

U.S. Rests in Trial Of Mitchell, Stans

New York

The government rested its criminal case against John N. Mitchell and Maurice H. Stans yesterday and the defense charged that the case against the former cabinet officers was a spinoff from the Watergate scandal.

Mitchell, the former attorney general, and Stans, one-time commerce secretary, are charged with conspiracy, obstruction of justice and perjury. They are accused of impeding a massive Securities and Exchange Commission fraud investigation of financier Robert L. Vesco in return for the latter's secret \$200,000 cash contribution to President Nixon's 1972 campaign.

In motions for dismissal of the criminal conspiracy charges against Mitchell and Stans, the defense said it had received voluminous transcripts of grand jury testimony by prosecution trial witnesses that it had not had access to before.

In reference to this material, the defense claimed:

"The clear implication and thrust of the questioning was that Vesco's contribution was requested in cash in order to finance the Watergate break-in and other recently disclosed political activity.

"Indeed, it is not too much to say from a review of these various transcripts that the prosecutors in New York were attempting to prove that very fact."

The implication was that after failing to link the Vesco cash directly to Watergate, the government settled for its current case against

Mitchell and Stans.

Mitchell and Stans testified before the Watergate Senate hearings and Mitchell has been indicted in connection with the coverup of the break-in at Democratic national headquarters.

In pretrial arguments, the defense vainly sought to have the charges dismissed or the trial transferred on grounds that Watergate could not but prejudice the jury against the two defendants.

"Watergate is not a part of this case," Judge Lee Gagliardi ruled at the time.

The question of Watergate was raised in one of three defense dismissal motions. These were to be argued today in a court session without the jury.

The nine men and three women are not due back in court until tomorrow morning, when the defense is scheduled to open its case, if it loses its bid for dismissal. Such midtrial dismissal motions are seldom successful.

Among the final government witnesses were a former Bahamas banker, who started the \$200,000 contribution on its way to Vesco and hence to Stans, and a campaign worker for Stans who gave the money back to Vesco ten months later.

The testimony was a means of tying up loose ends, since a number of government witnesses played roles at various times in the movement of the \$200,000. The final testimony tied the sequence together.

The first of the two witnesses was Peter Giordano, an American citizen who

formerly was managing director of the Bahamas Commonwealth Bank.

He testified that a Vesco aide telephoned him April 5, 1972, and asked that a credit of \$25,000 in \$100 bills be transferred to Barclay's Bank of New York. The extra \$50,000 eventually was turned over openly by Vesco to the New Jersey state committee to re-elect President Nixon.

Giordano was followed as a witness by Joyce Barbour, the campaign worker. She said that in February of 1973 it was decided to return the \$200,000 contribution to Vesco and a check for that amount was sent to him.

"Did that first check bounce?" she was asked.

"Yes, it did," Mrs. Barbour replied.

She said she was working for Stans Finance Committee to re-elect the President and that she was assigned to deliver the second check to Vesco at Dulles Airport in Washington, where he was waiting for her in his Boeing 707 jetliner.

"What was it like inside?" Mrs. Barbour was asked on cross-examination.

"The plane was beautiful," she replied. "It was done completely in mahogany wood paneling. We were seated mostly in the lounge area. It had a bathroom and sleeping compartment. He told me it was Frank Sinatra's old plane."

The 707 was a company plane on which Vesco is said to have spent \$600,000 for remodeling that included installation of a sauna, discotheque and gourmet kitchen.

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