

Stans, Magruder Accounts Conflict

Senators Told of Contradiction on Mitchell Watergate Briefing

By Lawrence Meyer and Peter Osnos

Washington Post Staff Writers

The Senate select Watergate committee has been told that former Commerce Secretary Maurice H. Stans, President Nixon's chief campaign fund-raiser, was fully briefed on the Watergate affair by campaign director John N. Mitchell on June 24, 1972, a week after the break-in, according to reliable sources.

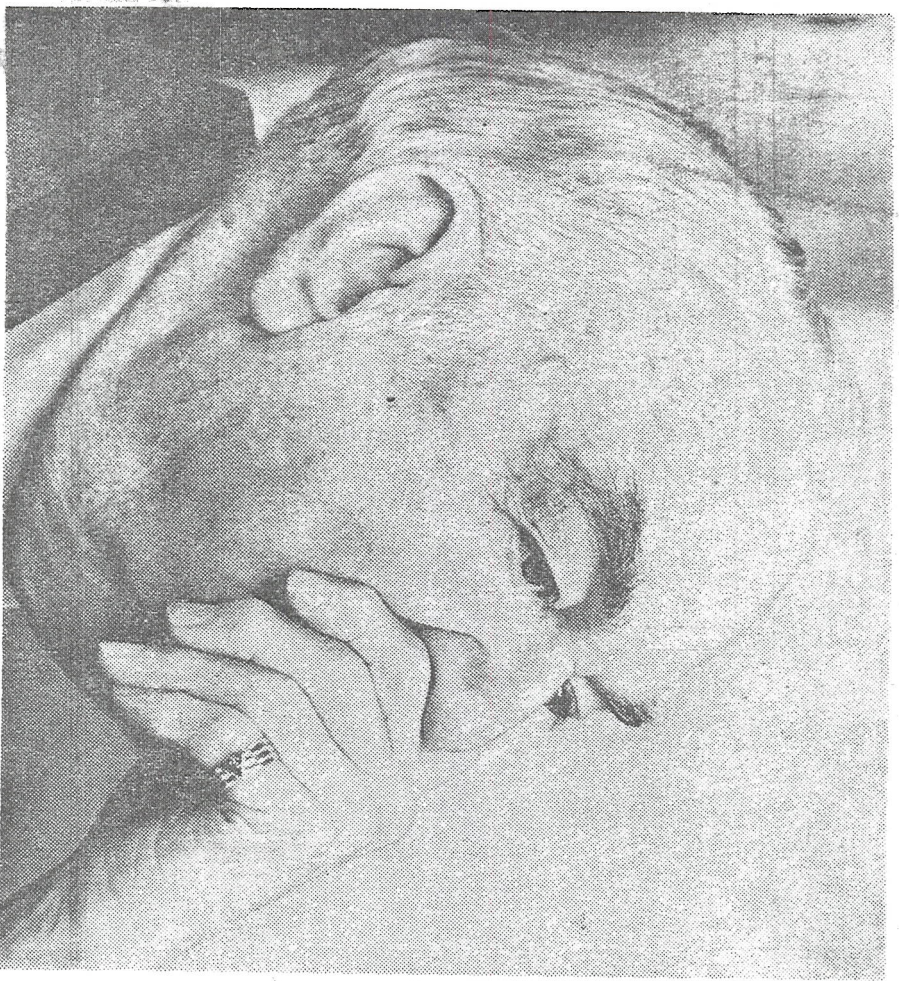
Stans has insisted in two days of testimony before the Senate committee that his knowledge of the Watergate bugging was derived primarily from news accounts. He also told the senators repeatedly yesterday that he had no record or recollection of a meeting with Mitchell on June 24, and that he could not specifically recall discussing Watergate at a luncheon with Mitchell on June 23.

However, former deputy Nixon campaign director Jeb Stuart Magruder told the Senate committee's staff under oath behind closed doors on Tuesday that Mitchell had told Stans "all the facts" about the Watergate affair in Magruder's presence during a June 24 meeting, according to a source reading from a written summary of the staff interview with Magruder.

