

Democrats May Settle Suit

By Jules Witcover

Washington Post Staff Writer

The Democratic National Committee is reconsidering the possibility of an out-of-court settlement of its \$3.2 million civil suit against the Committee for the Re-election of the President, according to reliable Democratic sources.

The matter has been discussed among members of the DNC's Executive Committee, these sources say. Arnold Picker, the United Artists Corp. executive who has been a key fundraiser to keep the suit going, also now favors settlement.

One of the prime reasons for continuing the suit has been to uncover new information about the Watergate affair through the discovery process, whereby depositions given by principals become part of the public record.

Although depositions are still being taken in the suit, in which the Democrats want damages for the Watergate break-in, some Democratic leaders are said to feel now that the Senate Watergate committee is surfacing the essential facts and the suit has become an unnecessary financial drain.

There have been no meetings between the Democrats and Republicans on a settlement since Democratic Chairman Robert S. Strauss met with former Nixon re-election campaign chairman John N. Mitchell in April. At that time, the Republicans were said to have offered \$525,000 to dispose of the suit. Strauss at first expressed interest, but unfavorable reaction within his

party led to abandonment of any settlement.

Republican National Chairman George Bush said last night that he "would like to see the thing settled" and had casual conversations with Strauss, but no negotiations. Any serious talks would have to be with re-election committee officials, he said.

According to Democratic sources, the DNC has already spent between \$175,000 and \$200,000 in legal

fees to keep the suit going, and it is estimated it will cost about \$50,000 a month, possibly for three or four years.

Strauss in April had said the DNC not only could use the money from a settlement but that a settlement would constitute "an admission of guilt" by the Republicans that would be a political payoff.

Among those said to be most interested in a settlement is former Democratic

National Chairman Lawrence F. O'Brien, who is a plaintiff in the DNC suit and also the sole defendant in a \$5 million countersuit for libel filed by Maurice H. Stans, chairman of the finance committee for the Re-election of the President.

O'Brien yesterday labeled "ridiculous" testimony before the Senate Watergate committee last Friday that he was a prime mover in the earlier settlement negotiations, out of personal financial pressures.

House Unit Votes Action on Liddy

By Susanna McBee

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The House Armed Services Committee voted unanimously yesterday to seek a contempt of Congress citation against convicted Watergate conspirator G. Gordon Liddy.

The vote was 33 to 0, with 10 members absent.

Afterward, Chairman Ferdinand Hebert, D-La., said a vote by the full House would probably not be sought until after Congress returns from its month-long recess Sept. 5.

Hebert said he doubts the vote could come this week before the recess starts, "because we're so jammed with legislation. There's no real hurry. After all, Liddy's already in jail."

Liddy, a flamboyant FBI agent, was a member of the White House "plumbers" team set up in 1971 to investigate and "plug" national security leaks and later he was financial counsel for the Committee for the Re-election of the President. In January he was convicted for his role in the June

17, 1972, break-in at the Democratic National Committee headquarters in the Watergate complex.

On July 20 he was subpoenaed to appear before an Armed Services subcommittee investigating Central Intelligence Agency involvement in the Watergate scandal. Instead of taking the Fifth amendment, as subcommittee members expected, Liddy refused even to be sworn in, and the subcommittee voted immediately to seek a contempt citation.

If the House upholds the contempt proceedings, it would then ask the United States attorney to seek a grand jury indictment. The penalty for contempt of Congress ranges from 30 days to a year in jail and a \$100 to a \$5,000 fine.

Liddy is now serving an eight-month contempt of court sentence in D.C. jail for refusing to testify before a federal grand jury investigating Watergate. That penalty was imposed on top of a sentence

of six years and eight months to 20 years for his part in the Watergate burglary.

Last week the full committee delayed voting on the citation at the request of Rep. David L. Treen (R-La.) who wanted more time to study the argument of Liddy's attorney, Peter L. Maroulis, that the Fifth amendment gives Liddy the right to remain silent before a committee just as it does before a court.

Treen said yesterday he felt the argument should be considered, "but it is not strong enough to keep us from going forward with the citation."

Only two other witnesses have ever been cited for contempt, the House. One was Gerhardt Eisler in 1947, and the other was Arnold S. Johnson in 1970. Avowed communists, they both escaped penalty. Eisler was convicted and fled to East Germany, and Johnson's case was dismissed when the government dropped prosecution rather than disclose his illegally wire-tapped phone conversations.

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