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DEMOCRATIC 'BUG' SET AFTER JUNE 17

NYTimes

Kleindienst Says Device on Office Phone Was Placed There After Break-In

Special to The New York Times

WASHINGTON, Sept. 21 — Attorney General Richard G. Kleindienst said today that an electronic bugging device last week on the office telephone of a Democratic party official had been put there sometime after the break-in at the party's headquarters June 17.

Mr. Kleindienst said in an interview on the Public Television Network's Elizabeth Drew program that the Federal Bureau of Investigation had made a "sweep" of the party's Watergate offices following the break-in, in which five men carrying electronic surveillance equipment were captured by police.

He said that the F.B.I. investigation, made immediately after the break-in, to find any undiscovered listening devices had discovered "one or two left," but none on the telephone used by R. Spencer Oliver, the party's co-ordinator of the Democratic State Chairmen's Association.

The bugging device discovered by the Democrats last week was on Mr. Oliver's telephone, and Mr. Kleindienst concluded today that "somebody put something on that telephone since the F.B.I. was there."

Meanwhile, Federal Judge Charles R. Richey ordered today an indefinite stay of all civil proceedings in the legal battle between the Democratic and Republican parties over the alleged bugging of the Democratic National Committee headquarters.

After a closed six-hour conference with ten lawyers representing all parties in the complicated dispute, Judge Richey announced that general agreement had been reached that none of the three separate civil suits could be prepared for trial before the Nov. 7 Presidential election.

The judge then ordered that the taking of more than 40 pre-trial depositions requested by lawyers for both sides be suspended until further order, which he indicated would not come until after completion of a pending criminal trial in the case.

7 Under Indictment

Last week, a Federal grand jury indicted seven men, including the five arrested inside the Democrats' offices at the Watergate complex June 17, on charges of tapping telephones, planting eavesdropping devices and photographing stolen documents.

Also named in the eight-count indictment were E. Howard Hunt Jr. and G. Gordon Liddy, two former White House aides. Both men are also involved in one of the civil actions stayed today.

"It has become patently obvious," Judge Richey said after the conference, "that the court's wish and hope that these cases would be tried before the election is impossible, and counsel for the parties have indicated that they agree with the court in regard to this conclusion."

Suits Outlined

Lawrence F. O'Brien, the former Democratic party chairman, is the plaintiff in a \$3.2-million suit against Maurice H. Stans, the Republican party's chief fund raiser; Hugh W. Sloan Jr., former Nixon campaign treasurer, and Mr. Hunt and Mr. Liddy. Lawyers for Mr. O'Brien had hoped to bring that suit to trial in time to produce revelations that might benefit the Presidential candidacy of Senator George McGovern.

The two other suits affected by today's order are a \$5-million libel action by Mr. Stans against Mr. O'Brien, and a second suit, also by Mr. Stans, charging Mr. O'Brien with abusing the judicial process for political purposes.

Judge Richey explained that he was staying the taking of deposition, a part of the pre-trial discovery process, to protect the rights of the seven men accused by the grand jury to a fair trial.

Prejudicial Findings Feared

Federal Court rules permit questioning during depositions in civil cases to cover a much wider area than in criminal proceedings.

The judge expressed concern that information gathered in course of the depositions might therefore prejudice the outcome of the criminal trial.

Joseph A. Califano, the lawyer in charge of Mr. O'Brien's suit, said it was his view that depositions should proceed, but added that "the court has ruled and we recognize that the court has made the best judgment it can in a very difficult matter."

Mr. O'Brien's lawyers had originally sought to name the five captured suspects as defendants in the invasion of privacy suit, but Judge Richey yesterday dropped them as defendants after the lawyers failed to meet a court-ordered deadline to respond to a dismissal motion by the five.

Mr. Califano today appealed that ruling, but the judge's action was upheld by the United States Court of Appeals here.