Gurney Denies Knowing

of Fund-Raising Operation

Tampa, Fla.

Former Senator Edward J. Gurney, taking the stand in his own defense, swore yesterday that for 18 months he knew nothing about a fund-raising operation that prosecutors claim was an illegal scheme to shake down Florida builders.

Gurney, 61, looked directly at jurors frequently as he spoke in his pronounced Maine accent, saying at one point he had a "poor memory."

The ex-Republican senator, former aide Joseph Bastien, and onetime federal housing officers K. Wayne Swiger and Ralph Koontz are charged with conspiracy to create an illegal $233,000 slush fund from builder payoffs by peddling Gurney's influence with the Federal Housing Administration.

Gurney, a member of the Senate Watergate committee who gave up a reelection bid after the slush fund scandal broke, also is charged with bribery and receiving unlawful compensation, and four counts of lying to a federal grand jury that indicted him last July.

His lawyer, C. Harris Ditt-mar, asked him about a crucial Jan. 19, 1971, meeting at Gurney's home in Winter Park.

The government claims that is the meeting where fund raising was discussed and Gurney hired Larry Williams in a telephone call at the end of the meeting.

Gurney said the meeting was called to devise political strategy and fund raising was only mentioned in a general way.

Concerning any discussion of Williams at the meeting, Gurney said, "I cannot in all honesty say I can remember."

Asked if he hired Williams in a telephone call, Gurney said, "I don't recall it.
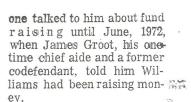
"Everybody who knows me knows I have a poor memory," Gurney added.

"Following this meeting, I never discussed fund raising with anybody in the State of Florida at any time prior to June, 1972," Gurney testified.

In the government's 14-week case, seven witnesses took the stand and said they personally warned Gurney about Williams' activities before June, 1972.

But Gurney claimed no one talked to him about fund raising until June, 1972, when James Groot, his onetime chief aide and a former codefendant, told him Williams had been raising money.

Associated Press