Nixon, who told Liedtke he could "raise United States money in Mex-

ico" for the campaign.

Liedtke told investigators he talked by telephone April 3 with Stans to find out if there were any legal problems with obtaining such funds from Mexico.

Large Pouch

Liedtke then told Allen that Stans had cleared the plan to obtain money through Mexico.

On April 5, a messenger brought a large pouch to Liedtke's Pennzoil office in Houston and opened it in the presence of Liedtke and Roy Winchester, a Pennzoil vice president.

The agent deposited four checks totaling \$89,000 from Banco Internacional of Mexico City and 110 one-hundred dollar bills on Liedtke's desk. The checks were made out to Manuel Ogarrio Daguerre, a Mexican attorney who represented Allen's company in Mexico. Winchester said that they were endorsed.

Soon after the agent left, the cash and checks were packed in a suitcase with other funds collected by the fund raisers. Winchester said the suitcase held about \$150,000 in cash and \$550,000 in checks and negotiable stock certificates.

Taken to Airport

Late that afternoon, less than 36 hours before the new federal law would go into effect, the Pennzoil officials, said the report, "gathered up the \$700,000 and took it to the Houston Airport to a waiting Pennzoil Company plane. Accompanying this bundle of Republican contributions were Winchester and another Pennzoil employe, Peter Mark, described by Liedtke as 'young and strong' and whose job it was to ride 'shotgun' on the funds."

Arriving in Washington late that night, Winchester and Mark went to the Nixon finance committee offices near the White House and turned the money over to Hugh W. Sloan Jr., then committee treasurer.

Patman's investigators said they questioned Stans Aug. 30 and that he denied knowledge of the transfer of any campaign funds to Mexico.

Information

If funds were transferred, Stans said, these were deci-

sions of contributors seeking anonymity. In that interview, he did not mention his conversation with Liedtke, the investigators said, despite numerous opportunities.

Prodded by a Patman letter, Stans wrote the committee Sept. 5 that he recalled being "informed by our Texas chairman of a possible contribution of \$100,000 in U.S. funds in Mexico."

The report said he also changed his figure on Mexican money from \$89,000 to \$100,000 between Aug. 30 and Sept. 5.

The report says Liedtke's statements "would appear to indicate participation by Stans in events involving the Mexican transactions, and it would appear difficult for Stans to have obtained legal opinions without knowledge of some details of the planned transactions."

The report says Stans told investigators he did not believe the \$89,000 in checks actually were contributions by the Mexico City lawyer but money from others.

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Same story in New Orleans States-Item includes three paragraphs not included in this version, at places marked with*.

Paragraphs in question marked in N.O.S.I.*.