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Dates of Dean's conversations with Cook:

Sept. 6, 7, 11, & 14; Oct. 2, 6, 11, & 12.

Minority leader's letter: Sept. 28



GARRY BROWN
3D DISTRICT, MICHIGAN

COMMITTEE ON
BANKING AND CURRENCY

COMMITTEE ON
GOVERNMENT OPERATIONS

JOINT COMMITTEE ON
DEFENSE PRODUCTION

Congress of the United States
House of Representatives
Washington, D.C. 20515

July 9, 1973

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The Honorable Sam J. Ervin, Jr.
Chairman
Select Committee on Presidential
Campaign Activities
Senate Office Building
Washington, D. C.

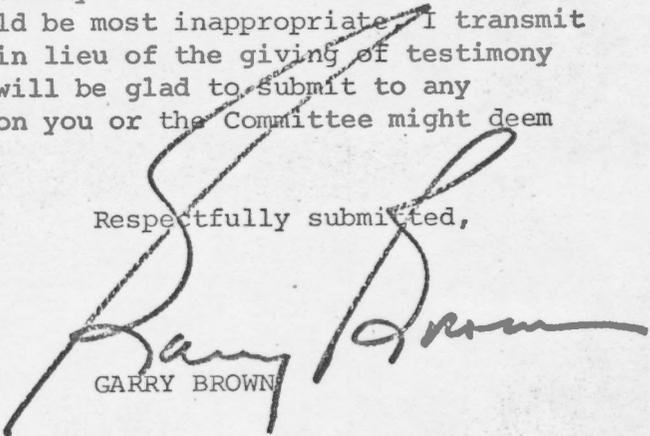
Dear Mr. Chairman:

The attached statement is submitted as my response and rebuttal to the allegations made by Mr. John Dean before your Committee which involved me in the subject of your hearings.

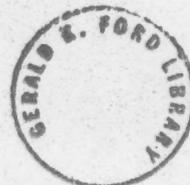
It is in the format of testimony since I had hoped your Committee would provide me with an opportunity to present the statement personally, my requests in this regard to date having been denied.

Since the inter-mixing of my testimony with that of the other witnesses you intend to call would be most inappropriate, I transmit for filing this sworn statement in lieu of the giving of testimony at some future date, although I will be glad to submit to any interrogation or cross-examination you or the Committee might deem appropriate at any time.

Respectfully submitted,


GARRY BROWN

Enclosures



Mr. Chairman and Members of the Committee:

At the outset, let me express my deep appreciation to you, Mr. Chairman, and the Committee for providing me with this opportunity to respond in kind to the allegations made by Mr. Dean in his statement and earlier presentation to this Committee. To say that I was somewhat dumbfounded to learn of the allegations made by Mr. Dean is a gross understatement since my participation in the bipartisan effort by members of the House Banking and Currency Committee, which resulted in the denial of the granting of subpoena authority to the Chairman of our Committee, was in no way connected with the so-called "cover-up" activities in which Mr. Dean has testified he participated.

Perhaps it would be best for me to provide the Committee with a chronological statement of what occurred in this regard on the House side, as best I can recall it, and then provide the Committee with a particularized response to Mr. Dean's several allegations.

Assuming the concurrence of the Committee in this proposed format of my testimony, let me proceed with the chronological statement of activities on the House side, the period of time over which these activities occurred having been late August of 1972 to October 3, 1972, the latter date being the date of the meeting of the House Banking and Currency Committee at which, by a vote of 15 to 20, Chairman Patman's request for subpoena authority was denied.

While back in Michigan fulfilling commitments during the August Recess of the Congress, on either the late afternoon of August 30 or the morning of August 31, 1972, I heard on my car radio that the Banking and Currency Committee was interviewing Mr. Maurice Stans, the Chairman of the Finance Committee to Re-Elect the President, with respect to the handling of campaign contributions since there appeared to be a connection between the handling of some of such funds and the Watergate burglary.

Inasmuch as I had not been notified by my office in Washington, nor had I received any notice in Michigan, that the Committee was meeting for this purpose, I



immediately got in touch with my Washington office and determined that Chairman Patman had not called a meeting, nor had he notified my office of the interviews with Stans. I then contacted the Banking and Currency Committee staff to determine the facts with respect to the news broadcast I had heard and determined that no Committee meeting had been called, but rather that certain members of the Banking and Currency Committee staff, at the direction of the Chairman, had individually interviewed Stans. I was unable to ascertain at that time from the staff the justification therefor or the reasons why Committee members had not been advised of Chairman Patman's initiation of such investigation by staff members.

In view of the media attention provoked, it appeared to me Patman's action was prompted by political considerations, so I again called my Washington office and asked my legislative assistant to carefully examine the Rules of the House and the Rules of the Banking and Currency Committee to determine by what authority Patman had initiated such investigation without first seeking the authority of the Committee and by what authority he could do so without even notifying Committee members. As a result of such research by my legislative aide, on Thursday, August 31, 1972 I dictated a letter to Chairman Patman citing the Rules of the House and the Committee and indicating my displeasure over the fact that he had initiated such investigation without seeking the concurrence of the Committee or even notifying Committee members. This letter is attached as Exhibit No. 1.

At this juncture, I should point out that to the best of my recollection, there had been no Committee discussion of our Committee's jurisdiction over, or involvement in, an investigation of the Re-Elect Committee's handling of contributions or their possible involvement in the financing of the Watergate burglary. In short, the Committee staff investigation hit me as a complete surprise.

It being necessary for me to attend the fall Republican State Convention in Detroit September 1 and 2, I did not return to Washington until late Monday, Labor Day, September 4.

Inasmuch as the only information I had been able to develop regarding the content of the interviews by Patman's staff members of Stans was from a Republican staff member who had been present during only a portion of such interviews, I contacted Mr. Stans to attempt to determine the particulars about the staff inquiry, whether or not a transcript had been made of such interviews or any other record of the



discussions in order that I might be apprised of the substance of such interviews to the same extent as were the staff members and Mr. Patman. In the course of my discussion of the matter telephonically with Mr. Stans, I requested an opportunity to discuss the matter personally with him and arranged to see him on the morning of September 6.

In view of Mr. Dean's statements on pages 103 and 104 to the effect that he and others associated with the White House were aware of and concerned about the Banking and Currency staff investigation as early as mid-August, I should point out that my first contact of any kind with anyone from the White House or the Finance Committee to Re-Elect the President was this call to Mr. Stans on September 5, 1972. (1)

Also, in view of Mr. Dean's association of the Banking and Currency Committee with what he alleges were cover-up discussions going on at this time, it is essential to keep in mind the limited scope of the Patman investigation. In his letter to me, received September 5, responding to my letter of August 31, 1972, Chairman Patman said that his interest in an investigation was prompted by a letter he had received from a Committee member who urged either Patman or the International Finance Subcommittee Chairman to look into possible violations of the Foreign Bank Secrecy Act by the Committee to Re-Elect the President in connection with the transfer of some of its funds through Mexico. In addition, and subsequently, Patman brought into the scope of his interest the circumstances surrounding a \$25,000 contribution to the Committee to Re-Elect the President by one who was interested in a national bank charter application which was pending. In short, by Patman's own statements, he was justifying jurisdiction of the Banking and Currency Committee over the investigation by limiting its scope to the use of banks in the financial transactions of the Committee to Re-Elect the President, the bank charter matter, and to the Watergate burglary by virtue of the surfacing of funds in the bank account of Mr. Barker, one of those who had been arrested for participation in such burglary.

