

Excerpts From Testimony

Special to The New York Times

WASHINGTON, June 12—

The following are excerpts from a transcript of testimony in the ninth day of hearings on the Watergate case today before the Senate Select Committee on Presidential Campaign Activities:

MORNING SESSION

Herbert L. Porter

Senator Gurney. Mr. Porter, would you explain to the committee how you disbursed the \$69,000.

Mr. Porter. I gave approximately \$300 to seven or eight people in various spots around the country to promote the President's campaign at opposing candidates' stops, signs which would say, "This Is Nixon Country" or whatever. I paid \$200 to Mr. [Roger] Stone, to go to New Hampshire to make a cash contribution to Mr. McCloskey's campaign. These were all at the direction of Mr. Magruder.

I gave Tom Bell \$350 at Mr. Magruder's direction for the printing of a small pamphlet having to do with Senator Muskie's candidacy.

SENATOR WEICKER: Mr. Porter, in the disbursement of the monies, the list of which you gave to Senator Gurney, did you mention in that list the purchase of microfilm viewing equipment?

A. No sir, I did not. And that should be in there. I believe it was probably \$68, \$50 or \$60, something like that. I would classify it as film strip viewing equipment, 35-millimeter film strip, not microfilm.

Q. What was the purpose of this equipment? A. The purpose of the equipment was to view 35-millimeter film strips that were given to me.

Q. And what was the nature of those film strips?

A. The nature of the film strips was that they were, appeared to be, 35-millimeter photographs or negatives of intra-office memos from Senator Muskie's campaign headquarters to his Senate offices and back again.

[Mr. Magruder] took them and said that he was going to show them to Mr. Mitchell. He came back and apparently, he did show them to Mr. Mitchell, because he was a little irate at me for not making sure that the batteries worked, and apparently, he got all the way to Mr. Mitchell's office and the batteries did not work, and he blamed it on me.

At a later date, Mr. Magruder said that Mr. Ken Reitz was going to be, was going to deliver these film strips to me and would I view them for him, for Mr. Magruder.

One one occasion, I think it was early December, there was a staff memo that I saw from one of the campaign

officials to the Senator's role, I believe as chairman of a subcommittee on governmental operations, or something like that—

Q. Which Senator is this?

A. Senator Muskie—could be used as a great front to go to California and hold tax hearings that would be a great visual event for Senator Muskie and all at the taxpayers' expense and he could get a lot of value for his campaign.

An Interesting Memo

We thought that was rather interesting, to say the least, and I told Mr. Magruder about it. He asked me to just copy the memo on a, I believe it was written on plain bond—and send it to Evans and Novak.

On one occasion, Senator Muskie's speech that he was going to deliver in the Senate against the nomination of William Rehnquist to the Supreme Court was on the film, and I specifically was—it was about 20 pages and I asked Mr. Magruder what he wanted me to do with it. He said, let me check, and he did check, and he got back to me and said, Mr. Mitchell would like to see it.

AFTERNOON SESSION

Maurice H. Stans

MR. STANS: At the outset, may I state that I am very sorry that the circumstances of my appearance have made it necessary for my counsel to raise legal points in order to protect my right of fair trial in New York.

However, I want to assure you now that I will do my very best to be helpful to the committee in my testimony.

I have cooperated with your staff prior to my appearance here today, just as I intended to do fully with the committee here now. My sense of integrity compels me to do so.

It is my understanding that the committee is probing three matters on which it might assume that I have some knowledge—the espionage charges, including the Watergate bugging, and the cover-up that allegedly followed; the sabotage charges, including the Segretti operation; and the handling of campaign finances. On these three matters I would like to state:

(1) I had no knowledge of the Watergate break-in or any other espionage efforts before I read about them in the press, or of the efforts to cover up after the event.

(2) I had no knowledge of any sabotage program to disrupt the campaign by Segretti or anyone else.

(3) To the best of my knowledge, there were no intentional violations of the laws relating to campaign financing by the finance committees for which I had re-

sponsibility. Because of the complexity of the new law that became effective in the course of the campaign, and the vast amount of work that had to be done, there may have been some unintended technical violations by the committee.

