

# Excerpts From Testimony Given Before

Special to The New York Times

WASHINGTON, June 13—  
Following are excerpts from  
a transcript of testimony in  
the 10th day of hearings on  
the Watergate case today be-  
fore the Senate Select Com-  
mittee on Presidential Cam-  
paign Activities:

## MORNING SESSION

### Maurice H. Stans

Senator Gurney: I under-  
stand, Mr. Stans, that cash  
was kept in a safe in your  
office from time to time—is  
that not true?

Mr. Stans. That is not true.  
Q. That is not true?

A. That is not true. There  
was no safe in my office. I  
would like to give you the en-  
tire story however. There  
was no safe in my office.  
There was a safe in the office  
of my secretary.

During the time that there  
was money in that safe, the  
only people to my knowledge  
who had access to the safe  
were Mr. Sloan and myself.

When I received cash from  
a contributor I gave it imme-  
diately to Mr. Sloan if he was  
available. I would call him in  
my office and hand it to him  
or walk to his office and give  
it to him. The only cases in  
which money was put in that  
safe at all was when Mr.  
Sloan was not available, I  
would put it in overnight and  
give it to him the next day.  
If it was the weekend, I would  
put it in over the weekend  
and give it to him the follow-  
ing week and, to the best  
of my recollection there was  
no time at which there was  
more than one contribution  
of more than a day or so. It  
was toward the end of the  
campaign when I think there  
were three contributions in  
the safe that came in close  
together.

Q. In your testimony yes-  
terday you made passing refer-  
ence to the fact that you  
had received monies from  
time to time from Mr. LaRue.  
A. I received \$30,000 from  
Mr. LaRue, not received in  
hand but at my direction Mr.  
LaRue refunded the \$30,000  
that had come from the Phil-  
ippine contributor.

Q. What did you do with  
this \$30,000? A. At the time  
Mr. LaRue made the repay-  
ment I didn't handle the  
money at all. He made it  
direct.

### Kalmbach Money

Q. Back to these Kalm-  
bach monies again. In your  
initial discussion with Mr.  
Kalmbach about this money,  
did he say he was getting it  
to spend himself on a project  
for the White House, or did  
he say he was raising it to  
pass it on to somebody else  
to spend? A. He did not say.

Q. You mentioned a later  
conversation, I think you said  
about six weeks ago, per-  
haps, with Mr. Kalmbach's  
attorney in which he told you  
that it was Mr. Dean who  
had requested Kalmbach to  
raise the money. What about  
this discussion? Did his attor-

THURSDAY, JUNE 14, 1973

## Senate Select Committee

### on Watergate

ney tell you whether Mr.  
Kalmbach raised the money to  
spend himself or whether he  
was raising it to pass on to  
someone else?

A. In that conversation,  
Mr. Kalmbach's attorney told  
me that Mr. Kalmbach had  
raised the money for the pur-  
pose of giving to a man  
named Tony. He did not give  
his last name or any other  
details, but he said it was for  
the purpose of paying legal  
fees for the lawyers repre-  
senting the defendants in the  
Watergate case.

Q. Have you ever con-  
ferred with John Mitchell,  
Magruder, Haldeman, Ehr-  
lichman, Dean or anybody  
else on the coverup of Water-  
gate? A. I have no recollec-  
tion of any discussion with  
anyone about the coverup on  
the Watergate until after the  
disclosures that have oc-  
curred within the last two  
months.

Q. Have you ever discussed  
this Watergate affair or any  
aspect of it with the Presi-  
dent of the United States?

A. Only in the sense that the  
President and I met once  
during the campaign and I  
had one telephone call from  
him, both in August.