Not satisfied with Patman's response of September 5, 1972, I immediately drafted a letter to him, which letter was co-signed by several of my Republican colleagues on the Committee, in which we demanded that Patman call a meeting of

(1) At no time, before, during, and since the period covered by this chronology, have I discussed the Committee's action or the Watergate matter with the President, Mr. Haldeman, Mr. Erlichman, Mr. Dean, Mr. Mitchell, Mr. Colson, or any similar person within the inner-group mentioned by Mr. Dean.



the Committee to discuss the whole matter. Our letter of September 5, 1972 is attached as Exhibit No. 2.

In view of Patman's rationale for conducting the investigation, in my interview with Mr. Stans on September 6, I attempted to ascertain the true facts from him concerning the handling of campaign contributions, the alleged Mexican "laundering" of such funds, and their apparent ultimate deposit in Barker's bank account. Mr. Stans informed me he did not know how or why the funds went to Mexico and ended up in Barker's account, stating that Mr. Gordon Liddy, the general counsel for the Committee, had been the one who made the decisions regarding how contributions were reported, handled, etc. under the new campaign expenditure law. Since my inquiry involved the legality of the handling of such funds, it was agreed I should talk with Mr. Kenneth Parkinson, who was the new legal counsel for the Finance Committee to Re-Elect the President, having succeeded Mr. Liddy, whose services had been terminated.

I met with Mr. Stans personally only this one time, but I may have talked with him three or four times on the phone. During the course of these conversations, I am quite sure I suggested that it might be better for Mr. Stans to testify than to give Patman the opportunity to publicize and take political advantage of Stans' non-appearance, it being the position of most Republican Committee members that Patman's interest in an investigation was more political than anything else.

I discussed the application of the Bank Secrecy Act, the campaign expenditure law, and other aspects of the matter telephonically with Mr. Parkinson several times and met with him on one occasion of which I am certain and possibly a second time very briefly, although I cannot specifically recall a second occasion.

During this time, I had asked my legislative assistant, who is an attorney and a former law clerk for a Federal Court of Appeals Judge, to brief for me the question of the propriety of the appearance of Mr. Stans and others before our Committee. In the course of this research done by both my legislative assistant and myself, it became apparent that such an appearance could prejudice the rights of those who might be indicted as a result of the grand jury proceedings that were then in progress. Appreciation of this problem prompted me to write to both the



Attorney General and Mr. Stans requesting the opinion of the Attorney General with respect to the propriety of Mr. Stan's appearance as well as the opinion of Mr. Stans' attorney concerning his own position on the appropriateness of such appearance. These letters are attached as Exhibits No. 3 and 4, respectively. At the time of the writing of these letters, Mr. Stans had not, to my knowledge, decided whether or not he would voluntarily appear before the Committee.

It is this letter of September 8 to the Attorney General which Mr. Dean has said in his statement, ". . . was, in fact, drafted by Parkinson for Congressman Brown." I unequivocally deny this charge. The letter to the Attorney General was dictated by me to my secretary and is my work product in every respect. It is my best recollection that from the conversations I had with Mr. Stans and Mr. Parkinson up to this point it appeared to me no decision had been made as to whether or not Mr. Stans would appear. The decision to write such letters was wholly my own and stemmed from my concern about the propriety of his appearance regardless of what his decision might be, such concern having been prompted by the limited research done by my legislative aide and myself to this time.

It would be asinine for me to say that in the course of my discussions of the matter with Stans and Parkinson I did not mention the concern I felt about the legal ramifications of Mr. Stans' appearance before the Committee and of my belief that the legal opinions of those most closely involved, namely, the Attorney General and Stans, should be obtained. In any such discussions, however, it was always a matter of my apprising Stans and Parkinson of what I proposed to do, rather than receipt by me of suggestions, requests, urgings, etc. from them.

Although I received no written response from the Attorney General to my letter of September 8, on September 12 Ralph Erickson, the Deputy Attorney General, telephoned my office and talked with a member of my staff and advised that he was calling in response to my letter of September 8 and indicated that the Attorney General would be happy to talk with me about the matter but did not intend to respond in writing, suggesting that the questions I had asked were now moot because in the interim Mr. Stans had notified the Committee that he was declining the invitation to testify.



During this period of time, the Banking and Currency Committee, although considering other legislation, had been embroiled in the controversy about the conduct of hearings by the Committee into the Patman charges, the scope of which I have already described. But none of the activities regarding political espionage, bugging, cover-up, etc. which have now surfaced and which are now being discussed were known at the time the Banking and Currency Committee was contemplating its hearings and it must also be kept in mind that Patman's effort to investigate the matter of the laundered funds and Barker's involvement was analyzed by most of us at that time as being blatantly political in view of the up-coming election.

Chairman Patman finally did discuss the matter with the Committee and, although objection was voiced by many of us, he scheduled a meeting of the Committee for September 14 to receive the testimony of Stans and Phillip S. Hughes, Director of the Office of Federal Elections, General Accounting Office. This was the meeting at which Stans declined to appear.

Because Stans had failed to appear voluntarily, Chairman Patman notified the Committee on September 25, 1972 that he intended to seek the authority of the Committee to issue subpoenas for Stans and several others at a meeting of the Committee to be held October 3. When it became certain that the Chairman would seek subpoena authority, my earlier concern about the propriety of such appearance was renewed and intensified since in the meantime the legal research done by me and my office had clearly established the danger of conducting a Congressional hearing when criminal proceedings were pending regarding the same matter.

As a result, I again wrote to the Attorney General on September 26, 1972, pointing out to him that although the questions I had raised in my September 8 letter might have become moot after Stans had declined to voluntarily testify, Patman's plans to seek subpoena authority made my questions and concerns very real once again. This letter of September 26 is attached as Exhibit No. 5.

Despite my insistence in my letter to the Attorney General of September 26, 1972 for an opinion to be expressed, it wasn't until the late afternoon of October 2 that I learned Mr. Henry Petersen, Assistant Attorney General, had replied to my letter of September 26, not to me, but to Patman. In fact, Patman had received the response



from Petersen before I knew that a response had been provided, since I was not given a copy until I requested the same. This letter from Petersen is attached as Exhibit No. 6 and is the same as Dean's Exhibit No. 21.

In this regard, I felt at the time that the Department of Justice and the Attorney General's Office was being most uncooperative and, in fact, was taking a rather untenable position of not wanting to get involved when my research had clearly satisfied me that the success of their prosecutive efforts of those who had been indicted by the grand jury could be seriously jeopardized by public hearings of the Banking and Currency Committee under the law applicable thereto, especially the holding in the Delaney case. It having been my position then, and it continues to be my position, as well as that of Archibald Cox, the Special Prosecutor, that public hearings in prejudicing the rights of those who have been accused, necessarily also seriously jeopardize the successful prosecution of these individuals.