The Finance Committee paid any bill or made any payment which bore the approval of an appropriate official of the campaign committee.

The campaign committee was supposed to see that the amounts it okayed were within the limits of an approved budget. It turned out that the controls did not work as they were intended, and spending overran the budget by more than \$8-million.

In practical terms, the two committees operated in watertight compartments. They were physically separated on different floors. The campaign committee ran the campaign and created the debts; the finance committee raised the money and paid the bills.

There was only one forum for the exchange of opinions with respect to campaign spending, and that was the budget committee.

Effectiveness Doubted

The meetings of the budget committee were not in my opinion very effective. Each one opened by me with a general statement of the current cash position and the expectations of future contributions, which until the last few days of the campaign never equaled the expended spending. I pressed continuously for reductions in overall spending, but the actual trend was constantly upward.

At times the meetings became bitter, and I walked out of one meeting at which I thought there was no understanding of the difficulties of fund-raising on the part of those who were doing the spending. The budget grew to \$40-million, then \$43-million, and ended up in excess of \$48-million. A late surge of contributions, as a result of the effective organization we had built across the country, made it possible for us to end up with a surplus.

Our fund-raising operated under the old law until April 7, 1972. Under this law the fact that contributions need not be reported gave the committee and its contributors a right of confidentiality.

The issue of confidentiality versus disclosure of such information has never been fairly presented to the public. It has been made to appear that the committee engaged in secret, thereby concealed and suspect, transactions which would not have occurred had they been required to be disclosed. That is not true. The transactions were valid and proper and the question of whether they were to be reported was a

Given Before Senate Select Figures in Senate Inquiry

Special to The New York Times

WASHINGTON, June 12 — Following are the names of individuals who figured today in hearings by the Senate select committee on the Watergate case:

COMMITTEE MEMBERS

Sam J. Ervin Jr., Democrat of North Carolina, chairman.

Herman E. Talmadge, Democrat of Georgia.
Daniel K. Inouye, Democrat of Hawaii.
Joseph M. Montoya, Democrat of New Mexico.
Howard H. Baker Jr., Republican of Tennessee.
Edward J. Gurney, Republican of Florida.
Lowell P. Weicker Jr., Republican of Connecticut.

COMMITTEE COUNSEL

Samuel Dash, chief counsel and staff director.
Fred D. Thompson, chief minority counsel.
David M. Dorsen, assistant chief counsel.
Rufus L. Edmisten, deputy counsel.
Donald G. Sanders, assistant minority counsel.

WITNESSES

Hugh W. Sloan Jr., former treasurer of the Finance Committee to Re-elect the President.

Herbert L. Porter, scheduling director, Committee for the Re-election of the President.

Maurice H. Stans, former Commerce Secretary, former chairman of the Finance Committee to Re-elect the President.

PERSONS NAMED IN TESTIMONY

John N. Mitchell, former Attorney General.

G. Gordon Liddy, former White House aide, convicted of conspiracy, burglary and wiretapping in the Watergate case; in jail.

Jeb Stuart Magruder, former deputy director of the Committee for the Re-election of the President.

Judge Lee P. Gagliardi, Federal District Court judge in Vesco Case in New York.

Roger Stone, former head of the District of Columbia Young Republicans.

Rowland Evans Jr. and Robert D. Novak, syndicated Washington columnists.

Representative Paul N. McCloskey Jr. of California who challenged President Nixon in Republican primaries.

Kenneth S. Reitz who was in charge of the youth vote for the Nixon campaign.

Archibald Cox, special prosecutor for the Watergate case.

Chief Judge John J. Sirica of the United States District Court in Washington.

Donald H. Segretti, who has been accused of operating a sabotage campaign against the Democrats.

Herbert W. Kalmbach, President Nixon's former personal attorney.

Hugh W. Sloan Jr., former treasurer of the Finance Committee to Re-elect the President.