Magruder is scheduled to testify before the Senate committee today, placing his word against Stans' on the subject of the June 24 meeting. Other witnesses already have testified that Magruder committed perjury at the trial of the Watergate conspirators in January, 1973. Later, Magruder reportedly went to the federal prosecutors and the Senate committee and began telling everything he knew about the Watergate affair.

Magruder's sworn statement to the Senate committee's staff on Tuesday was known to the senators yesterday when several of them questioned Stans about whether he had discussed the Watergate affair with anyone at any time, and specifically with Mitchell on June 24.

Each time Stans insisted he had not discussed Watergate and that he had no recollection of a meeting with Mitchell on June 24.



By Charles Del Vecchio—The Washington Post
Watergate committee Chairman Ervin ponders testimony of Maurice Stans.

During yesterday's afternoon session, Stans told the committee that during the noon recess his lawyer had checked with Mitchell's lawyer, who in turn talked to Mitchell about a June 24 meeting. Stans said that he received a "third-hand account, Mr. Mitchell to his counsel to my counsel to me," that he (Stans) and Mitchell had met on June 24 to discuss another matter. The meeting, Stans said he had learned, was between himself and Mitchell, and that "no one else was present."

After giving the committee that account, Stans said again that he still had no recollection of the June 24 meeting with Mitchell, "but this is Mr. Mitchell's report. . . .
"It (the meeting) did not cover any of the subjects that were alluded to in the questioning earlier as to whether there was a full discussion of who was involved in the Watergate and so on," Stans said in giving Mitchell's account of the meeting.

Stans insisted under repeated questioning yesterday that he did not suspect that re-election committee officials were involved in the Watergate scandal until this spring.

He also maintained that he knew little about how the President's re-election committee spent its money and that his destruction of campaign contribution and disbursement records a little more than a week after the Watergate break-in was merely a "coincidence."

Several senators were openly skeptical of this and other explanations by Stans and subjected him to the most aggressive questioning of any witness to date. At one point during a lengthy and sometimes heated examination of Stans by committee chairman Sam. J. Ervin Jr. (D-N.C.),

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HEARING, From A1

Sen. Edward J. Gurney (R-Fla.) broke in angrily to object to what he called harassment" of Stans.

The closest questioning of Stans about his discussions with Mitchell around June 24, 1972, was conducted by Sen. Howard H. Baker Jr. (R-Tenn.), the ranking minority member of the committee.

Baker: Was there any discussion with Mr. Mitchell of the allegations being made by the press at that time of Republican involvement in the Watergate break-in?

Stans: I have no recollection of the substance of the discussions. I just cannot tell you. I had some meeting with Mr. Mitchell in the course of time that he was with the campaign. As I said on each case, I had a list of four, five or six subjects we talked about that were current at the time, and I do not know which particular ones we talked about on any particular day.

Baker: Did you have a meeting with Mr. Mitchell on the 24th of June?

Stans: The 24th was a Saturday. I have no recollection of any meeting with Mr. Mitchell and my record does not show any. I had several other meetings on that day. I was in the office, apparently, a good part of the day until, at least until early afternoon, but I have no recollection or record of a meeting with Mr. Mitchell on that day.

Baker: Did you have a meeting with Mr. Magruder on the 24th?

Stans: Similarly, there is no record of it and I have no recollection of it.

As Sen. Baker continued to question Stans about the events of June 24th, Stans retorted, "I would like to know what you did on March 24, 1972. I think you would have a hard time remembering."

"I am certain I would," Baker said, adding a moment later, "I think it is worth digressing long enough to say that anyone would have difficulty establishing what they did on a particular day, but these are not ordinary and usual circumstances.

"We are dealing here," Baker said, "with your best efforts to reconstruct what happened at a critical time and juncture in these proceedings. Now, that is why I urged you to give particular and careful attention to what happened on June 24 with respect to meetings or conversations less formal than meetings with any of the principals in the so-called Watergate affair."

Stans responded that he had tried "my best to reconstruct that situation . . . I can only say to you with absolute finality that I did not discuss any espionage or sabotage operations with anyone prior to June 17 and I really did not learn about them except as I learned about them in the public press."