In any case, the Committee met on October 3 and, as is well known, voted 20-15 against authorizing the Chairman to issue the subpoenas he had requested. (2)

Although it is of little pertinence to this chronology, I wish to add that consistent with my many-times stated position regarding the Banking and Currency Committee's investigation of this matter, to wit, that such investigation should await completion of criminal proceedings, I wrote to Chairman Patman in early January of this year urging him to designate a staff member or hire outside counsel to monitor the criminal trials of the "Watergate Seven" so that we might be kept current on the proceedings of those trials so we would be prepared to conduct a Committee investigation upon completion of the criminal proceedings.

Needless to say, the Chairman declined to grant my request and in a reply expressing many reasons, closed the door upon any investigation by our Committee.

From the foregoing, it is obvious that Mr. Dean, in his testimony before the Senate Select Committee, either has stated things to be true which he does not know to be true or has engaged in absolute falsehoods. More particularly, I recite the following: (References are to the statement presented to your Committee on June 25, 1973.)

On page 104, Mr. Dean states: "At some point in time during these

2) In view of Mr. Dean's testimony about the proposed Patman witness list, I should add at this point that I attempted to determine who Patman wanted to subpoena, but it wasn't until I received such list, hand-delivered at 5:05 P.M. on 10/2/72, the evening before the 10/3/72 meeting, that I or anyone else, to my knowledge, knew who Patman intended to subpoena and call as witnesses.



investigations Mr. Parkinson was put in touch with Congressman Gary (sic) Brown who was a member of the Banking and Currency Committee."

The fact is, Mr. Parkinson was not put in touch with me, I requested an opportunity to talk to Mr. Parkinson during my original contact with Mr. Stans when he could not explain to me the several legal aspects of the handling of funds by Mr. Liddy, the legal interpretation given to the campaign expenditure law as it applied to contributions made to the Committee to Re-Elect the President before and after April 7, 1972, and other aspects of the staff interrogation of Mr. Stans.

Also on page 104, Mr. Dean states:

"To the best of my recollection this may have resulted from discussions between members of the White House Congressional Relations staff with the Republican members of the Banking and Currency Committee to determine who would be most helpful on the Committee and Brown indicated his willingness to assist." (emphasis added)

The fact is, I recall no conversation with anyone which could be interpreted as my indicating a "willingness to assist." This is especially true if one interprets, as he must, Mr. Dean's word "assist" as being willingness to assist in the White House efforts to block the Patman Committee hearings for the second reason he states on page 103; that being, and I quote . . . "and second, they just might stumble into something that would start unraveling the cover-up." (3)

It should be pointed out that as of even September 8, 1972, or for that matter as late as October 3, 1972, to my recollection, there had been no public suggestion that a "cover-up" was in progress. The fact that I opposed such hearings at that time because I was satisfied the law made inappropriate and undesirable the conduct of hearings of our Committee while the criminal proceedings were pending and, in addition, thought Patman's desire for such hearings was purely political, while for other reasons the White House may have opposed such hearings, may make our goal similar, namely, the blocking of the hearings, but it is totally improper to attribute the same motivation, as Mr. Dean has done.

Again on page 104, Mr. Dean states:

"On September 8th Congressman Brown sent a letter to the Attorney General regarding the forthcoming appearance of Secretary Stans and others before the Patman Committee. I have submitted to the Committee a copy of this letter (Exhibit No. 18), which was, in fact, drafted by Parkinson for Congressman Brown." (emphasis added)



(3) Although Dean cites no time frame for this statement, it should be remembered I independently and aggressively had commenced opposing the Patman action as early as 8/31/72 and had no knowledge of what Dean says were on-going conversations within his group on the subject.

The fact is, this letter was not drafted by Parkinson for me, nor to the best of my recollection does my letter to the Attorney General contain any input from Parkinson, although, of course, as I have already indicated I had apprised Stans and Parkinson of my plans to solicit the opinion of the Attorney General. On this same page 104, Dean again refers to "Parkinson's drafting the letter for Congressman Brown," which is a repetition of the previous erroneous statement.

I wish to advise the Committee with respect to this statement that upon learning of this charge made by Mr. Dean, I knew it to be so completely erroneous that I sought an explanation for the making of same by Mr. Dean. I attempted to contact Mr. Parkinson to determine whether or not he, or anyone else to his knowledge, might have suggested or stated to Mr. Dean that he, Parkinson, had drafted such letter. Mr. Parkinson was not immediately available and I was unable to talk with him until the late afternoon of Tuesday, June 26, 1973, Dean's statement having been made, as you will recall, in his testimony before this Committee on June 25, 1973. In this telephone conversation with Mr. Parkinson on June 26, Mr. Parkinson unequivocally denied that he had drafted such letter or that he, or anyone else to his knowledge, had advised Mr. Dean that such letter had been drafted by him, Parkinson.

However, in the course of my attempting to learn from Parkinson how Dean could possibly have made this statement, Parkinson recalled that he had prepared a draft of a letter at the request of Mr. Dean which he, Parkinson, understood was to be furnished to the Attorney General as a proposed response by the Attorney General to my letter of September 8, 1972 (Dean's Exhibit No. 18, my Exhibit No. 3).

and it requested a copy of this proposed draft which was prepared by Mr. Parkinson for Mr. Dean^{is} attached hereto as Exhibit No. 7. It is Mr. Parkinson's further recollection that subsequent to his preparation of this draft, Mr. Dean took the same for what Mr. Parkinson understood to be a further review or revision by Mr. Dean. Of course, this proposed draft was apparently never used as intended since no response was made at that time to my letter of September 8, 1972.

Although it is relatively insignificant, on page 105 of his testimony, Dean



states that no response was sent by the Justice Department to my letter of September 8 prior to the scheduled appearance of Mr. Stans on September 14; whereas, although Dean's discussion of this matter on page 105 may be substantially accurate, I did receive a telephonic response to my letter of September 8 from Deputy Attorney General Erickson in which, as I have above pointed out, he indicated no written response would be provided and that he felt the questions I had raised in my letter of September 8 were moot because of Stan's decision, not to appear before the Committee voluntarily.

On page 108, Mr. Dean states:

"I began receiving increasing pressure from Mitchell, Stans, Parkinson and others to get the Justice Department to respond to the September 8th letter of Congressman Brown as a vehicle that Congressman Brown could use in persuading others not to vote in favor of the subpoenas. Congressman Brown felt that with this document in hand he would give the Republicans and others something to hang their vote on." (emphasis added)

The fact is, I know of no basis for these statements since my only purpose in writing to the Attorney General on both occasions, that is, September 8 and September 26, was to attempt to get the Attorney General to recognize the law for what I knew it to be and to appreciate the prosecutorial problems which would be created by public hearings of the Committee. I especially know of no basis in fact for the underlined portion of the foregoing quote from Dean's statement, since I cannot recall having expressed the same to anyone. However, there can be little question but what such a letter would have a favorable impact upon other members.