Gordon Strachan, former assistant to H. R. Haldeman, former White House chief of staff.

question of law that involved important rights of individuals.

The committee's position all along has been that non-disclosure created no advantage to it, but that privacy was a right of the contributor which the committee could not properly waive. The right to live without undue intrusion is a long-respected benefit of the American system.

Much has also been made of the fact that a few records of the committee before April 7 were destroyed. The fact is that the very large part of such records has been preserved, and the committee believes that the others can be reconstructed if needed. But the important point is that there was no illegal act in throwing away any of these records, and even those

that were retained could have been disposed of. There is no statutory requirement that records of transactions before April 7 be preserved.

The Finance Committee to Re-elect the President undertook to observe strictly all the provisions of the new law, beginning April 7.

Program Under Way

When I joined the committee on Feb. 15, fund-raising and campaign activities had been engaged in for almost a year. Programs had been planned or committed by the campaign people, funds had been collected and disbursed, committees had been formed and terminated, and some well-publicized transactions had already occurred.

Patterns of payment to Herbert Porter and Gordon Liddy were a practice. Ma-

Committee on Watergate

gruder had blanket authority to direct payments. Kalmbach had turned over to committee the funds in his possession. But no steps had been taken to comply with the new law, and the procedures generally were inadequate to cope with the volume of work sure to come.

Mr. Edmiston: Now, Mr. Stans, I want to ask you if you identify or know anything about a document I have here. This is purportedly written by Mr. Jeb Magruder, a confidential memorandum for the Attorney General dated July 28, 1971.

MR. STANS: I have never seen this memorandum before, to the best of my knowledge.

Q. With the indulgence of the committee, I will read it. This is a confidential memorandum to the Attorney General:

"Dick Whitney, who is Secretary Stans' political special assistant, spent some time with me discussing 1972. One idea which he brought up might be useful in other departments.

"The Secretary has built up a discretionary fund at Commerce that will total approximately \$1,000,000. He is using this fund for conferences, hiring and other activities that will be beneficial to the President's re-election.

"If you feel it is appropriate, Secretary Stans might discuss this concept with other Cabinet officers to see if they can develop the same kind of fund within their own departments."

Now, down below on there there is a lone for "Approve, Disapprove, Comment," and this, as I said, was signed by Mr. Jeb Magruder to the Attorney General dated July 28, 1971. What can you tell us about that?

A. I cannot tell you very much about it. I have no idea what the concept was. I think it must have been based on some misunderstanding or other. I had no fund in the Department of Commerce apart from an authorized budgeted fund of the department, and I think either Mr. Magruder or Mr. Whitney would be the ones to have to explain that memorandum.

Q. Well, somebody is a million dollars off there in some way, I would take it?

A. Well, if somebody is implying that we had a million dollars set aside in the Department of Commerce to help in the election campaign I would say they are off. I do not know what it means.

Q. Mr. Chairman, could we mark this for an exhibit?

SENATOR ERVIN: Mark it for identification. He says he knows nothing about it so I think it would not be competent until you get somebody who does know something about it so just hold it.

MR. EDMISTON: Did you on May 10, 1972, write a

memo to the Honorable John N. Mitchell in which you discussed a number of issues regarding the various open budget matters and may I show this memorandum to you?

A. I certainly did write it. I wrote it under the circumstance I described in my opening statement. I was a toping ETA ET E TETATA frustrated, upset at the level of spending that was projected by the campaign people, and I proposed a number of reductions in the budget.

Q. Yes. Now, you pretty well covered the whole area of the campaign in this memo, did not you? You were rather familiar with the operation of the campaign committee if you were able to write this extensive a memo, I would take it?

A. Well, I do not think that is quite the right way to say it. I was not very familiar at all with the operation of the campaign committee. I was only familiar with their objectives as to how much they were going to spend and approximately a dozen categories in which they were going to spend it and I was objecting to the total amount that they were going to spend.

Q. I am sure, Mr. Stans, that you are familiar with Mr. Sloan's testimony before this committee that he discussed with you a payment of \$83,000 to Mr. Liddy. Now, what is your testimony on that transaction?