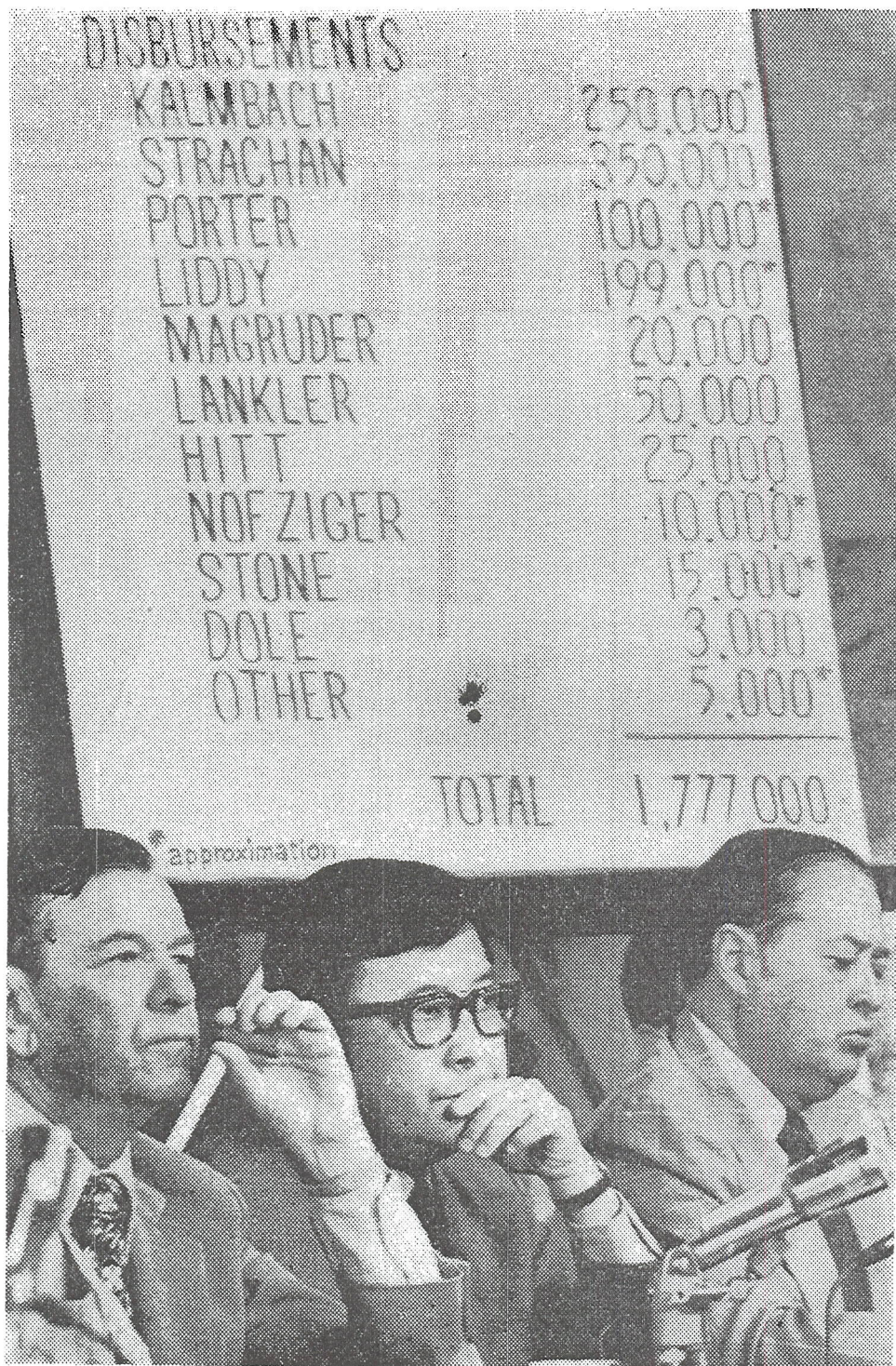
Q. Both when?

A. In August of last year.  
In which he said that he  
was aware of the fact that  
I was receiving considerable  
punishment in the press for  
not answering their ques-  
tions at the time. He said  
that he appreciated the sac-  
rifice I was making in that  
respect as the matter would  
be over eventually, and he  
hoped that I could continue  
to take it. It was a pep talk,  
in other words, and that was  
the substance of the discus-  
sion over the telephone.

