

Stans Denies Any
Watergate Role After
Senators Insist He
Testify; Dean Is
Silent Before Grand
Jury

INQUIRY ON FUNDS

JUN 13 1973

Ex-Secretary Says
Didn't Know of Note
About \$1-Million
NYTimes

By WALTER RUGABER
Special to The New York Times

WASHINGTON, June 12— Maurice H. Stans, who was forced to appear before the Senate Watergate committee, denied today any involvement in the scandal and pleaded ignorance about many of the activities of the Nixon re-election campaign.

The former Secretary of Commerce, who served as President Nixon's chief fund raiser in the 1972 campaign,

Excerpts from hearing and statements, Pages 32 and 33.

denied knowledge of a 1971 memorandum suggesting that he was using Government funds for political purposes.

The Senate committee made public the memorandum, in which a Commerce Department aide to Mr. Stans was quoted as saying the Secretary had "a discretionary fund" that would total about \$1-million.

The money was being used by Mr. Stans at the department for promoting Mr. Nixon's re-election, the memo said. It suggested that other Cabinet officials might want to try developing the same kind of fund.

Relaxed Before Panel

The Presidential adviser, who has refused to discuss the Watergate affair publicly in the past, came before the Senate panel reluctantly but seemed relaxed and wore a thin smile when he testified.

Among the subjects about which he said he was ignorant was one involving a request by Mr. Nixon's personal lawyer, Herbert W. Kalmbach, for "all the cash I can get" shortly after the Watergate arrests on June 17.

Mr. Stans also told the Senator that he had been unaware of the sizable amount of campaign cash drawn during the first five months of 1972 and used in the Watergate plot by G. Gordon Liddy, later convicted for his role in the break-in.

He testified that he had no idea how \$114,000 in campaign checks were passed through the bank account of another conspirator, Bernard L. Barker, but he said that the transaction must have been handled by Liddy.

Mr. Stans, the most senior Presidential adviser to be called in the first nine days of the Senate committee hearings, was questioned principally about financial aspects of the bugging and subsequent efforts to cover it up.

He was asked, for example, about major transactions in those parts of the scandal and about testimony by other witnesses that he had discussed

Continued on Page 33, Column 1

Continued From Page 1, Col. 8

payments of \$199,000 to Liddy with former Attorney General John N. Mitchell.

The Senate investigators intend to explore later the broader questions in fund-raising activity on Mr. Nixon's behalf, which produced more than \$50-million. Mr. Stans will presumably be called back.

The former Commerce Secretary was among those indicted on May 10 by a Federal grand jury in New York. He was charged with conspiracy to defraud the United States, conspiracy to obstruct justice, and perjury.

The accusations stemmed from a \$200,000 cash contribution to the Nixon campaign by Robert L. Vesco, a financier then under investigation by the Securities and Exchange Commission.

Robert W. Barker, one of the three attorneys who accompanied Mr. Stans to the witness table today, read a statement for nearly 15 minutes objecting to his client's appearance until the indictment had been "disposed of."

Mr. Barker argued that forcing Mr. Stans to testify now would result in prejudicial publicity, would make it hard to find an impartial jury, and would compel him to present his case before trial in New York.

To Avoid 'Branding'

To invoke his Fifth Amendment's privilege against self-incrimination would "tend to degrade and embarrass" Mr. Stans, his lawyer said, and would brand him as a former Cabinet officer who had "taken refuge" in the constitutional right.

Senator Sam J. Ervin Jr., the North Carolina Democrat who is chairman of the committee, said the panel had considered the issue in advance and ruled that Mr. Stans would have to testify, plead the Fifth Amendment, or risk contempt.

"I think the committee does not think that we should put off investigation of these matters until they can be determined by the court because the Constitution gives the Senate not only the power but the duty to make investigations of this character," Senator Ervin said.

The committee did agree, he said, that it would not question Mr. Stans about matters related to Mr. Vesco's \$200,000 contribution.

Mr. Stans and his lawyers evidently expected the ruling, because the witness was ready with a statement on his role in the campaign that took him 23 minutes to read.

Script in Large Type

He did so in a smoothly paced, well modulated voice, glancing at a script in large type through bifocal lenses. The gray-haired former official remained unruffled throughout the afternoon of questioning.

Mr. Stans, practiced in appearances on Capital Hill, sought to lighten the mood by recalling that when he resigned as Commerce Secretary to take up his political duties, some Democratic Senators wished him success — "but not too much success."

The caucus room in the old Senate Office Building, where the sessions are held, was silent and no glimmer of a smile was seen on the faces of the committee members. Mr. Stans read on.

He was unequivocal that he had no knowledge of the Watergate break-in or "of the efforts to cover up after the event," or of any "sabotage program" designed to disrupt Democratic campaigns.

There were "no intentional violations" of the campaign finance laws, he testified, but he conceded that because of the "complexity" of the statute and the "vast amount of work that had to be done, here may have been some unintended technical violations."

The General Accounting Office, which oversees a campaign spending law that took effect on April 7, 1972, has cited the Nixon committee for a number of apparent violations. The committee has pleaded no contest to one charge in court and paid a fine.

'No Part' in Decisions

Mr. Stans, who is chairman of the Finance Committee to Re-elect the President, took pains to emphasize that his unit had "no part" in making basic campaign decisions.

The Committee for the Re-election of the President, directed by Mr. Mitchell until his departure about two weeks after the Watergate break-in, handled "the entire gamut of the political effort," he said.

"The two committees operate in watertight compartments," he emphasized. "They were physically separated on different floors. There was only one forum for the exchange of

opinions, and that was the budget committee."

It was not a very good forum, Mr. Stans went on to say, and "at times the meetings became bitter." He said he "walked out of one" because the political officials did not understand the "difficulties of fund raising."

Even when it came to handling money, Mr. Stans declared, there was a lot he did not know. The important stage before April 7, when a large part of the funds was passed to Liddy, "was not a period in which I could spend time on details," he said.

Relied on Treasurer

"I trusted the people already in the committee organization and relied heavily on the treasurer [Hugh W. Sloan Jr.] because of his previous experience in 1968 and 1971," he added. "I was after contributions."

The questioning, which is scheduled to continue tomorrow, was begun by Rufus L. Edmisten, the committee's deputy counsel, and it went almost immediately to a July 28, 1971, memorandum to Mr. Mitchell from Jeb Magruder.

Mr. Magruder, a former deputy director of the Nixon campaign who has been heavily implicated in the scandal, said he had been discussing the forthcoming election with Mr. Stans's "political special assistant," Richard Whitney.

"The Secretary [Mr. Stans] has built up a discretionary fund at Commerce that will total approximately \$1-million," Mr. Magruder informed Mr. Mitchell in the confidential memo.

"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."