At the bottom of page 108 and on page 109 of Dean's statement he states that much effort was put forth by many people, including Mr. Timmons, to persuade members of the Committee to vote against the hearings. I can only speak for this member of the Committee in this regard, but I do not recall receiving any urging from anyone at the White House to cast my vote against such hearings.

In fact, I am very certain I had no significant contact from anyone associated with the Administration or the White House regarding the hearings other than the contacts I have already discussed with Mr. Stans and Mr. Parkinson.

To the best of my recollection, my only contacts with White House personnel were insignificant contacts I had in the course of normal legislative business with Dick Cook, the White House liaison agent for the House of Representatives, who,



rather than suggesting or urging me to take any course of action, merely inquired of me as to how things were going and whether or not I thought those of us who opposed the hearings would be successful in our opposition. In my discussions with other members of the Committee at that time and since, I have yet to find one who indicated that he or she was pressured in any way to vote as he or she did.

In conclusion, I wish to thank you, Mr. Chairman, and the members of the Committee for your patience in permitting me to provide this probably unnecessarily lengthy statement. My purpose in doing so was to establish for the record not only the absence of culpability on my part, but the absence of culpability on the part of the other members of the House Committee on Banking and Currency in opposing the Patman investigation, to the extent that I have any knowledge of other members' actions.

I hope I have satisfied the Committee and the listening, viewing, and reading audience that what Mr. Dean has concluded was causally related action by the majority of our Committee to what he was doing at the White House, has no basis in fact and should not be so presumed. If opposition to action proposed by one's colleagues, when that opposition is based on principle and proper political motivation, cannot be voiced without such opposition being interpreted as culpable conduct and obstruction of justice, then we certainly have reached a sorry state of affairs in our political and legislative system.

If I have done nothing else, I trust that I have at least somewhat dispelled the "guilt by association" implicit in Mr. Dean's testimony by his linking of the House Banking and Currency Committee action with the whole gamut of culpable conduct about which he has testified.

I will be glad to answer any questions the members of the Committee might care to pose.

Thank you.



Nov. 5

The CHAIRMAN. Senator Pell?

Senator PELL. In the interest of time, I will limit myself to one question. I would like to return for a moment to this question of inflation and the burdens imposed, particularly, on our older people. The bill that passed the Senate and is in the House now calls for, I think, a 7-percent increase. Before it passed the House, would you urge the President to sign this bill or do you feel that—

Mr. FORD. I believe that if you are going to increase the benefits, you have to, in all honesty, find additional revenue. Now, I have not had a chance to study whether this added benefit payment that is provided in the Senate version requires additional revenue, whether we have to increase the ceiling so that you are taxing more of the income, or whether we have to increase the rates. But if we have not provided in such legislation additional revenues to keep the balance in the social security trust funds—if we have not provided that revenue—I would urge that it be vetoed.

I hope that we can provide enough revenue because, in my opinion, certainly the people in the older age brackets, because of inflation, need the help. And I want to help them. But I do not want to destroy the social security concept by not providing sufficient revenues to finance these additional benefits.

Senator PELL. Thank you very much.

The CHAIRMAN. Senator Byrd?

Senator BYRD. Representative Ford, will you relate to the committee your role, if any, in the blocking of an investigation by the House Banking and Currency Committee into the Watergate breakin as proposed by Chairman Wright Patman in October of 1972?

Mr. FORD. Senator Byrd, I do not have the full details here, but I can give you the salient points.

Chairman Patman had proposed sometime in October of 1972 that his committee, the Committee on Banking and Currency in the House, undertake an investigation of certain American banks in trading or handling accounts between an American bank and a foreign bank. And Chairman Patman wanted subpoena authority to carry out this investigation.

A number of members of that committee on the Republican side and several on the Democratic side were opposed to giving that authority to Mr. Patman. A number of our Republicans on that committee came to me and said, "Jerry, we think you ought to call a meeting so that we on our side of the aisle could bring the leadership up to date, and perhaps the leadership would give some counsel to the Republican members of the Committee on Banking and Currency."

So as the Republican leader of the House, upon this request, I called a meeting. We met with the Republican members of that committee on one or two occasions. They brought us up to date. We talked about what the policy ought to be in the committee, but there was no Republican Party decision made. The action taken by the Republicans plus, I think, five Democrats was, I think, to deny Chairman Patman that power of subpoena.

Senator BYRD. You may be aware that John Dean testified to the Senate Watergate Committee on June 25 of this year that House Republican leaders "acted at the request of the White House to block that investigation." Were you in contact with anyone at the White House



hiring the period of August through October 1972 concerning the Patman committee's possible investigation of the Watergate breakin?

Mr. Ford. Not to my best recollection. The best and, I think most authoritative answer to this question is one that Representative Jerry Brown of the Third District of Michigan submitted to the Ervin committee.

Congressman Brown was very much involved as a member of the Committee on Banking and Currency, and his name was much more closely identified with this problem than was mine.

As a result, he prepared the very detailed statements which I understood were put in the record of the Ervin committee. He was never called to testify. But I would be glad to submit that statement by Congressman Brown because it goes into this whole question in very great depth.

I think it might be helpful to the part of this record if the chairman of the committee would so permit.

The CHAIRMAN. You may supply them for the record.

Mr. Ford. I will, sir.

[The statement referred to follows:]

STATEMENT OF HON. GARRY E. BROWN, A MEMBER OF CONGRESS FROM THE STATE OF MICHIGAN, SUBMITTED TO THE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. Chairman and Members of the Committee, at the outset, let me express my deep appreciation to you, Mr. Chairman, and the Committee for providing me with this opportunity to respond in kind to the allegations made by Mr. Dean in his statement and earlier presentation to this Committee. To say that I was somewhat dumbfounded to learn of the allegations made by Mr. Dean is a gross understatement since my participation in the bipartisan effort by members of the House Banking and Currency Committee, which resulted in the denial of the granting of subpoena authority to the Chairman of our Committee, was in no way connected with the so-called "cover-up" activities in which Mr. Dean has testified he participated.

Perhaps it would be best for me to provide the Committee with a chronological statement of what occurred in this regard on the House side, as best I can recall it, and then provide the Committee with a particularized response to Mr. Dean's several allegations.

Assuming the concurrence of the Committee in this proposed format of my testimony, let me proceed with the chronological statement of activities on the House side, the period of time over which these activities occurred having been late August of 1972 to October 3, 1972, the latter date being the date of the meeting of the House Banking and Currency Committee at which, by a vote of 15 to 20, Chairman Patman's request for subpoena authority was denied.

While back in Michigan fulfilling commitments during the August Recess of the Congress, on either the late afternoon of August 30 or the morning of August 31, 1972, I heard on my car radio that the Banking and Currency Committee was interviewing Mr. Maurice Stans, the Chairman of the Finance Committee to Re-Elect the President, with respect to the handling of campaign contributions since there appeared to be a connection between the handling of some of such funds and the Watergate burglary.