### Fund Raising Discussed

Now, in the subsequent  
meeting about 10 days later  
in his office in the Executive  
Office Building I talked about  
some of the problems of fund  
raising with him. The pend-  
ing nationwide dinner which  
was going to take place in  
September at which he was  
going to participate, and  
matters of that type but  
there was no discussion of  
the Watergate, of coverup or  
any subject of that type with  
the President.

Senator Inouye: Mr. Secre-  
tary, last week one of your  
associates, Mr. Sloan testi-  
fied that he was quite appre-  
hensive about an \$81,000  
cash disbursement to Mr.  
Liddy and he testified that  
he conferred with you on this



Democratic members of the Senate select committee listening to testimony of Maurice H. Stans, former Commerce Secretary, during yesterday's hearing in the Old Senate Office Building. From left are Herman E. Talmadge of Georgia, Daniel Y. Inouye of Hawaii and Joseph M. Montoya of New Mexico.

matter and he wanted some indication from you that Mr. Magruder was authorized to make these cash payments, and so you indicated that you will look into this, and you had a meeting with Mr. Mitchell, the Attorney General.

Now, upon your return from the meeting this is what Mr. Sloan testified to, and I am quoting from the testimony:

By "he" he means you, sir. "He returned from that meeting with Mr. Mitchell and he confirmed that Mr. Magruder continued to have this authority that I should pay these funds and with regard to my question of concern about his purpose he said 'I do not want to know and you do not want to know.'"

Do you recall this, sir?

A. I recall the occasion but that was not the whole conversation, and I am not quite sure that it is entirely accurate but it is the substance of what was said. The context was one of total frustration that I had with the spending program of the campaign committee.

It was evident we were in a situation in which the campaign committee was calling all the signals, was making all the commitments. We really had nothing to say about it, and it was one, as I said, of total frustration with the whole situation. I threw up my hands, and I say that literally and I think Mr. Sloan quoted that yesterday, that we were just not going to have any influence in this situation.

The remark I made, and I cannot quote it precisely, was something to the effect that "I don't know what's going on in this campaign and I don't think you ought to try to know." We were the cashiers, we received the money, and we paid the bills. They had responsibility for everything they did. It did not seem that it was incumbent upon us to question the propriety of any payment, whether it was to Mr. Liddy or anybody else, and we did not.

#### 'An Accountant's Mentality'

Q. Wasn't this rather uncharacteristic of your background, sir, one who had received all of the honors that a certified public accountant can ever hope to get, one who has been described as having an accountant's mentality, one who is a stickler for details that you would put up your hand and say, "I do not want to know?"

A. It was uncharacteristic of my background as an accountant but it was not uncharacteristic of the responsibilities I had in this campaign which had absolutely nothing to do with accounting. My job was to raise an unbelievable amount of money, \$40-million or more.

Q. Mr. Secretary, you stated yesterday, that Mr. Magruder told you sometime in May that Mr. Liddy was to provide security at the San Diego convention. Did I hear correctly, sir? A. Yes.

Q. So you provided funds to Mr. Liddy in May for security activity in San Diego? A. I did not provide Mr. Liddy any funds. The funds

came from the treasurer before the time of my conversation with Magruder, indicating that this was for convention security.

Q. When was the conversation with Mr. Magruder? A. I have testified earlier that I think it was in the latter part of May. It may have been in the early part of June. But it had no relation to the timing of the Watergate developments.

Q. Mr. Secretary, are you aware that the transfer of the Republican convention from San Diego to Miami was made public on April 21? A. I do not recall the exact date, but nevertheless, that was what Mr. Magruder told me as to what Liddy had been using the money for.

Q. Was there a mad rush to get as much money as you can before April 7? A. Mad rush is not the correct word for it. It is a characterization that really is not very fair.

Q. Mr. Sloan has testified that in the last four or five days, they were just deluged, and I believe he used the word "avalanche."

A. There is no question about that. There was an avalanche of money in the last five days before April 7.

United Press International

What I did when I took office on Feb. 15 was to plan an effort to reach as many people as possible among the larger contributors and give them the option they had of giving their contribution before April 7 and having the right of confidentiality or giving it later, and many people said, I do not care, I will give it later.

