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Prosecutors Imply Vesco Financed Watergate

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NEW YORK, April 4—Prosecutors revealed here today that they have evidence that Richard L. Vesco's secret cash contribution to the 1972 Nixon Watergate break-in.

In a legal memorandum supporting the propriety of the grand jury's inquiry that led to the indictment here of Nixon campaign chiefs Maurice H. Stans and John N. Mitchell, the government appeared to Judge Lee P. Gagliardi to allow them to introduce the evidence in court.

Judge Gagliardi has refused to allow the prosecutors to bring Watergate-related matters into their case against the two former Cabinet officers on the grounds it was irrele-

vant and improperly prejudicial in the case here.

The prosecutors feel the use of the money is key to one part of their case—a perjury count involving Stans' statement to the grand jury that he never asked for any cash contributions.

"The government submits that the cash financing of the 'Watergate' incident is directly relevant to defendant Stans' request to Vesco that the \$200,000 contribution be made in cash," said the prosecutors' memorandum.

"Clearly, it is more than just coincidence," said the memo, "that Vesco's \$200,000 in cash comes in on April 10, 1972, and \$200,000 in cash is disbursed to three Watergate figures after April 10, 1972, and neither the receipts nor

the disbursements are reported to the General Accounting Office as required by law."

One of the charges concerns concealing the contribution "by deceit, craft, trickery and dishonest means" from the GAO.

The disbursements after April 10, said the government memo, were to Herbert L. Porter, Frederick C. LaRue and G. Gordon Liddy.

In arguing today that the indictments of Mitchell and Stans should be thrown out because the Watergate issue came before the grand jury, Mitchell counsel Peter E. Fleming said that grand jury minutes showed that Vesco once asked Harry Sears, his lawyer, "I wonder whether

that's my cash that was used for that break-in?"

Vesco and Sears were originally indicted in the case. Sears testified for the government under a grant of immunity and Vesco has remained outside the United States.

Mitchell and Stans are accused of conspiracy, obstruction of justice and perjury. The prosecutors say they tried to intervene in an investigation of Vesco by the Securities and Exchange Commission in exchange for the contribution of the two-thousand \$100 bills, then later tried to cover up the fact of the contribution. In their memo opposing Fleming's motion, the prosecutors noted that, when they had Hugh W. Sloan Jr. on the wit-

ness stand, they were kept by the judge from eliciting full testimony from Sloan about the disbursements from the Finance Committee to Re-elect the President, of which Stans was chairman and Sloan was treasurer.

A potentially explosive part of the prosecutors' memo concerns the date of the secret Vesco payment: April 10, 1972. Stans has consistently denied he had any knowledge of the Watergate break-in of June 17, 1972.

Said the memo: "The motive of Stans' request to Vesco for \$200,000 was clearly relevant to the grand jury and, indeed, to the trial jury. The government should be entitled to bring out at this trial proof of the de-

fendants' motives and needs for cash during 1972."

Judge Gagliardi said he would rule on this and the defense's other motions for dismissal, and mistrial Friday morning, when the defense case begins.

The first defense witness is expected to be Edward Nixon, the younger of the President's brothers, who—according to testimony so far in the trial—was used by Vesco to recheck whether the \$200,000 had to be in cash.

Bus Accident

LIMA, Peru April 4 (AP)—A bus overturned and plunged into the Mantaro River, killing 14 persons and injuring 22, police reported today.