Inasmuch as I had not been notified by my office in Washington, nor had I received any notice in Michigan, that the Committee was meeting for this purpose, I immediately got in touch with my Washington office and determined that Chairman Patman had not called a meeting, nor had he notified my office of the interviews with Stans. I then contacted the Banking and Currency Committee staff to determine the facts with respect to the news broadcast I had heard and determined that no Committee meeting had been called, but rather that certain members of the Banking and Currency Committee staff, at the direction of the Chairman, had individually interviewed Stans. I was unable to ascertain at that time from the staff the justification therefor or the reasons why Committee members had not been advised of Chairman Patman's initiation of such investigation by staff members.



In view of the media attention provoked, it appeared to me Patman's action was prompted by political considerations, so I again called my Washington office and asked my legislative assistant to carefully examine the Rules of the House and the Rules of the Banking and Currency Committee to determine by what authority Patman had initiated such investigation without first seeking the authority of the Committee and by what authority he could do so without even notifying Committee members. As a result of such research by my legislative aide, on Thursday, August 31, 1972 I dictated a letter to Chairman Patman citing the Rules of the House and the Committee and indicating my displeasure over the fact that he had initiated such investigation without seeking the concurrence of the Committee or even notifying Committee members. This letter is attached as Exhibit No. 1.

At this juncture, I should point out that to the best of my recollection, there had been no Committee discussion of our Committee's jurisdiction over, or involvement in, an investigation of the Re-Elect Committee's handling of contributions or their possible involvement in the financing of the Watergate burglary. In short, the Committee staff investigation hit me as a complete surprise.

It being necessary for me to attend the fall Republican State Convention in Detroit September 1 and 2, I did not return to Washington until late Monday, Labor Day, September 4.

Inasmuch as the only information I had been able to develop regarding the content of the interviews by Patman's staff members of Stans was from a Republican staff member who had been present during only a portion of such interviews, I contacted Mr. Stans to attempt to determine the particulars about the staff inquiry, whether or not a transcript had been made of such interviews or any other record of the discussions in order that I might be apprised of the substance of such interviews to the same extent as were the staff members and Mr. Patman. In the course of my discussion of the matter telephonically with Mr. Stans, I requested an opportunity to discuss the matter personally with him and arranged to see him on the morning of September 6.

In view of Mr. Dean's statements on pages 103 and 104 to the effect that he and others associated with the White House were aware of and concerned about the Banking and Currency staff investigation as early as mid-August, I should point out that my first contact of any kind with anyone from the White House or the Finance Committee to Re-Elect the President was this call to Mr. Stans on September 5, 1972.¹

Also, in view of Mr. Dean's association of the Banking and Currency Committee with what he alleges were cover-up discussions going on at this time, it is essential to keep in mind the limited scope of the Patman investigation. In his letter to me, received September 5, responding to my letter of August 31, 1972, Chairman Patman said that his interest in an investigation was prompted by a letter he had received from a Committee member who urged either Patman or the International Finance Subcommittee Chairman to look into possible violations of the Foreign Bank Secrecy Act by the Committee to Re-Elect the President in connection with the transfer of some of its funds through Mexico. In addition, and subsequently, Patman brought into the scope of his interest the circumstances surrounding a \$25,000 contribution to the Committee to Re-Elect the President by one who was interested in a national bank charter application which was pending. In short, by Patman's own statements, he was justifying jurisdiction of the Banking and Currency Committee over the investigation by limiting its scope to the use of banks in the financial transactions of the Committee to Re-Elect the President, the bank charter matter, and to the Watergate burglary by virtue of the surfacing of funds in the bank account of Mr. Barker, one of those who had been arrested for participation in such burglary.

Not satisfied with Patman's response of September 5, 1972, I immediately drafted a letter to him, which letter was co-signed by several of my Republican colleagues on the Committee, in which we demanded that Patman call a meeting of the Committee to discuss the whole matter. Our letter of September 5, 1972 is attached as Exhibit No. 2.

In view of Patman's rationale for conducting the investigation, in my interview with Mr. Stans on September 6, I attempted to ascertain the true facts from him concerning the handling of campaign contributions, the alleged Mexican

¹ At no time, before, during, and since the period covered by this chronology, have I discussed the Committee's action or the Watergate matter with the President, Mr. Haldeeman, Mr. Erlichman, Mr. Dean, Mr. Mitchell, Mr. Colson, or any similar person within the inner group mentioned by Mr. Dean.



"sundering" of such funds, and their apparent ultimate deposit in Barker's bank account. Mr. Stans informed me he did not know how or why the funds went to the bank and ended up in Barker's account, stating that Mr. Gordon Liddy, the general counsel for the Committee, had been the one who made the decisions regarding how contributions were reported, handled, etc. under the new campaign expenditure law. Since my inquiry involved the legality of the handling of such funds, it was agreed I should talk with Mr. Kenneth Parkinson, who was the new legal counsel for the Finance Committee to Re-Elect the President, having succeeded Mr. Liddy, whose services had been terminated.

I met with Mr. Stans personally only this one time, but I may have talked with him three or four times on the phone. During the course of these conversations, I am quite sure I suggested that it might be better for Mr. Stans to testify, than to give Patman the opportunity to publicize and take political advantage of Stans' non-appearance, it being the position of most Republican Committee members that Patman's interest in an investigation was more political than anything else.

I discussed the application of the Bank Secrecy Act, the campaign expenditure law, and other aspects of the matter telephonically with Mr. Parkinson several times and met with him on one occasion of which I am certain and possibly a second time very briefly, although I cannot specifically recall a second occasion.

During this time, I had asked my legislative assistant, who is an attorney and a former law clerk for a Federal Court of Appeals Judge, to brief for me the question of the propriety of the appearance of Mr. Stans and others before our Committee. In the course of this research done by both my legislative assistant and myself, it became apparent that such an appearance could prejudice the rights of those who might be indicted as a result of the grand jury proceedings that were then in progress. Appreciation of this problem prompted me to write to both the Attorney General and Mr. Stans requesting the opinion of the Attorney General with respect to the propriety of Mr. Stans' appearance as well as the opinion of Mr. Stans' attorney concerning his own position on the appropriateness of such appearance. These letters are attached as Exhibits No. 3 and 4, respectively. At the time of the writing of these letters, Mr. Stans had not, to my knowledge, decided whether or not he would voluntarily appear before the Committee.

It is this letter of September 8 to the Attorney General which Mr. Dean has said in his statement, "... was, in fact, drafted by Parkinson for Congressman Brown." I unequivocally deny this charge. The letter to the Attorney General was dictated by me to my secretary and is my work product in every respect. It is my best recollection that from the conversations I had with Mr. Stans and Mr. Parkinson up to this point it appeared to me no decision had been made as to whether or not Mr. Stans would appear. The decision to write such letters was wholly my own and stemmed from my concern about the propriety of his appearance regardless of what his decision might be, such concern having been prompted by the limited research done by my legislative aide and myself to this time.

