

Dean, Wife Testify About SEC

By Jack Egan

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Congressional investigators yesterday resumed hearings into any White House political pressure that might have been exerted on the Securities and Exchange Commission in its cases against the International Telephone & Telegraph Corp. and financier Robert L. Vesco.

Former White House counsel John W. Dean III testified for more than three hours yesterday behind the closed doors of the House Commerce Committee's Special Investigations Subcommittee on his role in either case.

Committee Chairman Harley Q. Staggers (D-W.Va.) said afterward that Dean had been "very frank and helpful and has given us all the information I'm sure that he knows." Dean had no comments.

Dean was fired as White House counsel by President Nixon last month after charges that Dean was involved in the Watergate scandal. He was accompanied by his wife, Maureen, who Staggers said "had been assisting her husband in going over documents."

Former SEC chairman William J. Casey testified in hearings last December that he and aides, including recently resigned SEC chairman G. Bradford Cook, consulted with Dean before sending 34 boxes of ITT documents—some of them politically sensitive—to the Justice Department to keep them from the Staggers subcommittee.

The documents related to the government's antitrust settlement with ITT, and detailed private contacts between Nixon administration officials and company officers before the settlement took place. A summary of the documents was finally forwarded to the committee and released last month.

The subcommittee is also known to be interested in any possible pressure on hiring that the White House



By Frank Johnston—The Washington Post

John W. Dean III and his wife, Maureen, before their appearance yesterday before the House committee looking into possible political pressure on the SEC.

may be exerting on the independent regulatory agencies.

Staggers last week sent a letter to the chairman of 11 agencies, including the SEC, the Federal Communications Commission, the Interstate Commerce Commis-

sion, the Federal Power Commission, the Food and Drug Administration and the Environmental Protection Agency, asking for:

- The names of all persons employed by each agency since Oct. 1, 1973,

who previously worked by each agency since Oct. 1, 1973, who previously worked for either the White House, the Office of Management and Budget, the Office of Telecommunications Policy, any other executive office or the Committee for the Re-Election of the President.

- The dates of their employment and the dates during which they worked for any of the other offices.

- The identity of their previous employers.

- The grade, position, function and responsibility of each of these people.

Earlier this week a law office memo surfaced in which Charles W. Colson and two of his law partners made plans to "lean on" then SEC chairman G. Bradford Cook to place King Mallory, a lawyer, in the general counsel's post at the SEC.

Sources at the subcommittee said they were interested in this case in particular and others like it.

The memo said that "this is one of the chips we should really pick up," referring to purported Colson assistance in getting Cook his chairmanship job, "because it is a key job in commission and one of extreme importance to us in representing our clients."

Cook, who resigned last week after charges that he yielded to political pressures in the SEC's case against Vesco has denied that Colson got him his job. Yesterday a Minneapolis securities lawyer, Lawrence Nerheim, was appointed as SEC general counsel. He was selected by Cook before his resignation, according to SEC sources.

Staggers said that future witnesses will include Ralph Erickson, who was the former assistant attorney general to whom Casey sent the documents, and Casey, who is now under secretary of state for economic affairs. The subcommittee will also seek to hear from Colson, former White House aide John Ehrlichman or presidential assistant Peter Flanagan.