A moment later, Stans said, "I did not discuss the Watergate cover-up with anyone after June 17 and I did not know there was a cover-up until I read about that in the press."

Finally, Sen. Baker asked, "Did you gain all of your information about the facts and circumstances that related to Watergate from newspaper accounts, or did one of those gentlemen that I have identified and will identify again—Mr. (Hugh W.) Sloan, Mr. Magruder, Mr. (Frederick C.) LaRue, Mr. (John D.) Ehrlichman, Mr. (H.R.) Haldeman, Mr. Mitchell—did any of them at any time until this moment tell you what happened at Watergate? Or Mr. (G. Gordon) Liddy or the President?"

"My answer to that, Stans replied, "is no."
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Earlier yesterday, Sen. Ervin had questioned Stans closely about the procedures followed in receiving large contributions from Nixon contributors and distributing them among various committees for tax purposes.

Sen. Baker suggested that the Democratic National Committee's financial records also be subpoenaed along with other candidates "to shed light on the custom and usage with respect to the gift tax and the handling of disbursement of funds." Ervin agreed to subpoena Democratic records if the committee authorized him to do so.

Stans conceded to the senators that it was "uncharacteristic" of him not to know how the money was spent in the 1972 campaign, but, he said, "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."

Sen. Herman Talmadge (D-Ga.) told Stans at one point during the morning session

that "it strikes me as being literally inconceivable" that Stans would worry about small details such as the campaign pins and bumper stickers referred to in testimony, and not worry "about what happens to large sums of cash that are being disbursed by these people for unknown causes." Talmadge was referring to the large cash amounts investigators have said paid for the Watergate bugging and cover-up.

The sharpest questioning of Stans, however, came from Ervin, who pressed Stans to explain what happened to the records of anonymous cash contributions made to the committee under the old campaign finance law prior to April 7, 1972. Stans said that a record of all cash contributions to the re-election committee was given to him by committee treasurer Hugh W. Sloan Jr. on June 23—

six days after the Watergate break-in.

Stans: That record, Mr. Chairman, to the best of my recollection, I destroyed.

Ervin: You did destroy it?

Stans: Yes.

Ervin: 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?

Stans: 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.

Ervin: Well, it was quite a queer coincidence, was it not?

Stans: It would. . . .

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

Stans: The adjectives are yours.

Ervin: Sir?

Stans: The adjectives that you are using, queer, coincidence and suspicious.

Ervin: Don't you think it is rather suspicious?

Stans: No, I do not think so, senator.

Ervin: Do you think it is a 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 that came from the committee (for the re-election of the President) in their pockets?

Stans: On April 6, I asked Mr. Sloan to build up the records of all the contributors and he did so. I asked him on April 10 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.

Stans said the records 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."

Stans said that he had received legal advice "that we did not need to keep these records." Some of that legal advice, he said, came from convicted Watergate conspirator G. Gordon Liddy, then the counsel to the Finance Committee to Re-elect the President.

Liddy's interpretation of the law apparently resulted in the failure of the finance committee to register itself and its fund-raising affiliates for the period prior to April 7.

In the June 15 editions of

The Washington Post, James H. Duffy, chief counsel of the Senate Subcommittee on Privileges and Elections, asserted that the finance committee had violated the pre-April 7 law—the Corrupt Practices Act of 1925—by failing to register. One of the provisions of that law requires the campaign records—including contributors—be maintained for two years after an election.

Duffy's interpretation of the law, disputed in the same article by a spokesman for the re-election committee, apparently put the committee and Stans on notice that their reading of the law was being questioned.

Liddy disputed Duffy's interpretation of the law in a letter to the editor that appeared in The Post on June 20. In his letter, Liddy offered substantially the same interpretation of the old law that Stans gave the Senate committee yesterday and Tuesday—the primary elections were not covered by the 1925 law.

It was a few days later, Stans said, that he destroyed the pre-April 7 campaign contribution and disbursement records.