It would be asinine for me to say that in the course of my discussions of the matter with Stans and Parkinson I did not mention the concern I felt about the legal ramifications of Mr. Stans' appearance before the Committee and of my belief that the legal opinions of those most closely involved, namely, the Attorney General and Stans, should be obtained. In any such discussions, however, it was always a matter of my apprising Stans and Parkinson of what I proposed to do, rather than receipt by me of suggestions, requests, urgings, etc. from them.

Although I received no written response from the Attorney General to my letter of September 8, on September 12 Ralph Erickson, the Deputy Attorney General, telephoned my office and talked with a member of my staff and advised that he was calling in response to my letter of September 8 and indicated that the Attorney General would be happy to talk with me about the matter but did not intend to respond in writing, suggesting that the questions I had asked were now moot because in the interim Mr. Stans had notified the Committee that he was declining the invitation to testify.

During this period of time, the Banking and Currency Committee, although considering other legislation, had been embroiled in the controversy about the conduct of hearings by the Committee into the Patman charges, the scope of which I have already described. But none of the activities regarding political espionage, bugging, cover-up, etc. which have now surfaced and which are now being discussed were known at the time the Banking and Currency Committee was contemplating its hearings and it must also be kept in mind that Patman's



effort to investigate the matter of the laundered funds and Barker's involvement was analyzed by most of us at that time as being blatantly political in view of the up-coming election.

Chairman Patman finally did discuss the matter with the Committee and, although objection was voiced by many of us, he scheduled a meeting of the Committee for September 14 to receive the testimony of Stans and Phillip S. Hughes, Director of the Office of Federal Elections, General Accounting Office. This was the meeting at which Stans declined to appear.

Because Stans had failed to appear voluntarily, Chairman Patman notified the Committee on September 25, 1972 that he intended to seek the authority of the Committee to issue subpoenas for Stans and several others at a meeting of the Committee to be held October 3. When it became certain that the Chairman would seek subpoena authority, my earlier concern about the propriety of such appearance was renewed and intensified since in the meantime the legal research done by me and my office had clearly established the danger of conducting a Congressional hearing when criminal proceedings were pending regarding the same matter.

As a result, I again wrote to the Attorney General on September 26, 1972 pointing out to him that although the questions I had raised in my September letter might have become moot after Stans had declined to voluntarily testify, Patman's plans to seek subpoena authority made my questions and concerns very real once again. This letter of September 26 is attached as Exhibit No. 5.

Despite my insistence in my letter to the Attorney General of September 26, 1972 for an opinion to be expressed, it wasn't until the late afternoon of October 2 that I learned Mr. Henry Petersen, Assistant Attorney General, had replied to my letter of September 26, not to me, but to Patman. In fact, Patman had received the response from Petersen before I knew that a response had been provided since I was not given a copy until I requested the same. This letter from Petersen is attached as Exhibit No. 6 and is the same as Dean's Exhibit No. 21.

In this regard, I felt at the time that the Department of Justice and the Attorney General's Office was being most uncooperative and, in fact, was taking a rather untenable position of not wanting to get involved when my research had clearly satisfied me that the success of their prosecutive efforts of those who had been indicted by the grand jury could be seriously jeopardized by public hearings of the Banking and Currency Committee under the law applicable thereto, especially the holding in the *Delaney* case. It having been my position then, and it continues to be my position, as well as that of Archibald Cox, the Special Prosecutor, that public hearings in prejudicing the rights of those who have been accused, necessarily also seriously jeopardize the successful prosecution of these individuals.

In any case, the Committee met on October 3 and, as is well known, voted 20-15 against authorizing the Chairman to issue the subpoenas he has requested.²

Although it is of little pertinence to this chronology, I wish to add that consistent with my many-times stated position regarding the Banking and Currency Committee's investigation of this matter, to wit, that such investigation should await completion of criminal proceedings, I wrote to Chairman Patman in early January of this year urging him to designate a staff member or hire outside counsel to monitor the criminal trials of the "Watergate Seven" so that we might be kept current on the proceedings of those trials so we would be prepared to conduct a Committee investigation upon completion of the criminal proceedings.

Needless to say, the Chairman declined to grant my request and in a reply expressing many reasons, closed the door upon any investigation by our Committee.

From the foregoing, it is obvious that Mr. Dean, in his testimony before the Senate Select Committee, either has stated things to be true which he does not know to be true or has engaged in absolute falsehoods. More particularly, I recite the following: (References are to the statement presented to your Committee on June 25, 1973.)

On page 104, Mr. Dean states: "At some point in time during these investigations Mr. Parkinson was put in touch with Congressman Gary (sic) Brown who was a member of the Banking and Currency Committee."

² In view of Mr. Dean's testimony about the proposed Patman witness list, I should add at this point that I attempted to determine who Patman wanted to subpoena, but it wasn't until I received such list, hand delivered at 5:05 P.M. on 10/2/72, the evening before the 10/3/72 meeting, that I or anyone else, to my knowledge, knew who Patman intended to subpoena and call as witnesses.



The fact is, Mr. Parkinson was not put in touch with me. I requested an opportunity to talk to Mr. Parkinson during my original contact with Mr. Stans when he could not explain to me the several legal aspects of the handling of funds by Mr. Liddy, the legal interpretation given to the campaign expenditure law as it applied to contributions made to the Committee to Re-Elect the President before and after April 7, 1972, and other aspects of the staff interrogation of Mr. Stans. Also on page 104, Mr. Dean states:

"To the best of my recollection this may have resulted from discussions between members of the White House Congressional Relations staff with the Republican members of the Banking and Currency Committee to determine who would be most helpful on the Committee and Brown indicated his willingness to assist." (Emphasis added.)

The fact is, I recall no conversation with anyone which could be interpreted as my indicating a "willingness to assist." This is especially true if one interprets, as he must, Mr. Dean's word "assist" as being willingness to assist in the White House efforts to block the Patman Committee hearings for the second reason he states on page 103; that being, and I quote . . . "and second, they just might stumble into something that would start unraveling the cover-up."³

It should be pointed out that as of even September 8, 1972, or for that matter as late as October 3, 1972, to my recollection, there had been no public suggestion that a "cover-up" was in progress. The fact that I opposed such hearings at that time because I was satisfied the law made inappropriate and undesirable the conduct of hearings of our Committee while the criminal proceedings were pending and, in addition, thought Patman's desire for such hearings was purely political, while for other reasons the White House may have opposed such hearings, may make our goal similar, namely, the blocking of the hearings, but it is totally improper to attribute the same motivation, as Mr. Dean has done.

Again on page 104, Mr. Dean states:

"On September 8th Congressman Brown sent a letter to the Attorney General regarding the forthcoming appearance of Secretary Stans and others before the Patman Committee. I have submitted to the Committee a copy of this letter (Exhibit No. 18), which was, in fact, drafted by Parkinson for Congressman Brown." (Emphasis added.)

The fact is, this letter was not drafted by Parkinson for me, nor to the best of my recollection does my letter to the Attorney General contain any input from Parkinson, although of course, as I have already indicated I had apprised Stans and Parkinson of my plans to solicit the opinion of the Attorney General. On this same page 104, Dean again refers to "Parkinson's drafting the letter for Congressman Brown," which is a repetition of the previous erroneous statement.

