

## Campaign Funds

# Hard Senate Questioning of Stans' Activities

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The Senate Watergate committee subjected Maurice H. Stans to tough questioning yesterday over his professed ignorance of key financial transactions and for his actions as a Nixon fund-raiser during last year's campaign.

Senators Sam J. Ervin of North Carolina and Herman E. Talmadge of Georgia, both Democrats, led the attack on Stans, who was chairman of the Finance Committee to Reelect the President.

The interrogation, by far the toughest in ten days of hearings, failed to shake the testimony of the former secretary of commerce but did lead to the committee's first partisan wrangle in public.

### HARASS

Senator Edward J. Gurney of Florida, a Republican regarded as probably the administration's only stalwart supporter on the panel, charged that Ervin, the chairman, had harassed Stans.

"I'm just an old country lawyer and I don't know the finer ways to do it," Ervin replied, his face beaming. "I just have to do it my way." The spectators applauded until he gavelled for order.

The committee's examination of Stans, who began his testimony Tuesday, dealt directly for the first time with a series of major questions that have been asked almost from the beginning of the Watergate scandal.

### SPENDING

One of these, taken up by Talmadge, was whether Stans, as one of the nation's foremost accountants, would have allowed hundreds of thousands of dollars in Nixon

campaign funds to be loosely spent.

Another question, raised by Ervin, was whether Stans had acted properly in striving to conceal the identities of contributors to the President's campaign and whether he had engaged in "laundering" some of these funds.

Stans appeared before the committee under protest because he is facing trial in New York this fall in connection with a \$200,000 contribution by financier Robert L. Vesco.

A federal grand jury has indicted Stans for perjury, conspiracy to defraud the

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U.S., and conspiracy to obstruct justice. Vesco, at the time of his contribution, was under investigation by the Securities and Exchange Commission.

Stans, a careful and on occasion a wordy witness, appeared yesterday wearing cufflinks and a tie clasp bearing the presidential seal. He was accompanied again by three lawyers.

The barbed questions did not seem to ruffle him but occasionally he adopted an offended tone.

### LIDDY

Talmadge asked whether Stans had ever questioned why staff members such as

Mr. Liddy and Mr. Porter (and) Mr. Magruder were drawing off large sums of money."

G. Gordon Liddy, convicted of participating in the plot to spy on the Democrats last year, received about \$235,000.

Jeb Stuart Magruder, then deputy director of the Nixon campaign and now facing indictment for perjury, obtained about \$20,000 and approved the disbursements to Liddy.

Herbert L. Porter former scheduling director at the reelection committee, took about \$100,000, according to one account — somewhat less according to his own —

and passed part of it to Liddy.

Stans said he didn't know of the Magruder money at the time it was taken, that he thought the Liddy payments had been "relatively small," and that he was unaware of some of the Porter payments.

### DAILY

"Didn't it seem rather incongruous that Mr. Liddy, your general counsel with whom you met daily, could take large sums of money and not report the use of it?" Talmadge asked.

Stans said Liddy was accountable not to him but to the campaign treasurer, High W. Sloan Jr., and that he "was as surprised as many other people" when he learned of the amount Liddy had received.

When Sloan informed Stans of efforts by Magruder to play down the amounts paid to Liddy, Talmadge asked, "did not that raise suspicions in your mind as a possible illegal or unethical use of the money that was being disbursed?"

### REPLY

Actually, Stans replied, his suspicions began earlier, on June 28, when Liddy was dismissed by the finance committee for refusing to answer questions from the FBI.

On Tuesday, Stans said he was so busy raising money that he had little time for details in the campaign. Yesterday, Talmadge showed him a memorandum in which Stans discussed bumper strips, lapel pins, and other campaign paraphernalia.

Stans said he did not con-

sider that a detail. Talmadge's frustration and anger became apparent when he pointed to a chart disclosing the amount of cash disbursements.

"Why would you consider going into the matter of bumper strips and banners and pins and jewelry and so forth, and there on that board is over a million dollars in cash disbursements unaccounted for?" he demanded.

"I did not get the question, Senator," Stans said, provoking laughter.

### WORRY

"You are considered to be one of the most able certified accountants in America — why did you worry about bumper strips instead of those funds?" Talmadge asked.

Stans called this "argumentative," but said accounting for such items was important under a new law, but much of the cash was disbursed before the law required accounting for it.

Talmadge concluded his questioning by observing that it was "literally inconceivable" that Stans could have failed to worry about "large sums of cash that are being disbursed by these people for unknown causes."

"I worried about all these things," Stans said.

### ERVIN

After the luncheon recess, Ervin took up the questioning and almost immediately began to press Stans about the destruction of certain records dealing with cash transactions.

Ervin was particularly interested in a report on contributions in cash and supporting documents. This exchange occurred:

Ervin—You did destroy it?

Stans—Yes.

Q — And you swear — you are stating upon your oath — that there is no connection between the destruction of these records and the break-in of the Watergate or any fear that the press or the public might find out from these records what the truth was about these matters?

A — Well, let me speak only with respect to myself. I will say to you that there was no connection between my destruction of the summary sheets given to me by

Mr. Sloan and the watergate affair.

Q — Well, it was quite a queer coincidence, was it not?

A—It would—

Q— Rather a suspicious coincidence that the records which showed these matters were destroyed six days after the break-in at the Watergate?

A—Mr. Chairman, the adjectives are yours . . .

Q—Don't you think it is rather suspicious?

A—No, I do not think so, Senator.

Stans said the reason for destroying the records was "to protect the privacy, the confidentiality of the contributors on behalf of the contributors."

"Mr. Stans," Ervin then demanded, "was it the attitude of your committee and your attitude that the American people are not entitled to know who is making political contributions to influence Mr. Sloan and the entitled to know who is making political contributions to influence the election of the President of the United States?"

The question was put in slightly different ways a number of times, with Stans saying it was necessary to "balance one ethical principle against another: the right of privacy . . . as against the right of the public to know."

When Stans said he destroyed some of the documents on "the advice of counsel," Ervin asked, "Wasn't that counsel G. Gordon Liddy?" Again, the hearing room had to gavel to order.

#### AGNEW

At another point, Ervin went into a \$50,000 disbursement by the re-election committee which was said to have been intended to make a fund-raising dinner for Vice President Spiro Agnew look better.

"In other words," Ervin said, "they (the dinner's sponsors in Maryland) wanted to practice a deception on the general public as to the amount of honor that was paid to the vice president?"

"Mr. Chairman," Stans said, "I am not sure this is

the first time that has happened in American politics."

"You know, there has been murder and larceny in every generation, but that has not made murder meritorious or larceny legal," Ervin snapped.

#### CASH

Ervin then traced the re-election committee's effort to turn \$114,000 in checks into cash, a process that took them through the Miami bank account of Bernard L. Barker, one of the men arrested at the Watergate.

He asked Stans if he did not think it "queer" that the checks would not have been deposited in the bank which was situated in the building occupied by the committee's headquarters.

Stans said Liddy, acting as the re-election committee lawyer, had recommended turning the checks into cash. There was this exchange:

Ervin — Well, do you not call that laundering checks (to disguise their source)?

Stans — No, I do not call that laundering checks. I call it stupidity on the part of our general counsel (Liddy).

Q — Well, the truth of it is they wanted to hide it, did they not?

A — I do not know what his judgment was. I think the only man who can tell that is Mr. Gordon Liddy, and I wish he would talk.