#### Reasons Are Given

Now, there was an advantage in getting early money. Anyone who has ever run for office knows that the early money is the hardest to get. I took advantage of that opportunity to visit a number of cities in the country, met with a lot of people, urged those who were working with me in the states to make it clear that there was an option to the individual contributor.

Q. Why would a contributor desire, as you say, confidentiality or anonymity?  
A. Oh, there are a number of reasons, Senator.

Q. Why don't we tell the people of the United States?

A. I would be very happy to tell the people of the United States, because I think contributors have been very badly maligned in their desire for confidentiality.

One is that sometimes it affects relationships with employers, with unions. Sometimes, and this is, I think, the most important point, it makes them a target for a great many other political campaigns. It makes them a target for charitable drives of all types. And many people want to make their contribution and not be that kind of a target.

Now, there are some people, frankly, who give to both sides, both candidates. There are some like Mr. Dwayne Andreas, who is a close friend of Hubert Humphrey and contributed to his campaign, but was also a friend of the President and wanted to contribute to his campaign. So he wanted anonymity.

The greatest disservice that is done to people is to assume that because a man wants anonymity that he has a secret, sinister motive in doing so.

Contrary to what has been said on one or more occasions, we did not prefer getting cash. We did not ever solicit anyone to contribute in cash. It was the option of the contributors to give us money in cash. We had no need for it in substantial amounts, and as I said yesterday, we put in the bank about half of the money that we received in cash.

So the choice was that of the contributor and not of our committee to receive money in cash.

Q. I notice that other Presidential candidates voluntarily disclosed all of their contributions which were made prior to April 7th. Was there any reason for refusing to do so on your part, sir?

I think, Senator, there were some of the other candidates for the Presidency who did not disclose the source of their contributions. I do not believe that Senator Jackson made that disclosure and I do not believe that Wilbur Mills made that disclosure and there may have been one or more others that did not disclose.

We viewed the disclosure of contributions by some of the candidates who had not received much money anyway as a political ploy in an effort to try to force us to disclose.

#### Cash in Campaigns

Q. As one who has been described as the most successful political fund-raiser in the history of the U.S., would you recommend to this committee that legislation be drafted to prohibit the receipt and disbursement of cash in political campaigns?

A. Well, I am a bit ambivalent on that, I am not quite sure. I think any finance chairman would welcome that kind of legislation, because it eliminates one potential series of questions as to where the cash came from and where it went. But I think you have got to be very careful in drafting it to make it sure that you don't destroy some of the means by which elections are carried on, because there are times when you have to pay certain expenses in cash on the spot. You have to have petty cash funds with which to pay small bills, and so forth.

Carefully drafted, I would, as a finance chairman, say that it would make life a little bit easier because we wouldn't have so many questions to answer later on.

Q. It is your testimony this morning that until March 23 of this year you had no reason to suspect that people like Mr. Kalmbach or Mr. Mitchell or Mr. Haldeman or Mr. Ehrlichman, were possibly involved in the Watergate and its ramifications?

A. That is entirely correct, Senator.

Senator Talmadge: Did you testify yesterday in effect that your whole purpose was raising money, that you did not take care of small detailed times? A. That is pretty much true. I will not say that at times I did not get into detail.

Q. I will ask the staff to give the witness a copy of these documents. That is a document you wrote, both pages? A. Yes.

Q. I will read part of it. "It will be necessary for us to establish a system of control over the purchasing and distribution of all articles, such as bumper strips, banners, pins, jewelry and so forth," other details there. Page 2, "I think we need a lapel pin for our 1972 contributors," et cetera. Would that not indicate to you that you had more than a casual interest in the operations of the campaign?

A. Let us take them one by one, Senator. The question of accounting for the sale of articles like jewelry and pins and so forth was a new one. We never did that in previous elections, we did not do it in 1968.

The new law changed that. It required us to account for every dollar of receipts.

Now, I did not consider, I do not consider, this a detail.

Q. Now, that was dated Feb. 28, 1972, was it not?

A. That is correct, sir.

Q. More than two months before the new accounting procedure contributions and disbursements went into effect April 7, 1972?