During his testimony yesterday, Stans also told the committee:

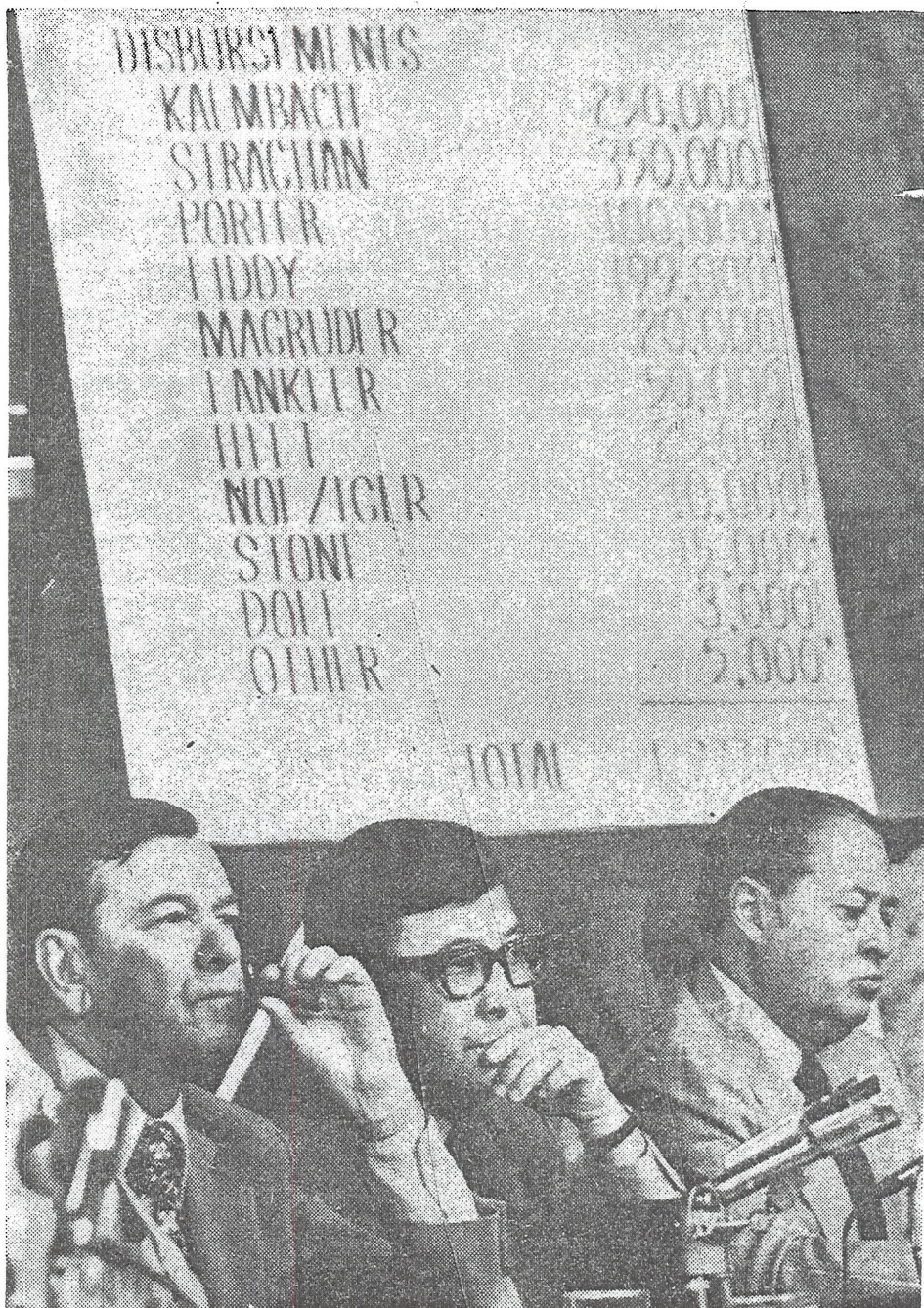
• President Nixon had given him a "pep talk" in August, 1972, on the Watergate matter. "He (Mr. Nixon) said that he was aware of the fact that I was receiving considerable punishment in the press for not answering their questions at the time." Stans told the committee. "He said that he appreciated the sacrifice 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 discussion over the telephone."

Stans said that he and Mr. Nixon did not discuss the "Watergate matter as such," adding that Mr. Nixon told him, "I'm confident you had nothing to do with it."

