

CASEY SAYS DEAN MADE VESCO CALLS

MAR 21 1974

Ex-S.E.C. Chief Tells Trial Nixon's Ex-Counsel Asked About Financier's Case
NYTimes

By MARTIN ARNOLD

John W. Dean 3d, then President Nixon's counsel, made at least four telephone calls—one at the behest of John N. Mitchell—concerning Robert L. Vesco's problems with the Securities and Exchange Commission, that agency's former chairman testified yesterday.

In one call, Mr. Dean asked that the taking of some testimony in the S.E.C.-Vesco case be delayed a week, until after the 1972 Presidential Election Day, because he feared "some kind of last-minute campaign smear," the witness, William J. Casey, said. Mr. Casey testified that he had received all four calls from Mr. Dean.

On another occasion Mr. Dean called, expressing his concern over Donald Nixon Jr.'s involvement with Mr. Vesco, the witness said. Donald Nixon Jr. is the President's nephew.

Mr. Mitchell, the former Attorney General, and Maurice H. Stans, the former Secretary of Commerce, are on trial in Federal District Court here on charges of perjury, obstruction of justice and conspiracy for allegedly attempting to impede an S.E.C. investigation of Mr.

Continued on Page 32, Column 6

Casey Says Dean Made 4 Calls on Vesco

Continued From Page 1, Col. 3

Vesco, now a fugitive, in return for a secret \$200,000 contribution by the financier to the President's re-election campaign.

Mr. Dean, who has been named a colconspirator in this case, is scheduled to testify today. He has not been indicted.

The day-long testimony of Mr. Casey involved matters relating to a perjury count and a conspiracy count against Mr. Mitchell, who is accused of conspiring to cause Mr. Dean to seek postponement of S.E.C. testimony.

Mr. Mitchell has testified before the grand jury that he never spoke to Mr. Dean or Mr. Casey, then S.E.C. chairman, about the Vesco case.

Still Friend of Mitchell

Mr. Casey, a large, baldish man, who was wearing a banker's blue suit, is now the president of the Export-Import Bank. Speaking loudly and unclearly, he said he was still a friend of Mr. Mitchell's.

Testifying as a Government witness, Mr. Casey said that Mr. Dean's first telephone call to him was late in the summer or early in the fall of 1971 at a time when the S.E.C. considered the Vesco case a rather routine one.

"He asked me if we had a Vesco case, and whether it was a serious case, or what I thought of Vesco," Mr. Casey said.

It was "the same kind of questioning that I would frequently receive from a lot of people about the Vesco matter," Mr. Casey testified, adding, the staff thought it was a case of some seriousness. He did not, he said, recall why Mr. Dean

asked about the case at that time.

The second Dean telephone call, according to Mr. Casey, occurred in October, 1972. On April 10, 1972 Mr. Vesco contributed \$200,000 in cash to the Nixon re-election campaign—the largest single cash contribution of the campaign, witnesses have testified.

Recalls Dean Question

Mr. Casey testified that Mr. Dean had asked him on that occasion "about what I knew or heard about the President's nephew, Donald Nixon, traveling around with Vesco."

By that time, the S.E.C. investigation had taken a more serious turn—and the agency was then investigating whether Mr. Vesco and 41 others had looted \$224-million from mutual funds his corporation was managing.

"I told him we had heard or that the staff had told me that young Nixon traveled between the Bahamas and the United States on Vesco's plane," Mr. Casey said. "I said he might cause embarrassment to the President and they ought to shoo him away. He thanked me for the information and said, 'I thought we'd done that.'"

"Did he tell you he was calling on behalf of the President," John R. Wing, the chief prosecutor, asked.

"No," replied the witness.

Mr. Casey said the third telephone call came from Mr. Dean on Nov. 1, 1972.

Mr. Casey testified that he was not there that day so he returned the Dean call the following day, Nov. 2, which was five days before Election Day.

"John Dean said he had understood or been informed that the commission investigators were scheduled to examine two

stenographers connected with the Vesco case" before the election, Mr. Casey continued. "He wanted to know was there any reason that the examinations could not be postponed until the next week. He was concerned that they might result in some kind of last-minute campaign smear."

Question of a Smear

"Did you ask Dean what the political smear was," the witness was asked. "No," he replied. Asked whether he had asked Mr. Dean the source of his information, Mr. Casey also replied, "No."

Mr. Casey said he had told Mr. Dean that he would look into the matter, that the staff had said the lawyers for the S.E.C. witnesses had already been alerted as to the date, and that it was not wise to postpone the testimony.

"Did the examinations go ahead as scheduled," he was asked.

"Yes sir," he replied. The two S.E.C. witnesses that he was referring to then were Mrs. Shirley Bailey and Mrs. Helen Force, Vesco associates. Both testified at this trial that they took the Fifth Amendment against self-incrimination before the S.E.C. hearing in November, 1972.

The fourth call from Mr. Dean was in February, 1973, Mr. Casey testified. He had just left the S.E.C. to become Under Secretary of State for Economic Affairs, a post he left last week to head the Export-Import Bank.

"The conversation was in the nature of a complaint that the staff or somebody had leaked a deposition to a newspaper reporter before the deposition had been filed in court," Mr. Casey said.

"He complained that the staff of the commission was reaching beyond the proper scope of

the investigation," Mr. Casey testified. He testified that he had checked back with the S.E.C., and then reported that the staff denied the leak, and attributed it to a defense attorney in the case.

"Was there any reference in your conversation with Dean as to why he was calling?" Mr. Casey was asked.

Complaint Alleged

"He said he had received a complaint from Mr. Mitchell," was the reply.

Mr. Casey also testified that early in April, 1972, before the \$200,000 Vesco contribution was made, he had gone to Mr. Mitchell's apartment at the Watergate in Washington, and had discussed the Vesco case with Mr. Mitchell.

He said Mr. Mitchell said that Harry Sears, a prominent New Jersey Republican who was then associated with Mr. Vesco, had been complaining that the S.E.C. staff was conducting a vendetta against Mr. Vesco.

Mr. Casey said that he had informed Mr. Mitchell that "I had had it looked at by people other than those who were handling it, and that I was satisfied that it was being handled properly."

Under cross-examination, Mr. Casey said that neither Mr. Mitchell nor Mr. Stans had ever attempted to quash or fix the S.E.C.'s investigation of Mr. Vesco.

The testimony when excerpted sounds more damaging to the defendants than it appears to be when heard in its entirety in the courtroom, most observers agree. Every Government witness of importance—and so far there has been a total of 22 Government witnesses—has insisted that there was never any attempt to quash the S.E.C. investigation—that, at the very worst, the defendants did for Mr. Vesco what any representative or Senator would do for a constituent—call the head of a Government agency and arrange for that constituent, or his representatives, to meet with the agency head.