

Mexican Cash Tied to Stans

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 Tuesday 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 Maurice H. Stans, chief Nixon fund-raiser.

Committee investigators said they were unable to determine if the money — \$100,000 in all — came from Mexicans or from U.S. citizens living in that country.

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.

Stans issued a statement this afternoon in which he said that "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 saying that that I knew of and approved complex plans to transfer funds from contributors to Mexican banks and then to the Finance Committee to Re-elect the President," the former secretary said. "This is not true."

THE 58-page report compiled during the last 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 SAID 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.

X "The obvious political purposes of the report are best revealed by the fact that I was not permitted to see it,

but copies were quickly made available to two known critics" of the finance committee, Anderson and the Washington Post.

Sen. George McGovern has seized on the bugging case and the question of an anonymous \$10 million contributed

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to Nixon before the new law took effect April 7, making them a major issue in his campaign.

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.

X PATMAN told committee members in a covering letter:

"The \$89,000 of Mexican bank checks which went into the Republican campaign and then into the account of Bernard Barker, one of the suspects in the Watergate burglary, raises tremendous questions for the committee.

"It appears that the Committee to Re-Elect the President and its allied groups are willing to go to any lengths to conceal the identity and the origins of these checks."

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 he knew nothing about transfer of the funds which came from or passed through Mexico.

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 said he could "raise United States money in Mexico" for the campaign.

Liedtke told investigators he talked by telephone April 3 with Stans to find out if there were legal problems con-

nected with obtaining funds from Mexico.

Liedtke said Stans told him he would check. That afternoon or the next morning, Stans told Liedtke it was "okay to bring the money to Washington," Liedtke told the investigators.

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 \$100 bills on Liedtke's desk. The checks were made out to Manuel Ogarrio Daguerre, a Mexican lawyer who represented Allen's company in Mexico. Winchester said 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.

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. If funds were transferred, Stans said, these were decisions 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.

X The investigators, however, said they could find no records to show whose money it was — and that Stans said at one point there were no circumstances under which the names would be released and later that he didn't know the identities.