A. About five weeks, Senator, yes.

Q. While you were spending all your time worrying about bumper strips and you have got deposits of \$750,000 and disbursements of \$1.77-million? You are considered to be one of the most able certified accounts in America, why did you worry about bumper strips instead of those funds?

A. Well, Senator, the accounting for proceeds of sales of articles was in important responsibility under the statute.

#### Got Check April 10

Q. Tell us why you didn't report this Dahlberg check from Florida. I don't believe you got it until the 10th of April, did you?

A. This was a contribution which was promised by Mr. Dwayne Andreas in March.

Q. How do you consider that it could avoid being reported when the check didn't get to you until the 10th of April, do you take the position that it was constructively received before you got it?

A. No sir, I take the position that it qualified under the definition of the contribution of the Federal Corrupt Practices Act, and I would like to read the definition to you.

"The term 'contribution' includes a gift, subscription, loan, advance or deposit of money or anything of value and includes a contract promised or agreement to make a contribution whether or not legally enforceable."

Now, Mr. Andreas had made a promise, an agreement, to make a contribution well before April 7. He had not only done that, he had gone to the point of doing everything he could personally to make the money available as a contribution.

It was clear to me and it was clear to lawyers with whom I consulted that that contribution was received as a matter of law before April 7 even though it didn't come into our hands until the 11th and, Senator, the Department of Justice has agreed with us in a letter of Jan. 11, 1973, from Henry Petersen, the Assistant Attorney General, to Wright Patman. It says:

"The issue to be resolved is when the gifts became effective as a matter of law. From the evidence developed we are forced to conclude that for criminal purposes, at least, we cannot prove that this contribution had been made after the April 7 effective date of this act and, accordingly, have closed the matter."

Now, Senator, I fail to find any basis for criticism in the handling of that transaction. I acted on the basis of legal advice and it turns out that my legal advice was good.

As of April 7, we had millions of dollars of commitments from people to contribute. Many of these had been solicited by Mr. Kalmbach as early as 1971. I could have, under a literal construction of this law, concluded that every one of those did not need to be reported when the money came in, because it was a commitment before April 7. But I adopted a very much stricter standard for

the purpose of accounting and it was that only in the case of a commitment where the individual contributor had done everything possible to hand it to us would I consider that a contribution under the second part of this definition.

### AFTERNOON SESSION

**SENATOR ERVIN:** Since I am going to ask the witness questions about the exhibit testified to by the witness, Sloan, this shows the total cash receipts of approximately \$1,777,000. Is that approximately correct? A. It is approximately correct.

**Q.** Are the records now in existence without having to have them reconstructed that would disclose the names and amounts of each contributor? A. There are a considerable amount of records now in ex-

istence that would show that, yes.

**Q.** Why are there not complete records in existence that would show that? A. Well, at one time, Mr. Chairman, some of the records were removed from the committee's files and destroyed.

**Q.** Why were they destroyed? A. They were destroyed because there was no requirement that they be kept, and insofar as contributors were concerned we wanted to respect the anonymity that they had sought and that they were then entitled to under the law. We are talking now about contributions before April 7, 1972.

**Q.** Were they destroyed before or after the break-in? A. They were destroyed after the break-in and I would insist, Mr. Chairman, that there is no relevance between the two.

**Q.** 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.

#### Discussion of Adjectives

**Q.** Sir? A. The adjectives that you are using, queer coincidence and suspicion.

**Q.** Don't you think it is rather suspicious? A. No, I do not think so, Senator.

**Q.** Do you think it is kind of normal in the kind of things to expect people who had records concerning outlays of campaign funds to destroy those records after five men are caught in an act of burglary with money from the committee in their pockets?

A. On April 6th I asked Mr. Sloan to build up the records of all the contributors and he did so. I asked him on April 10th before I left on my vacation to balance out his cash account. He did both of those things pursuant to my requests.

Now, the fact that they came to me after the Watergate was pure and innocent coincidence.

