

DEAN SAYS STANS, MITCHELL SOUGHT VESCO CASE DELAY

Ex-Nixon Counsel Testifies Aim Was to Keep Scandal Secret Until '72 Election

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He Alleges That Kleindienst Was Asked to Interfere With Grand Jury Action

By MARTIN ARNOLD

John W. Dean 3d, smiling and confident, testified yesterday that two former Cabinet officers, John N. Mitchell and Maurice H. Stans, had made determined and continued efforts to keep Robert L. Vesco's financial scandal secret at least until after Election Day in 1972.

"The whole thing is something we just don't need before the election," Mr. Dean quoted Mr. Mitchell as saying.

Mr. Dean, former counsel to President Nixon and a star witness at the Senate Watergate hearings, had been billed as the Government's star witness in this case, and as far as the prosecution was concerned, he lived up to that billing.

He testified that Mr. Mitchell had spoken to him about the Securities and Exchange Commission investigation of Mr. Vesco at least 19 times, and said the former Attorney General had asked him to see if some subpoenas in that case could be delayed until after Election Day.

Stans Interest Cited

He testified that Mr. Stans, the former Secretary of Commerce, who was then leading the Nixon election fund campaign, had told him that he was concerned about the circumstances of Mr. Vesco's \$200,000 cash contribution to the Nixon drive.

And Mr. Dean testified that at one point Mr. Mitchell tried to get him to get Richard G. Kleindienst, then Attorney General, to interfere with the grand jury deliberations of this case, the grand jury that ultimately indicted the defendants.

Mr. Mitchell and Mr. Stans are accused of perjury, obstruction of justice and conspiracy in attempting to impede the S.E.C. investigation of Mr. Vesco in return for the secret cash contribution. Mr. Vesco, who has also been indicted in this case, is now a fugitive.

Mr. Mitchell had told a grand jury that he had not talked to Mr. Dean about the Vesco case, but Mr. Dean said otherwise. Mr. Dean, who has not been indicted, has been named as a co-conspirator in the case.

He depicted Mr. Mitchell, in fact, as a man who apparently had lots of influence at the White House long after he left public office.

"Well, Mr. Mitchell would

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call and request information or actions by me, and I would in turn respond back to him," was the way Mr. Dean summed it up. At the time Mr. Dean was still President Nixon's counsel and Mr. Mitchell was a private citizen, having left his post as a leader of the Nixon re-election campaign.

Mr. Dean testified that Mr. Mitchell first spoke to him about the Vesco-S.E.C. case in July, 1972, at a meeting "where he and I were alone" in Mr. Mitchell's Washington law office.

Mr. Mitchell asked me if I knew anything about the S.E.C. investigation of Mr. Vesco, and I said to him, I said, 'No, not really, other than the fact that Mr. [John] Ehrlichman, [a top member of the White House staff] had several months before asked me if there was such an investigation going on,' and I reported to Mr. Mitchell at that time that I had made a call," Mr. Dean testified.

He said that he had reported back to Mr. Ehrlichman that William J. Casey, at that time chairman of the S.E.C., had said that there was such an investigation, and Mr. Casey had "categorized Mr. Vesco as a—as a bad man and one than Don Nixon Jr. shouldn't be hanging around with." He was referring here to Donald A. Nixon, the President's nephew, who is a Vesco associate.

"Did Mr. Mitchell ask you to do anything at that time?" Mr. Dean was asked.

"Yes, he did. He asked me if I would check with Mr. Bill Casey on the status of the investigation," Mr. Dean answered.

Long Lines of Visitors

Mr. Dean has become something of a folk-hero to young people who line up daily and try to gain entrance to this trial. Yesterday, in anticipation of his first day on the witness stand, many arrived at the courthouse building in Foley

Square at 6 A.M., to stand outside in the cold before the building was opened at 7 A.M.

As it turned out, it was not only the young who were treating Mr. Dean as a celebrity, for by the time the courtroom was opened to the general public at about 9:30 A.M., all but 28 of the seats reserved for the spectators were already filled.

There were relatives and friends of Judge Lee P. Gagliardi, who is presiding, in the first row; there were friends and relatives of the various lawyers; there were other employees working in the court building, attorneys and otherwise, who had been admitted to the courtroom through a back door, the judge's entrance; even three rows of the press section were given up to friends of those who had some influence.

Mr. Dean, wearing a gray suit, a light blue shirt, and a dark blue tie, testified in the same calm, controlled, almost monotonous voice that he had used at the Senate Watergate hearings.

He was the prosecution's 25th witness, and the first major one not professing that he was still a friend of the defendants—although he did concede that he was "known as Mitchell's man" in the White House. He was also the first witness to face the jury while he testified; at times leaning back, almost comfortably, in the witness chair.

Says He Called Casey

Mr. Dean said that either on the day of the July, 1972, meeting in Mr. Mitchell's office, or the day after, he called Mr. Casey. "I told Mr. Casey that John Mitchell had asked me what the status of the Vesco investigation was, and Mr. Casey then reported back to me that there was a major investigation going on," the witness said.

"Did you report back to Mr. Mitchell on your conversations with chairman Casey?" he was asked by James W. Rayhill, a government prosecutor.

"Yes, I did," he said.

