

NIXON'S BROTHER CALLED IN INQUIRY

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Vesco's Lawyers Also Plan to Question Mitchell and Stans in S.E.C. Case

By ROBERT J. COLE

Edward C. Nixon, President Nixon's younger brother, former Attorney General John N. Mitchell, and Maurice H. Stans, former Secretary of Commerce, were invited yesterday to tell what they know of a secret \$200,000 cash contribution made by a New Jersey financier last April to the Finance Committee to Re-elect the President.

The attorney for Robert L. Vesco, the financier, notified the Securities and Exchange Commission by mail that they intended to question the three men later this month.

Mr. Vesco, former board chairman of the Investors Overseas Services, Ltd., the crumbling mutual fund empire based in Geneva, and of the International Controls Corporation, a Fairfield, N. J., electronics concern, was charged along with 41 others last November with the looting of \$224-million from four mutual funds controlled by Investors Overseas Services.

He has also been charged with the diversion of stockholder funds from International Controls.

Hearing Today

A hearing on the appointment of an "equity receiver" to protect the assets of International Controls has been scheduled for 10 A.M. today at United States District Court here.

Later today, a hearing will be held in the United States Court of Appeals here on whether the S.E.C. will be permitted to question Mr. Vesco in preparation for its civil case. A lower court ruled earlier that Mr. Vesco could not be questioned unless his testimony was not used against him in a pending criminal investigation.

Edward Nixon, and Mr. Mitchell and Mr. Stans, as well as other Administration officials, were mentioned in testimony given to the S.E.C. last month by Harry L. Sears, a prominent New Jersey Republican.

Mr. Sears, who had been an attorney for Mr. Vesco, made the following statements to the S.E.C.:

¶ In December, 1971, he asked Mr. Mitchell to help him obtain Mr. Vesco's release from a Swiss jail, after Mr. Vesco was arrested on charges resulting from a stockholder's civil suit. A day later, Mr. Vesco was released on bail.

¶ Last March, he communicated with Mr. Mitchell while the S.E.C. was conducting its investigation of Mr. Vesco, and asked for help in obtaining an appointment with William J. Casey, then chairman of the S.E.C.

¶ Last May 11, he met with Mr. Casey and G. Bradford Cook, then chief counsel for the S.E.C. and now its chairman, to discuss the Vesco investigation.

¶ Last April 10, he and Laurence B. Richardson Jr., then president of International Controls, delivered \$20,000 in cash to Mr. Stans, chairman of President Nixon's finance committee, after Mr. Stans said the money was to be delivered in cash.

¶ Edward Nixon, who Mr. Sears said had "some relationship with I.C.C.-oriented companies"—a statement that International Controls later denied—verified in Washington that the money was to be in cash.

Disadvantage Seen

In court papers filed here last Friday, the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison, attorneys for Mr. Vesco, notified the S.E.C. and at least a dozen law firms involved in the case that it would take depositions "as a witness" of Mr. Mitchell, Mr. Stans and Edward Nixon.

The Paul, Weiss law firm said it would take depositions for Mr. Mitchell at 10 P.M. on March 23 at its law office here, 345 Park Avenue.

The firm also said it would take depositions for Mr. Stans at 10 A.M. on March 21, and for Edward Nixon at 10 A.M. on March 22, at its law office in Washington, at 1775 K Street, N. W., "or such other place as may be convenient for the witness and designated beforehand."

The firm invited the attorneys to "attend and cross-examine."

Arthur Liman, attorney for Mr. Vesco, has steadfastly refused to discuss the situation but is known to feel that Mr. Vesco is at a disadvantage in not being able to speak for himself. Consequently, Mr. Vesco will attempt to tell his story through the three witnesses.

The S.E.C. has tried to show that Mr. Vesco made the contribution in what it called "improper attempts to influence" the outcome of the investigation. The agency also alleged that the money did not come from Mr. Vesco personally, but from one of the companies he controlled.

But Judge Charles E. Stewart Jr., who has been hearing the case in Federal District Court here, refused to permit the S.E.C. to discuss the contribution except as it might relate to violations of securities laws or efforts to protect the assets of International Controls.

Asked if he had been subpoenaed yet, Mr. Mitchell said that he had not. Asked if he would respond if he is subpoenaed, he replied: "I don't know. I'd have to look at it. I don't know a damn thing about the case."

Told that the S.E.C. was trying to show "improper attempts to influence," Mr. Mitchell responded: "That's absolutely ridiculous. It's an improbability that there could be any influence from that contribution."

Mr. Liman suggested in court last Friday that it was only a matter of time before he would be compelled to take depositions from prominent people brought into the case by the S.E.C. through its questioning of Mr. Sears.

"If we are going to try this issue [improper attempts to influence]," Mr. Liman said, "I want the testimony of Cook, Casey, Mitchell, Stans and Ed Nixon, because I don't think the S.E.C. can come here and say, 'Well, it was an attempt.'" He added:

"Mr. Sears was talking to Casey, Cook and Mitchell. What was in their minds? Are they contending that it was improper? If we are going to get into this issue, I am entitled to their testimony and I want it. If we're going to get into it on the trial on the merits, I want their depositions."

Robert E. Kushner, attorney for the S.E.C., said the Government was "willing to concede" that Mr. Casey and Mr. Cook "were not influenced." Mr. Kushner added, "We are dealing with what Mr. Vesco said and intended when this money was passed."

It was understood that no subpoenas had yet been issued. As is customary, notices of deposition were routinely filed with the court and sent to the witnesses, asking them to make themselves available.

Neither Mr. Stans nor Ed-

ward Nixon could be reached for comment.

Meanwhile, a Federal grand jury has begun an intensive criminal investigation of the circumstances surrounding the Vesco contribution, reliable sources said yesterday.

The S.E.C., which first disclosed the investigation without describing its intent, told the court earlier that two "witnesses" in its case against Mr. Vesco had informed the agency that they had been subpoenaed to appear before the grand jury. They were not identified.

At that time, it was understood that the grand jury was interested primarily in the S.E.C.'s civil charges against Mr. Vesco. Subsequently, however, other sources said the grand jury would concentrate on the secret contribution—given three days after a new Federal law compelled disclosure of political contributions.

In a statement last Tuesday, the Finance Committee to Re-elect the President said it thought it had met the needs of the law because the money had been committed prior to last April 7, when the law went into effect.

The committee also made public a dated last Jan. 31 to Mr. Vesco, in which it said it was returning the \$200,000, along with \$50,000 more that had been given publicly through the New Jersey campaign committee. The letter, calling attention to the S.E.C. suit, said "we believe it is in your best interest, as well as ours, that the contributions be returned."