**Q.** Well, why did you destroy the records? A. For the reason I have already said, Mr. Chairman.

**Q.** Well, don't you think it was unwise on Mr. Sloan's part to destroy the original records, the only records, the original records they had of cash amounts received and expended?

A. There were reasons at the time. In retrospect we would have saved an awful lot of questions if we had kept them but we had reasons which we believed were valid and which were based on legal advice that we did not need to keep these records.

**Q.** Was Mr. Liddy the one who gave you the legal advice to destroy the records? A. Mr. Liddy was one of those who gave us legal advice. I remind the chairman in all fairness that at the time Mr. Liddy gave us the legal advice he was in good standing as our counsel. There was no reason to suspect him in any way, and he was doing a good job as counsel. Now, I did get opinions from others.

**Q.** Why did you destroy the summary which Mr. Sloan gave you on the 3d of

June? A. The summary which Mr. Sloan gave me?

**Q.** Yes. A. I have testified before that I had it on my desk for a few days, that I was interested in the names of the contributors because I wanted to be sure that we had a record of that. That I was interested in the balance he had on hand and that I was not interested, it was not my concern nor interest to know who the disbursements had gone to. Mr. Sloan had balanced that all out with the people who had gotten the money.

**Q.** What I am asking you is why were you interested in destroying the things you were interested in.

A. For two reasons, Mr. Chairman, which I will try to explain again: Number one, it was possible to determine at any time from remaining records and from the recollection of people who had given that money.

Number two, under the law, as we understood it, based upon advice of counsel there was no requirement that we keep these records and as I testified yesterday, the opinion of counsel, it was to the effect that we didn't have to keep any records before April 7 that we didn't want to. Now, we kept 99 per cent of our records.

**Q.** Except you kept no records of the cash receipts and expenditures. A. That is not quite correct, Mr. Chairman. We have kept some records and we have been able from those records to reconstruct what has happened.

## Figures in Senate Inquiry

Special to The New York Times

WASHINGTON, June 13 — 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.

### WITNESSES

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.

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

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

Alexander M. Lankler Jr., Republican chairman of Maryland.

Dwayne Andreas, Minnesota businessman who made a contribution to the Nixon campaign.

John W. Dean 3d, former counsel to the President.

H. R. Haldeman, former White House chief of staff.

John D. Ehrlichman, former White House domestic adviser.

Frederick C. LaRue, former White House aide and chief deputy to Mr. Mitchell at the Committee for the Re-election of the President.

**Q.** Well, why destroy your previous records and why destroy your subsequent records and reduce yourself to the necessity of reconstructing something that you already had and destroyed? A. Very simply, for the reason—

**Q.** It is too simple for me to understand, really. A. Mr. chairman, for the reason that we were seeking to protect the privacy, the confidentiality of the contributions on behalf of the contributors.

#### Conflict of Rights

**Q.** In other words, you decided that the right of the contributors to have their contributions concealed was superior to the right of the American citizens to know who was making contribution to influence the election of the President of the United States.

Mr. Stans, do you not think that men who have been honored by the American people as you have ought to have their course of action guided by ethical principles which are superior to the minimum requirements of the criminal laws?

A. I do not have any quarrel with that, but there is an ethical question in whether or not I can take your money as a contributor with an understanding on your part that you are entitled to privacy in that contribution and then go around and release the figure to the public.

**Q.** Well, all the law said as you construed it, as your counsel construed it, was that you did not have to make a public reporting of these contributions. The law did not require you to destroy the records of those contributions, did it?

A. Mr. Chairman, the law did not even go that far. The law did not even require us to keep any records during that period of time, on the advice of my attorney.

Q. Will you please tell me why you disbursed \$50,000 in cash to Mr. Lankler instead of by check? A. It is my recollection that he asked for it in that form because he wanted to mix it into the receipts of the party that was being held in Maryland?

Q. In other words, they were holding a fund-raising dinner in the Vice President's honor and they wanted to make it appear that they took in \$50,000 more than they actually took in, didn't they?