Q. Somewhere around the sixth of April, Mr. Sloan came to me and said that Gordon Liddy wanted a very substantial amount of money. I don't recall the amount he named. Mr. Sloan said, "Liddy wants a substantial amount of money. Should I give it to him?"

And I said, "I don't know. I will find out from John Mitchell." I will quote my conversation with John Mitchell as best I can paraphrase it. It is not precise. But I saw John Mitchell a relatively short time after and said, "Sloan tells me that Gordon Liddy wants a substantial amount of money. What is it all about?"

And John Mitchell's reply was, "I don't know. He will have to ask Magruder because Magruder is in charge of the campaign and he directs the spending."

I said, "Do you mean, John, that if Magruder tells Sloan to pay these amounts or any amounts to Gordon Liddy that he should do so," and he said, "That is right."

Now, that is my recollection in a paraphrase of the discussion that took place. I went back to Sloan and reported it to him and found out that he had already talked to Magruder and had the same information.

Apparently Mr. Liddy showed Mr. Sloan a budget

of \$250,000 against which he intended to draw. To the best of my knowledge, Mr. Sloan did not tell me about that budget and I did not know that Mr. Liddy had authority to draw an amount of money of that size.

Q. Now, Mr. Stans, did you learn of the payment of cash of some \$350,000 from the finance committee to Gordon Strachan when that payment was made?

A. Yes, I learned a little bit more about it, I think, than Mr. Sloan did, because back in February of last year, I heard from someone—I think it was Mr. Kalmbach, but I am not sure—that the White House would like to have some of the 1968 money that he had turned over to our committee to use for special polling purposes. No amount was mentioned at that time and I have no recollection of any other discussion about this subject until after the \$350,000 was given by Mr. Sloan of Mr. Kalmbach to Gordon Strachan. I believe that Mr. Kalmbach takes full responsibility for that transaction. At a later date, I asked Mr. Sloan if the White House had ever gotten the money it wanted, and he said, yes, they got \$350,000.

Q. Now, Mr. Stans, I do not want to drag this out, but I think the committee does want to know something about all of the allegations that have been made regarding four so-called Mexican checks, \$89,000 drawn on a Mexican bank account.

A. On April 3 of last year, I received a telephone call from Bill Liedtke, who was then our finance chairman in the state of Texas. He said, "I have a U.S. citizen residing in Texas, a prospective contributor for \$100,000, but he wants to give it in U.S. funds that are now in Mexico. Is this legal?"

I said, "I am quite sure it is, but let me check again and I will call you back."

I checked with our counsel, found out it was perfectly legal for a U.S. citizen to give any foreign funds he wanted, and called back to Liedtke and told him so.

Now, the next thing that I knew about the transaction was after April 22, when I came back from a vacation, I learned from Mr. Sloan that on April 5, Mr. Liedtke's representative, Roy Winchester, had brought to Washington the committee \$100,000 in the form of a contribution from an unnamed person, in the form of checks drawn on American banks by a Mexican bank.

At this point, I was of the understanding that the four checks totaled \$100,000, and I did not know that the four checks totaled only \$89,000 and that \$11,000 of the \$100,000 was in currency.

Q. Now, what did you

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have to do with the so-called Dahlberg check? You received checks, did you not, from Mr. Dahlberg?

A. Yes. Kenneth Dahlberg was a member of the early finance committee working in the state of Minnesota and Dwayne Andreas was a Minnesota resident who also has a place of living in Florida, in a hotel that he owned. As I understand it from Dahlberg, somewhere around, as early as January, Andreas said, I want to help the president's campaign and I will give you \$25,000.

Onn 12 Marrch, hee instructed his secretary to gget together \$25,000 of money and put it in an envelop to be given to Mr Dahlberg. Unfortunately, onn the 14th, Dahlberg found suddenly that he had to go to Europe.

On the 5th of April, having in mind the change in the law that would take place in the next day or so, Andreas, in Florida, called Dahlberg in Minnesota and said, "I still have that money. I would like to give it to you before the change in the law; can you pick it up?"