• Stans said he was told six weeks ago by the attorney for President Nixon's former personal lawyer, Herbert W. Kalmbach, that Kalmbach had raised money last summer to pay the legal fees of the Watergate defendants. Stans said Kalmbach's lawyer told him Kalmbach had given the money—some \$210,000—to "a man named Tony."

"Tony" was not identified, but one of the men who reportedly conveyed money to the Watergate defendants was Anthony Ulasewicz, a former New York policeman who was paid by Kalmbach and took investigative assignments from the White House.

• Frederick C. LaRue, re-election committee official, came to Stans last January and "asked . . . for the names of some contributors to whom he might go for money for a White House project." Stans said LaRue



Three Democratic members of the Senate Watergate committee hear testimony from Maurice Stans. From left, Sens. Herman

Talmadge (Ga.), Daniel Inouye (Hawaii) and Joseph Montoya (N.M.). In background is chart showing fund distribution.

did not say, and Stans did not ask, what the project was. La Rue has reportedly told the federal Watergate grand jury that he distributed \$250,000 to Watergate defendants.

In the morning session, several senators questioned Stans closely and acknowledged that to him their questions might appear antagonistic.

"I must say that like you I find these circumstances most regrettable," Sen. Daniel Inouye (D-Hawaii) said, "Because I still recall those days when you were Secretary of Commerce and my position in the Commerce Committee. But all of us have responsibilities to perform. . . ."

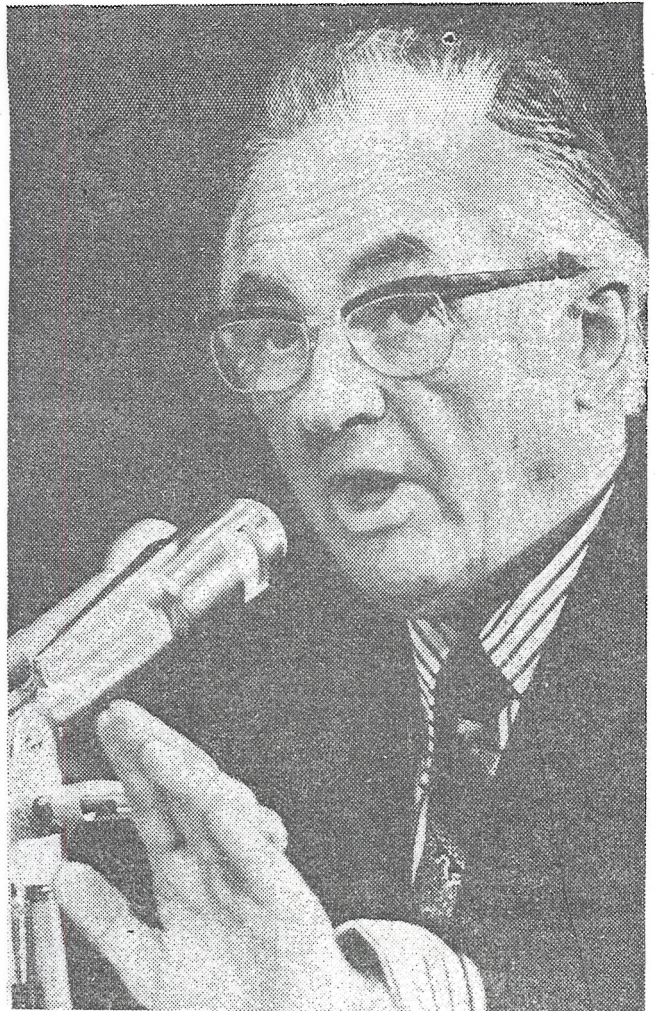
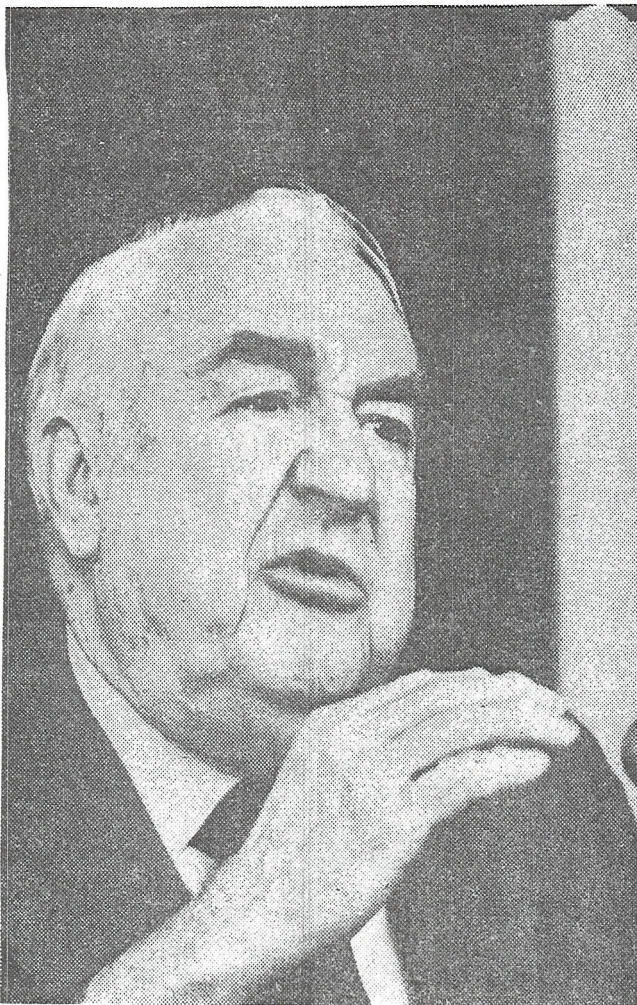
As a prelude to his questioning, Sen. Baker told Stans that his very prominence required a rigorous examination of what he said. "It is axiomatic, I believe, that the stronger a witness