A. They wanted to make it look more successful than it apparently was.

Q. Yes. In other words, they wanted to practice a deception on the general public as to the amount of honor that was paid to the Vice President. A. Mr. Chairman, I am not sure this is the first time that has happened in American politics.

#### Objective Was Deception

Q. You know, there has been murder and larceny in every generation, but that hasn't made murder meretricious or larceny legal. Well, that was the objective, wasn't it? A. That was the objective, yes.

Q. Do you approve of trying to deceive the public about the success or lack of success of a fund-raising dinner? A. I gave it to the committee as a loan in consideration of a commitment I had made some months before to give them \$50,000 if they needed it or wanted it.

Q. Well, the only thing they need it for was to make it appear that the fund-raising dinner was \$50,000 more successful than it actually was, wasn't it? A. That is correct, Senator.

Q. So they claimed the money to give back. In other words, the only purpose of the \$50,000 was to practice a deception? A. So far as I know, that is exactly what was intended and if you want to indict me for that, all right.

Q. Well, that is almost on a moral plane in my judgment with a vote fraud—not quite, perhaps.

SENATOR BAKER: I would like the chairman's attention just for a moment.

It seems to me that the inquiry into two areas on campaign financing deserves further inquiry. The chairman's question of this witness as to whether there was a higher duty than that required by the law under the Corrupt Practices Act of 1925 is very interesting, particularly with reference to the method and manner of accounting for cash contributions and cash disbursements and the requirement of the law or the custom and usage by political parties in disbursing cash.

The second question the chairman raised about whether or not the dividing up of cash contributions into smaller sums for multiple deposit is an attempt to defeat the gift tax as distinguished from avoiding the gift tax.

Mr. Chairman, it seems to me that in absolute fairness, if we are going to inquire into something higher than the language of the law or into custom and practice of politics in this respect, it is incumbent upon this committee, and I suggest that the committee subpoena all of the Democratic National Committee and all of those candidates for nomination of either of the two major political parties for a reasonable time preceding April 7, 1972, and subsequently, to shed light on exactly what the custom and usage in politics was.

SENATOR GURNEY: Mr. Chairman, I would like to say some other things, too. I for one have not appreciated the harassment of this witness by the chairman in the questioning that was just finished. I think this Senate committee ought to act in fairness.

SENATOR ERVIN: Well, I have not questioned the veracity of the witness. I have asked the witness questions to find out what the truth is:

SENATOR GURNEY: "I didn't use the word 'veracity.' I used the word 'harassment.'"

#### Ervin Explains

SENATOR ERVIN: Well, I am sorry that my distinguished friend from Florida does not approve of my method of examining the witness. I am an old country lawyer and I don't know the finer ways to do it. I just have to do it my way.

SENATOR GURNEY: I didn't say that I do not approve; I just want to disassociate myself from—

SENATOR BAKER: If the Senator will yield for just a moment, I don't think it is right to go on into an argument. I understood the Senator to say that he found favor with my suggestion that the documents of the Democratic National Committee and those candidates for nomination of either of the two major political parties be subpoenaed to shed light on the custom and usage with respect to the gift tax and the handling and disbursement of funds. Is that correct?

SENATOR ERVIN: Oh, yes.

SENATOR BAKER: I thank my chairman.

SENATOR ERVIN: Now, within a few weeks after the break-in you knew that McCord, who had been employed as a security officer by the political committee, as I understand it, that is the Committee to Re-elect the President, had been arrested in the Watergate? A. Yes, I knew that the day after.

Q. Then you found out from the press that four, Parker and Sturgis and Gonzalez and Martinez had money which had come from the proceeds of checks of the committee in their pockets at

Cont'd on Following Page

#### Cont'd From Preceding Page

the time they were arrested and in their hotel rooms? A. I knew that only from the press stories. I did not know it of myself.

Q. Then a short time later you knew that Magruder had paid substantially—or rather had directed Sloan and Sloan at Magruder's direction had paid substantial sums of money to Liddy. A. Yes.

Q. That you also knew that Liddy had been charged with complicity in the Watergate break-in? A. Well, before that Mr. Liddy had refused to answer questions to the F.B.I. and on advice of counsel I fired him.