I wish to advise the Committee with respect to this statement that upon learning of this charge made by Mr. Dean, I knew it to be so completely erroneous that I sought an explanation for the making of same by Mr. Dean. I attempted to contact Mr. Parkinson to determine whether or not he, or anyone else to his knowledge, might have suggested or stated to Mr. Dean that he, Parkinson, had drafted such letter. Mr. Parkinson was not immediately available and I was unable to talk with him until the late afternoon of Tuesday, June 26, 1973. Dean's statement having been made, as you will recall, in his testimony before this Committee on June 25, 1973. In this telephone conversation with Mr. Parkinson on June 26, Mr. Parkinson unequivocally denied that he had drafted such letter or that he, or anyone else to his knowledge, had advised Mr. Dean that such letter had been drafted by him, Parkinson.

However, in the course of my attempting to learn from Parkinson how Dean could possibly have made this statement, Parkinson recalled that he had prepared a draft of a letter at the request of Mr. Dean which he, Parkinson, understood was to be furnished to the Attorney General as a proposed response by the Attorney General to my letter of September 8, 1972 (Dean's Exhibit No. 18, my Exhibit No. 3). I requested a copy of this proposed draft which was prepared by Mr. Parkinson for Mr. Dean and it is attached hereto as Exhibit No. 7. It is Mr. Parkinson's further recollection that subsequent to his preparation of this draft, Mr. Dean took the same for what Mr. Parkinson understood to be a further review or revision by Mr. Dean. Of course, this proposed draft was apparently never used as intended since no response was made at that time to my letter of September 8, 1972.

³ Although Dean cites no time frame for this statement, it should be remembered I independently and aggressively had commenced opposing the Patman action as early as 8/31/72 and had no knowledge of what Dean says were on-going conversations within his group on the subject.



Although it is relatively insignificant, on page 105 of his testimony, Dean states that no response was sent by the Justice Department to my letter of September 8 prior to the scheduled appearance of Mr. Stans on September 14: whereas, although Dean's discussion of this matter on page 105 may be substantially accurate, I did receive a telephonic response to my letter of September 8 from Deputy Attorney General Erickson in which, as I have above pointed out, he indicated no written response would be provided and that he felt the questions I had raised in my letter of September 8 were moot because of Stan's decision not to appear before the Committee voluntarily.

On page 108, Mr. Dean states:

"I began receiving increasing pressure from Mitchell, Stans, Parkinson and others to get the Justice Department to respond to the September 8th letter of Congressman Brown as a vehicle that Congressman Brown could use in persuading others not to vote in favor of the subpoenas. *Congressman Brown felt that with this document in hand he would give the Republicans and others something to hang their vote on.*" (emphasis added)

The fact is, I know of no basis for these statements since my only purpose in writing to the Attorney General on both occasions, that is, September 8 and September 26, was to attempt to get the Attorney General to recognize the law for what I knew it to be and to appreciate the prosecutorial problems which would be created by public hearings of the Committee. I especially know of no basis in fact for the underlined portion of the foregoing quote from Dean's statement, since I cannot recall having expressed the same to anyone. However, there can be little question but what such a letter would have a favorable impact upon other members.

At the bottom of page 108 and on page 109 of Dean's statement he states that much effort was put forth by many people, including Mr. Timmons, to persuade members of the Committee to vote against the hearings. I can only speak for this member of the Committee in this regard, but I do not recall receiving any urging from anyone at the White House to cast my vote against such hearings.

In fact, I am very certain I had no significant contact from anyone associated with the Administration or the White House regarding the hearings other than the contacts I have already discussed with Mr. Stans and Mr. Parkinson.

To the best of my recollection, my only contacts with White House personnel were insignificant contacts I had in the course of normal legislative business with Dick Cook, the White House liaison agent for the House of Representatives, who, rather than suggesting or urging me to take any course of action, merely inquired of me as to how things were going and whether or not I thought those of us who opposed the hearings would be successful in our opposition. In my discussions with other members of the Committee at that time and since, I have yet to find one who indicated that he or she was pressured in any way to vote as he or she did.

In conclusion, I wish to thank you, Mr. Chairman, and the members of the Committee for your patience in permitting me to provide this probably unnecessarily lengthy statement. My purpose in doing so was to establish for the record not only the absence of culpability on my part, but the absence of culpability on the part of the other members of the House Committee on Banking and Currency in opposing the Patman investigation, to the extent that I have any knowledge of other members' actions.

I hope I have satisfied the Committee and the listening, viewing, and reading audience that what Mr. Dean has concluded was causally related action by the majority of our Committee to what he was doing at the White House, has no basis in fact and should not be so presumed. If opposition to action proposed by one's colleagues, when that opposition is based on principle and proper political motivation, cannot be voiced without such opposition being interpreted as culpable conduct and obstruction of justice, then we certainly have reached a sorry state of affairs in our political and legislative system.

If I have done nothing else, I trust that I have at least somewhat dispelled the "guilt by association" implicit in Mr. Dean's testimony by his linking of the House Banking and Currency Committee action with the whole gamut of culpable conduct about which he has testified.

I will be glad to answer any questions the members of the Committee might care to pose.

Thank you.

Senator BYRD, Mr. Ford, you undoubtedly would recall any conversation you might have had during that period of August-October with the President, with Mr. Haldeman, Mr. Ehrlichman, Mr. Dean, or any-



one at the White House, in connection with the proposed investigation by the Patman committee. Do you recall any such conversations that would indicate that the White House wanted you to lend your efforts, as a leader, to blocking such an investigation?

Mr. Ford. I can say categorically, Senator Byrd, I never talked with the President about it, or with Mr. Haldeman, Mr. Ehrlichman, and Mr. Dean. I know emphatically I had no conversation with them now.

Almost daily, during my period as Republican leader in the House, I talked with Mr. Timmons, or someone in the Legislative Liaison Office of the White House, but even in this case I do not recall any conversations concerning this particular matter.

Senator BYRD. Was there any discussion between you and Mr. Timmons or between you and the other members of the Patman committee or any of your colleagues in the House to the effect that the investigation would possibly be harmful to the President, harmful to his reelection chances in the then upcoming Presidential election, or to the Republican Party generally?

Mr. Ford. As I recall the two meetings that I attended, both of which I called, the real issue that was discussed—and Jerry Brown's memo or prepared statement probably expresses it better than I can—was that Mr. Patman, the chairman of the Committee on Banking and Currency in the House, was going about the matter in the wrong way. And as I recall, statements were made he was going on a fishing expedition.

Now, the members on our side of the aisles in that committee were concerned about the procedure and the dangers that that procedure might lead to a precedent. I think, in all honesty, that was the basic thrust of the action of the Republicans. And I think every Republican on the committee voted to deny that responsibility or that power to the chairman. And I think they were joined in that vote by five Democrats, as I recall. So a majority of the committee turned down the authority.

