



Former Attorney General John N. Mitchell being escorted by guards after testifying before Federal grand jury Associated Press

Jury Here Hears Mitchell; He Denies a Tie to Vesco

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By ARNOLD H. LUBASCH

Former Attorney General John N. Mitchell testified before a Federal grand jury here yesterday, apparently about a \$200,000 cash contribution from Robert L. Vesco to President Nixon's 1972 election campaign.

Mr. Mitchell declined to tell newsmen about the subject of his testimony, but the grand jury is believed to be scrutinizing the cash contribution to determine if it was an attempt to influence a Federal investigation of Mr. Vesco, a New Jersey financier accused of looting mutual funds.

"I answered all the questions fully, freely and frankly," Mr. Mitchell said, after the grand jury session in the United States Court House at Foley Square. Responding to other newsmen moments later, he said, "I answered all the questions fully, frankly and fearlessly."

When newsmen asked if he had ever met Mr. Vesco to dis-

cuss the financier's problems with him, Mr. Mitchell replied, "No, I never did."

Mr. Mitchell said that he had testified voluntarily without a subpoena, that he had testified to the grand jury here previously and that he did not expect to be called back for more testimony.

After more than four hours in the courthouse, most of it presumably with the grand jury, the former Attorney General seemed calm and unruffled, but he became visibly shaken by the sudden crush of newsmen, photographers and spectators who swarmed around him as he struggled to a waiting car.

Federal prosecutors refused to comment on the Vesco case, the Mitchell testimony or reports that the grand jury had previously questioned Maurice H. Stans, former Secretary of Commerce and chairman of the

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Finance Committee to Re-elect the President.

The \$200,000 contributed by Mr. Vesco was disclosed on Feb. 27 in a pretrial deposition by Harry L. Sears, former Republican leader of the New Jersey Senate, who testified in a civil suit filed in Federal Court here by the Securities and Exchange Commission.

In a statement following the disclosure, the Finance Committee to Re-elect the President said that the \$200,000 and a separate contribution of \$50,000 from Mr. Vesco were returned to the financier on Jan. 31, 1973, almost 10 months after the money had been received.

The committee released a letter it had sent to Mr. Vesco, noting that he was under S.E.C. investigation and adding, "Under the circumstances, we believe it is in your best interest, as well as ours, that the contributions be returned."

The S.E.C. charged in its civil suit on Nov. 27 that Mr. Vesco and 41 others had "spirited" about \$224-million away from four mutual funds controlled by Investors Overseas Services, Ltd., the financial complex created by Bernard Cornfeld in Switzerland and sold to the Vesco interests in 1971.

According to the pretrial deposition in the case by Mr. Sears, the S.E.C. investigation of Mr. Vesco was discussed

with Mr. Mitchell in March of last year.

Mr. Sears testified that he had broached the Vesco investigation to Mr. Mitchell, a good friend of his, and that Mr. Mitchell arranged for him to see William J. Casey, former S.E.C. chairman, and G. Bradford Cook, then chief counsel of the S.E.C., who is now its chairman.

It is understood that Mr. Cook testified to the grand jury here last week.

According to Mr. Sears, the Vesco contribution of \$200,000 was made on April 10, 1972, after the election finance committee had "solicited" a donation without specifying its size.

The Sears deposition contended that Mr. Vesco said that Mr. Stans, the finance committee chairman, wanted the contribution to be made in cash, but the committee subsequently issued a statement denying this for Mr. Stans.

Mr. Sears testified that he and a Vesco associate delivered the cash contribution to Mr. Stans in the Stans office in Washington after the President's brother, Edward C. Nixon, verified that it was to be made in cash.

In an interview shortly after his deposition, Mr. Sears declared "there was no quid pro quo" involving the cash contribution and the S.E.C. investigation.

This could be the key issue

for the grand jury, which may consider obstruction-of-justice charges if it finds that the contribution involved an effort to influence the investigation of Mr. Vesco.

Questions have also been raised about whether part of the Vesco contribution was

used to finance election campaign espionage activities, including the Watergate operation.

An additional issue concerns the finance committee's failure to report the \$200,000 contribution, although the money was delivered three days after

a Federal law went into effect requiring the public disclosure of campaign contributions.

Criminal contempt proceedings are under way against Mr. Vesco for his failure to testify to the grand jury after a subpoena was brought to him in the Bahamas.