

Stans Defends Secrecy on Vesco Fund

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Denies Payoff, Insisting '72 Nixon Contributor Had Right to Privacy

By MARTIN ARNOLD

Maurice H. Stans took the witness stand in his own behalf yesterday and swore that he kept Robert L. Vesco's \$200,000 cash contribution to President Nixon's re-election campaign a secret because "privacy was his constitutional right under law."

There was no payoff, no quid pro quo, the former Secretary of Commerce said of the financier's contribution. Privacy was Mr. Vesco's right, he said, adding "that was behind the whole thing."

"Vesco made the contribution in private, and privacy was his constitutional right under the law," testified Mr. Stans, who was in charge of fundraising for the Nixon campaign.

It was a day of high emotion in the crowded courtroom, a day that ended with Mr. Stans seated at the defense table, his head down into his arms, his hands over his eyes, and his shoulders shaking, while his lawyer, Walter Bonner, told the judge about Mrs. Stans's illness.

The jury was out of the room at the time, and Mr. Bonner was arguing that, to show Mr. Stans' state of mind during the period covering the indictment in this case, he be allowed to tell the jury about Mrs. Stans' health. Judge Lee P. Gagliardi reserved decision on the point until this morning.

Mrs. Stans has been seriously ill for some time with a blood disease, which is now in remission. It is the defense's contention that the pressure Mr. Stans is under because of this might, in fact, have led to various contradictions he apparently made in his grand jury testimony.

Mr. Bonner said, for instance, that at one point, "She was dying. He [Mr. Stans] told their children they were going to lose their mother."

Mr. Stans and former Attorney General John N. Mitchell, who was also a leader of the Nixon campaign, are charged with perjury, conspiracy and obstruction of justice for allegedly attempting to impede and quash a Securities and Exchange Commission

investigation of Mr. Vesco, who is now a fugitive. The prosecution contends that the accused acted because of a secret, \$200,000 cash contribution Mr. Vesco made to the Nixon

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campaign.

The argument that the contribution was kept secret to protect Mr. Vesco is at the heart of the Stans defense. The cash turned over to Mr. Stans, on April 10, 1972.

Period of Contribution

This was three days after a new campaign contribution law went into effect. The defense argues that Mr. Vesco promised the contribution before April 7 and, therefore, it was perfectly legal, under Mr. Stans' interpretation of the law, to keep it secret.

The new law required that all campaign contributions of more than \$100 be made public.

"Privacy is a constitutional right," Mr. Stans said, in testifying about why the contribution was kept secret. "It had been given to him [Vesco] by Congressional legislation until April 7. I was doing my best to protect Robert Vesco and every other contributor."

Mr. Stans took the stand at the start of the court session, and throughout the day was a model witness. He had sat impassively at his defense table for 38 days, showing no emotion, merely staring at a pad in front of him on which he was taking notes.

But on the stand he was animated and smiling; he spoke directly to the jurors. Mr. Stans, wearing a dark blue business suit, with an American flag pin in his lapel, told of his humble beginnings, how he lived in a small town in Minnesota and how his father was a house painter and "a part-time musician."

Room Under Rafters

"We had a home, but it did not have running water," he said. "My room was on the second floor, which was unfinished, so I slept under the rafters, and when it was below zero outside, it was below zero inside."

He told how he had attended night school, first at Northwestern University and later at Columbia. But he said he had never been graduated because he had had to work. He became an accountant, he said, eventually becoming president of the American Institute of Certified Public Accountants.

Mr. Stans said that on the advice of John W. Dean 3d, then President Nixon's counsel, he did not tell the S.E.C., when it was investigating Mr. Vesco, that Mr. Vesco had made the \$200,000 cash contribution, Mr.

Vesco and 41 others are accused of defrauding investors of \$224-million.

And Mr. Stans swore that it was G. Bradford Cook, then counsel to the S.E.C., who volunteered, without Mr. Stans' asking, to drop all mention of the \$200,000 from the commission's formal complaint against Mr. Vesco and the 41 others, which filed against the fugitive financier on Nov. 27, 1972.

'Salesman' for President

Mr. Stans testified yesterday that he had "a pitch" he used to raise money for the Nixon campaign, that he was, in essence, a salesman for the President, and this was projected as he spoke to the jury—as contrasted by the testimony of his co-defendant, Mr. Mitchell, who spoke directly to his lawyer rather than to the jurors.

Mr. Cook has testified that it was Mr. Stans who had indicated that he wanted the paragraph about the \$200,000 dropped from the S.E.C. complaint.

Mr. Stans said that the subject of the \$200,000 and the complaint first came up between him and Mr. Cook during a lull in a goose hunt in a Texas rice field on Nov. 13, 1972.

In the course of this conversation, he said, Mr. Cook told Mr. Stans he wanted to become the chairman of the S.E.C., and then mentioned to him, for the first time, the Vesco case. He said that Mr. Cook had alerted Mr. Stans that the S.E.C. knew about the \$200,000, which Mr. Vesco had brought into the United States, but did not know what it was to be used for. Mr. Stans said he did not tell him.

Mr. Stans testified that he told Mr. Cook that he would check out the money, that if any part of it had been a campaign contribution, he thought the contribution had been made in checks, not cash.

That day, he said, he called Mr. Dean from the Houston airport and told him about the conversation he had had with Mr. Cook in the rice field.

"John, I did not volunteer anything to Brad beyond what he—I didn't tell him anything beyond what he asked me. Now, we got the \$200,000. Should I tell Cook about that?" Mr. Stans said he asked Mr. Dean. The witness continued:

"And Dean said, 'Well, now, in an informal conversation like that, that is not a formal procedure, and I don't think there's any obligation on you to tell Mr. Cook anything like that. If the S.E.C. wants information, they should ask for it in a more formal way.'"

"And that was Mr. Dean's opinion to me, which governed my actions from then on," Mr. Stans testified.

He testified that Mr. Vesco's name was, in fact, among 100 cash contributors whose names

were kept secret—because the law then did not require that their names be made public, and he said the records of those contributors were destroyed, but were later reconstructed.

Mr. Bonner, late in the afternoon, asked his client whether or not there came a time "when someone in your family was very ill."

John R. Wing, the chief prosecutor, then jumped up and objected, and Mr. Bonner said he wanted to go into that question because it went to Mr. Stans' state of mind; that his wife was suffering from rare blood disease and that Mr. Stans was under severe pressure during the period of August to December, 1972.

Mr. Wing again objected, and the judge then excused the jury for the day. Following this Mr. Bonner opened into an emotional and passionate plea, and with restrained anger shouted, "Your honor, it [Mrs. Stans' health] bears on his [Stan's] recollection;" that no one in Mr. Stans' life meant more to him than his wife, and that indeed the pressure of her illness was so great that Mr. Stans' own doctor suggested that the defendant go on the goose hunt.

Judge Gagliardi said that he was "sympathetic to anyone in that position but I want to get the facts so that I can make a reasoned decision."

"I don't want sympathy. I want this to be told to the jury," Mr. Bonner shouted. By this time Mr. Stans had left the witness stand and was seated hunched over, his body shaking, at the defense table.

"She [Mrs. Stans] was hemorrhaging from her nose, and her ears, and every opening in her body," Mr. Bonner shouted.

Mr. Wing said quietly, "I'm concerned that the jury decide this case on the facts." Judge Gagliardi reserved decision, and Mr. Stans will continue with his testimony today.