and the more logical and knowing his testimony," Sen. Baker said, "the more difficult it is to test the testimony and to try to establish the areas of conflict, and the opportunities for corroboration, if there are areas of corroboration."

The toughest examination of Stans in the morning came from Sen. Talmadge, who began by listing Stans' professional accomplishments. "My questions," Talmadge said, "may be viewed as antagonistic, but I don't want you to think of them in that vein because I too am merely seeking facts which I think the American people are entitled to know."

Talmadge recalled Stans' testimony Tuesday that as chairman of the finance committee for the Nixon re-election campaign "in effect, your whole purpose was raising money, that you did not take care of small detailed items?"

United Press International



By Charles Del Vecchio—The Washington Post

Sen. Ervin, left, questions Maurice Stans, right, aggressively, bringing comment of "harassment" from Sen. Gurney.

"I will not say that at times I did not get into detail," Stans replied. "One is always forced into that, but my job was to raise the massive amount of money that I could see was going to be spent."

Talmadge thereupon produced a series of internal memos between Stans and Sloan that shows Stand was concerned about the detailed accounting for the sale of campaign trinkets and the need for quick thank you notes to campaign contributors.

One such memo dated Feb. 23, 1972, said:

"I think we needed a lapel pin for our 1972 contributors. Would you please get some samples from one of our supporters . . . I think the simplest process would be to take the exact form of the 1968 pin and merely add below it the number 1972 at one end of the pin."

"Why," Sen Talmadge asked, "would you consider going into the matter of bumper strips and banners and pins and jewelry and so forth, and there on that board (in the hearing room) is (a list) of over \$1 million in cash disbursements unaccounted for. . . ."

Stans: I did not get the question, senator.

Talmadge: The question is . . . why you were spending all your time worrying about bumper strips and right there on that board you have got deposits of \$750,000 and disbursements of \$1 million and \$777,000?

"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?"

Stans: Well, senator, I suppose this is argumentative. I worried about for proceeds of sales of articles was an important responsibility under the statute.

"Now most of this material on the chart (unaccounted for cash disbursements) as we have already learned, happened before April 6. Only a few items on there happened after April 6 and there was no responsibility under the law on the Treasury to account for that money. But he (Sloan) was accountable for the sales of any jewelry or items of that type."