Q. Did you ask Liddy anything about the matter yourself? A. No, I did not because Mr. Hurdian was handling

the whole of the legal matters involving the Watergate.

Q. And you knew that, in fact, Mr. Sloan told you that he had so much misgivings about the money that had been given to Liddy by him at Magruder's request that he was thinking about resigning. A. Yes. That happened right around the first of July.

#### Perjury Request Recalled

Q. Well, did not Mr. Sloan tell you that Mr. Magruder had sought to persuade him to commit perjury in respect to the amount of money that had been given to Mr. Liddy?

A. Yes, he did. He told me that after he had had the several conversations with Mr. Magruder and after he had told Mr. Magruder that he was going to tell the truth.

Q. Mr. Stans, did not all

of these, this knowledge that you acquired one way or another about these matters that I have enumerated, engender in your mind a feeling that you ought to communicate, you ought to talk to the President about this matter? You knew all of this before you talked to the President in August, did you not?

A. Oh, yes. Mr. Chairman, the President had far more resources than I did, it was known that the White House was conscious of the problem. I had no knowledge that there was not common knowledge at the time, I had nothing to tell the President that would have been unusual.

A. Mr. Chairman, may I have the opportunity under the committee's rules of a closing statement. Q. Yes sir.

A. Mr. Chairman, I want to thank the committee for your

consideration and for the opportunity to me to present my story for the first time. First, I would like to talk about the people in the finance committee. I am confident that no one in the finance committee, except of course, Gordon Liddy, had any knowledge of or participation in the Watergate affair or any other espionage or sabotage activities.

I want to say so particularly with respect to our two treasurers, Hugh Sloan and Paul Barry.

The second thing I would like to talk about briefly is about the contributors. It is true there were some large contributions, some very large contributions. But the idea is being purveyed in some circles that no one gives a substantial amount of money to a campaign without buying something in re-

turn, without the expectation of a favor.

That is a lie, and it is belittling to our self-respect as a people.

I would like to give a couple of examples. Clement Stone of Chicago, pretty well known now, gave \$2-million to elect the President. He gave a lot in 1968. He is a very wealthy man and he can afford it. He believes in the President he knows him as a friend. Clement Stone has never asked for anything from his Government or the Administration in return. He has done it because he believes it is a public service from a man of wealth.

I would like to give you another case: Ray Kroc is a man in Chicago who is responsible for the development of the McDonald hamburger chain. I visited with

him in Chicago in September for about 45 minutes, I had never met him before. I talked about the campaign and we discussed his success story. Mr. Kroc said, "On Oct. 3d I am going to have my 70th birthday, and in appreciation for what I have been able to achieve I am going to give millions of dollars of my money to charity."

I said, Mr. Kroc, you are a beneficiary of the great American system and I am sure you believe in it. I have reason to believe that you think the President will help to preserve that system and I would like to make a suggestion. When you get to Oct. 3 and make those distributions to charity, why don't you at the same time give \$250,000 to help re-elect the President." He did. There was no discussion in

that meeting of anything else.

Now, what happened after his contribution became known. First the press accused him of making the contribution so that he can influence the price commission on matters affecting his company.

Secondly, he was accused of making the contribution so that he could get a lower minimum wage for the young people who work for his company. He was insulted by these insinuations and falsehoods, they were vicious and unfair, completely conjecture without any fact whatever.

I want to say one thing more about innocent people and I will be finished. In the course of all the things that have happened since June 17, a lot of innocent people have been drawn through the mire of unrelenting publicity, in-

situations, accusations.

There have been very damaging effects on their business and on their personal lives. It is very unfair, somebody has got to speak up for those people. So when the committee concludes its work and writes its report, I hope it will make it clear that such people, and by name, are innocent victims of this tragedy.

I put myself in that category. I volunteered or was drafter, whatever the case may be, because I believed in my President. You know by now from what you have heard, but I know you cannot feel, the abuse to which I have been subjected because of the association I fell into. All I ask, Mr. Chairman and members of the committee, is that when you write your report you give me back my good name.