And Dahlberg said, "I cannot get down there before the 7th.

Andreas said, "Well, I want the contribution to be made now, made effective now. So I will put it in an envelope in your name and put it in the safe deposit box in the hotel in your name. You can pick it up whenever it is ready, but I want the understanding between you and me that title has passed and it is your money and you accept it as of today."

Dahlberg said, "I do."

Q. Now, Mr. Stans, in late June or early July did you

receive a call from Mr. Herbert Kalmbach requesting money from you?

A. On the 29th of June I received an urgent call from Mr. Kalmbach. He said he was in Washington at the Statler-Hilton Hotel. It was extremely vital that he see me right away, and he wanted me to come over there, and I did. I dropped everything and went over there to see him. He said, "I am here on a special mission on a White House project and I need all the cash I can get."

I said, "I don't have any cash to give to you. Will you take a check?"

He said, "No, I can't take a check, it must be in cash, and this has nothing to do with the campaign. But I am asking for it on high authority."

Authority Not Cited

Q. What high authority did he say?

A. He did not say. "I am asking for it on high authority and you will have to trust me that I have cleared it properly."

As I said, I had no cash belonging to the committee at that time because we had closed it all out but I did have two parcels of money that were available, and I gave those to Mr. Kalmbach, they added up to \$75,000 as funds outside the committee.

Q. Now, Mr. Stans, did you not ask him why he wanted this money? A. Yes, I did.

Q. What did he say? A. He said, "This is for a White House project and that I have been asked to take care of and I cannot tell you. You will have to trust me."

He was personal counsel to the President. He was a man that I knew, was a man of highest integrity, trust-

worthiness and honesty, and I had no question to doubt, no reason to doubt anything he told me and I didn't.

It was a unique situation. I had no superior. I would have taken instruction from the President if he gave me any but he did not, and I would have been influenced by requests from certain people in the White House from time to time but I do not believe I had a superior in that sense.

Q. Well now, I just have one more question here, I want you to think carefully, Mr. Stans. Did you have a meeting on June 24th after the break-in with Mr. John Mitchell to find out from him what had happened? A. I am not sure of the exact date. I had meetings from time to time with Mr. Mitchell.

Q. Do you recall at any time Mr. Mitchell telling you that there were others involved besides those who were apprehended? A. No, I do not.

First Meetings Recalled

Mr. Sanders: When did the budget committee actually begin to function? Do you recall? A. I do not recall precisely but I think our first meetings were in April.

Q. Would you please state the membership of the budget committee at the time it was constituted?

A. There was John Mitchell, Jeb Magruder and, I believe, Bart Porter on the campaign committee side. There was myself, Hugh Sloan Jr., and Lee Nunn on the finance committee side. But in addition to the three from each side, meetings were attended by two or three other people from each committee so they were a little larger than six-man meetings.

Q. Did the budget committee ever take under consideration the allocation of any cash funds to Mr. Liddy or to Mr. Porter? A. No. The budget committee did not specifically deal with any allocation of cash funds to any individual, Porter, Liddy or anyone else.

Q. To your knowledge, did the budget committee ever take under consideration the allocation of funds to be expended for any intelligence-gathering operations? A. I do not recall ever hearing any discussion of intelligence-gathering in the budget committee meetings.

Q. Prior to June 17, Mr. Stans, were you aware that an intelligence-gathering operation was under way? A. No, I was not.

Q. In fairness, Mr. Stans, let me cite to you what I am getting at here. In the Patrick Gray confirmation hearings it is stated by Mr. Gray that you were interviewed four times by the F.B.I. and that on the last date, which would have been July 28, you stated to this effect, and I presume he is paraphrasing you here, he says this:

"Stans became aware from general conversations that Liddy was assigned a 'security gathering' job and that certain cash disbursements would have to be made available to Liddy."

A. Well, I think we are talking about semantics here and I would like to correct the impression right away. I was told somewhere in May, I believe by Magruder, that Liddy had a responsibility for security at the San Diego convention.