Later, at the close of his questioning, Talmadge responded: "I will not quarrel with you further about that, Mr. Stans. You have been a man that I have admired greatly over a long period of time. But it strikes me as being literally inconceivable that you could spend the larger part of your time worrying about pin labels and bumper stickers and not worrying about what happens to large sums of cash that are being disbursed by these people for unknown causes, particularly when the law is clear on stringent reporting of disbursements."

Sen. Baker took Stans through a reading of entries in his office diary, particularly meetings with Mitchell, Liddy, Haldeman and others whose names have been connected with the Watergate case.

The only day on which Stans acknowledged holding discussions related to the break-in was June 23, 1972, when Stans said he learned that money in the bank account of Bernard Barker, one of the five men apprehended in the Watergate had passed through the Nixon campaign finance committee.

"It was at 8 o'clock, as you see on the schedule that day," Stans testified, "that Fred LaRue (an aide to Mitchell) came to my office to talk about the Dahlberg check that had shown up on the records of Barker in Florida. It was at 3 in the afternoon that Dahlberg (Midwest fund-raiser for the Nixon campaign) came to Washington and 5 that I had several meetings with (Robert) Mardian (a ranking political official in the campaign) and LaRue."

On the same day, Stans said he met for lunch with Mitchell, apparently their first conversation following the break-in. But Stans said he could not recall the substance of their discussion.

After listening to Stans' explanations of various meetings, Sen. Baker indicated that he was not satisfied.

"I know," the senator said "it is extraordinarily difficult to offer negative testimony or negative proof, but can you offer the committee any other suggestions or how we might inquire into the meetings and your relationships to them with these people I have named—Mr. Ehrlichman, Mr. Haldeman,

Mr. Dean, Mr. Magruder, Mr. Sloan, Mr. Mitchell? I am thinking, for instance, of meetings at which other people were present so that we could verify or dispute this information?"

Stans replied that he had made available to the committee everything he had in the way of files and had testified to the best of his recollection.

In the afternoon, Ervin pressed Stans again and again to explain why he could tell so little about how

the re-election committee spent its money.

"Mr. Chairman," Stans said, "the whole understanding of the arrangement was that it wasn't necessary for them in the campaign committee to tell us what they were going to spend the money for except in the major categories as discussed in the meetings of the budget committee."

Ervin: And you did not have enough curiosity to inquire as to what they were going to spend the money for?

Stans: Mr. Chairman, I did not have any time for curiosity. I had to raise \$40 million and I worked at a frenzied pace during the entire period I was there.

Ervin: Well, you did have some authority in determining amounts of money that were to be expended, did you not?

Stans: Only in the aggregate by categories and I had very little authority on that.

Ervin: And you had some authority to say something about how much money was to be spent, did you not?

Stans: I had no authority, Mr. Chairman, I only had the authority to argue.

Ervin: Well, you claim you were just a puppet of John Mitchell, is that what you are claiming?

Stans: No, I am not saying that at all.

As the committee moved to take a short break to allow its members to vote on the Senate floor, Gurney said:

"The American public, I don't think, understands how these hearings are conducted and I don't want them to get the impression that the questioning of any senator here is found favorable by other senators. I, for one, have not appreciated the harassment of this witness by the chairman in the questioning that has just finished. I think this Senate committee ought to act in fairness."

"Well," Ervin replied, "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."

At the conclusion of his testimony yesterday, Stans told the 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."

Referring to campaign contributions, Stans said: "The idea is being purveyed in some circles that no one gives a substantial amount of money to a campaign without buying something in return, without the expectation of a favor."

"I think most the members of the committee would agree with me that that is vicious, that is a lie, and it is belittling to our self-respect as a people."

"There are very few people who want to collect in return for their contributions, and they don't get very far under either party that is in power, Democrats or Republicans."

"I think the time has come to express more confidence in the honor and integrity of our fellow men whether they are rich or poor, and stop manufacturing reasons to attack people who merely exercise their right of citizenship by making a political contribution."

Stans said he considered himself, along with others, "innocent victims of this tragedy . . . All I ask, Mr. Chairman and members of this committee, is that when you write your report, you give me back my good name."