Mr. Dean then testified about Mr. Mitchell's response.

"He told me that the S.E.C. investigation of Mr. Vesco was something that was being trumped up by the S.E.C. staff and he didn't think Bill Casey was fully aware of it, but it looked like the [S.E.C.] staff was having some sort of vendetta, or they were out to get Mr. Vesco," the writers said.

Mr. Dean testified that in August he was asked again about the case by Mr. Mitchell and that on the same day, Aug. 31, he checked again with Mr. Casey about the investigation, and that Mr. Casey had nothing new to report.

Mr. Dean said that again on Sept. 27, 1972, he spoke with Mr. Mitchell about the Vesco case. The witness gave this account of what happened:

"Mr. Mitchell asked me to

call Mr. Casey. He told me he didn't think that Bill Casey was aware of what was going on in the Vesco case, that the only way that he was going to learn what was going on if he ~~was~~ first-hand with Mr. Sears."

Relates About Sears

Harry L. Sears, a former high-ranking Republican in New Jersey, was at that time an attorney working for Mr. Vesco. He was indicted in this case, but was granted immunity to testify for the Government, and has already been a witness at this trial.

Mr. Dean said he reached Mr. Casey in New York on Sept. 28 and said, "I told—I said, 'Bill, I just talked with

<p>John Mitchell and he says that the S.E.C. staff is out after the Vesco people, and he thinks that you ought to sit down with Harry Sears and talk this over.”</p> <p>Mr. Dean went on: “Mr. Casey told me, he said, ‘John, I am aware of what’s going on in that case, it’s grown to be a much bigger case, it is one of the biggest cases the S.E.C. ever handled.’”</p> <p>“He didn’t tell me he wouldn’t meet with Sears,” Mr. Dean said, “but he said, ‘I am in New York and I am planning to meet with Mitchell,’ and indicated to me that he would take this up directly with Mr. Mitchell.”</p>	<p>Mr. Dean tied Mr. Stans into his testimony for the first time by saying that sometime late in September or early in October, 1972, he learned about the \$200,000 Vesco contribution from Mr. Stans, at a meeting with Mr. Stans in his White House office.</p> <p style="text-align: center;">Vesco Contribution</p> <p>Mr. Dean said he discussed the contribution with Mr. Stans again at the end of October and that “well, he [Stans] was concerned with the fact—he told me he was concerned that this large cash contribution with the initials J.M. could be a problem.” It has been testi-</p>	<p>fied that Mr. Stans kept Mr. Vesco’s contribution secret by listing it in the campaign books under Mr. Mitchell’s initials rather than under Mr. Vesco’s name.</p> <p>Mr. Dean also gave testimony concerning the conspiracy counts in this case. He testified, for instance, that after the election, and before the filing of the S.E.C. complaint on Nov. 27, 1972, against Mr. Vesco and 41 others, he met in the Metropolitan Club in New York with Mr. Mitchell and Mr. Stans. The date was Nov. 15, he said. Mr. Vesco and the 41 others were accused of defrauding investors of \$224-million.</p>	<p>The witness said that Mr. Stans reported that he had gone on a Texas hunting trip with G. Bradford Cook, former S.E.C. counsel, and that the two had discussed the Vesco case.</p> <p>Mr. Dean testified that he had reported that Mr. Cook “might be helpful in dealing with the degree of specificity that the complaint would have to entail. That it might result in showing the contribution.”</p> <p>He continued:</p> <p>“Mr. Mitchell nodded his approval, and as I recall, as Mr. Stans was departing, and putting things into his brief case at the table, he said something to the effect that he hoped to</p>
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<p>see Brad Cook shortly, and get this matter resolved.”</p> <p>The Government contends that one of the results of this Metropolitan Club meeting was that Mr. Stans “caused” Mr. Cook to change a paragraph in the proposed official S.E.C. complaint against Mr. Vesco to delete any specific references to the \$200,000 contribution.</p> <p>Mr. Dean testified that later, on March 20, Mr. Mitchell called Mr. Dean and said that he “had a ‘hell of a grilling before the grand jury’ [about this case] and he said ‘those little bastards in the Southern District were all over me.’ He said ‘they asked questions all over</p>	<p>the lot and even asked questions about John Ehrlichman and about you.’”</p> <p>“He also told me that it was a runaway grand jury and suggested that I take some action,” Mr. Dean testified. “Mr. Mitchell asked me, he said, ‘John, you’d better call your friend Dick Kleindienst’ — the Attorney General — and tell him what’s going on in the Southern District.”</p> <p>Mr. Dean said that he had called Mr. Kleindienst, and told him of Mr. Mitchell’s complaints. Asked what Mr. Kleindienst replied, the defense objected, and the judge upheld</p>	<p>the objection, so that the question was never answered.</p> <p>The witness then went on to admit that he had pleaded guilty last October to conspiracy to obstruct justice in the Watergate scandal, and as a result was disbarred as a lawyer in Virginia and suspended in Washington.</p> <p>With the start of cross-examination from Peter Fleming Jr., Mr. Mitchell’s chief counsel, he was a cautious but firm witness. Mr. Dean asked, on occasion, to have Mr. Fleming’s questions reread to him, and he held to his basic account. Cross-examination will continue this morning.</p>
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