Senator BYRD. But as I understand you, any efforts that you may have contributed toward the stifling or impeding or blocking of such investigation by the Patman committee were not born of your feeling, or at least your feelings as expressed to anyone, that such an investigation would be harmful to the President, harmful to his chances of reelection, or harmful to your party?

Mr. Ford. The answer is no, Senator Byrd.

Senator BYRD. Now, Mr. Ford, as you know, the Attorney General of the United States wears two hats. He is the chief law enforcement officer of the United States and, at the same time, he is the chief political adviser to the administration, regardless of whatever administration may be in power, whether it be a Democratic administration or Republican administration. Do you believe that the Attorney General should participate in partisan political activity such as the congressional elections of 1974, or do you think he should stay in a bipartisan stance such as that traditionally taken, let us say, by the Secretary of State?

Mr. Ford. Certainly the Secretary of State and the Secretary of Defense should refrain from partisan political activity. The Attorney General does not have quite the same responsibilities as the two previously mentioned, but I do believe that he should certainly be circumspect, because as the principal law enforcing officer of the Government



DELAY IN CALLING UP HOUSE CONFERENCE REPORT ON 1972
FEDERAL ELECTION DISCLOSURE LAW

The CHAIRMAN. The effective date of the 1972 Federal election disclosure law was delayed some 5 weeks in the House, from December 14, 1971, to January 1972, because of the failure to call up a conference report for final House action. An enormous fundraising drive was conducted by Maurice Stans during the 5-week period prior to the effective date of the law. He raised, reportedly, more than \$11 million for President Nixon during this period. The Stans drive was based on the premise that contributions should be made at that time by all donors who wanted to keep their contributions secret from public scrutiny. Were you ever approached by anyone from the White House, the Nixon Campaign Committee, or the executive branch concerning the issue of delaying final passage of this legislation by the House?

Mr. FORD. To my best recollection, Mr. Chairman, nobody contacted me from any of those areas that you mentioned.

The CHAIRMAN. Did you ever discuss the issue of delaying that legislation with any Members of Congress or with anyone else?

Mr. FORD. Well, naturally, in the job that I had, I had to know what was coming up, what was to be programed at any one time on the floor of the House. I do not now, nor did I then control the programing of legislation. That is the responsibility of the majority party. I may have asked if it was coming up. I may have made some comment, but in any case I was not the person who would make the final decision.

BLOCKING INVESTIGATION BY HOUSE BANKING AND CURRENCY
COMMITTEE OF WATERGATE BREAK-IN

Mr. Patman, Chairman of the House Banking and Currency Committee tried to go into the captioned matter prior to the election last November. The Republican members of the Committee opposed such action. Thus it is appropriate to know what part Mr. Ford played in blocking the investigation at that time.

The record shows his answers to questions propounded.

Senator BYRD. Representative Ford, will you relate to the Committee your role, if any, in the blocking of an investigation by House Banking and Currency Committee into the Watergate break-in as proposed by Chairman Wright Patman in October of 1968?

Mr. FORD. Senator Byrd, I do not have the full details here, but I can outline, give you the salient points.

Chairman Patman had proposed sometime in October of 1972 that his Committee, the Committee on Banking and Currency in the House, undertake an investigation of certain American banks in trading or handling accounts between an American bank and a foreign bank. And that the Senator—Chairman Patman wanted subpoena authority to carry out this investigation.

A number of members of that Committee on the Republican side and several on the Democratic side were opposed to giving that authority to Mr. Patman. A number of our Republicans on that Committee came to me and said, "Jerry, we think you ought to call a meeting so that we on our side of the aisles could bring the leadership up to date, and perhaps the leadership would give some counsel to the Republican members of the Committee on Banking and Currency."

So my position, as the Republican leader of the House, at his request, called a meeting. We met with the Republican members of that Committee on one or two occasions. They brought us up to date.

We talked about what the policy ought to be in the Committee, but there was no Republican party decision made.

The action taken by the Republicans plus, I think, five Democrats was, I think, to deny Chairman Patman that power of subpoena.

Senator BYRD. You may be aware John Dean testified to the Senate Watergate Committee on June 25 of this year, that House Republican leaders "acted at the request of the White House to block that investigation."

Were you in contact with anyone at the White House during the period of August through October 1972 concerning the Patman Committee's possible investigation of the Watergate break-in?



Mr. FORD. Not to my best recollection.

The best and, I think, the most authoritative answer to this question is one that Representative Jerry Brown of the Third District of Michigan submitted to the Ervin Committee.

Congressman Brown was very much involved as a member of the Committee on Banking and Currency, and his name was much more closely identified with this problem than mine.

As a result, he prepared the very detailed statements which I understood were put in the record of the Ervin Committee.

Senator BYRD. Mr. Ford, you undoubtedly may recall now any conversation you might have had during the period of August-October with the President, with Mr. Haldeman, Mr. Ehrlichman, Mr. Dean, or anyone at the White House, in connection with the proposed investigation by the Patman Committee.

Do you recall any such conversations that would indicate that the White House wanted you to lend your efforts as a leader to cloaking such an investigation?

Mr. FORD. I can say categorically, Senator Byrd, I never talked with the President about it, Mr. Haldeman, Mr. Ehrlichman, and Mr. Dean.

I know emphatically I had no conversation with them now.

Almost daily, during my period as Republican leader in the House, I talked with Mr. Timmons, or someone in the Legislative Liaison Office of the White House, but even in this case I do not recall any conversations concerning this particular matter.

Senator BYRD. Was there any discussion between you, Mr. Timmons, or between you and the other members of the Committee or any of your colleagues in the House to the effect that the investigation would possibly be harmful to the President, harmful to his re-election chances in the then upcoming Presidential election, or to the Republican party generally?

Mr. FORD. As I recall the two meetings that I attended, both of which I called, the real issue that was discussed, and Jerry Brown's memo or prepared statement probably expresses it better than I can, was that Mr. Patman, the Chairman of the Committee on Banking and Currency in the House, was going about the matter in the wrong way. And as I recall, statements were made he was going on a fishing expedition.

Now, the members on our side of the aisle in that Committee were concerned about the procedure and the dangers that that procedure might lead to as a precedent.

I think, in all honesty, that was the basic thrust of the action of the Republicans. And I think every Republican on the Committee voted to deny that responsibility or that power to the Chairman. And I think he was joined in favor by five Democrats, as I recall.

So the majority turned down the authority.

Senator BYRD. But as I understand you, there was no—as I understand you, any efforts that you may have contributed towards the stiding or the impeding or the blocking of such investigation by the Patman Committee was not born of your feeling, or at least your feelings as were expressed to anyone, your feeling that such an investigation would be harmful to the President and harmful to his chances of re-election or harmful to your party or harmful to his re-election?

Mr. FORD. The answer is no, Senator Byrd.

INFLATION

Senator PELL. Notwithstanding the fact that this administration has been beset by many troubles, I think there is one national domestic problem that is probably of more concern to everyone today than any other problem, and that is the question of inflation.

I was wondering what you saw as your contribution toward ending this tendency toward inflation?

Mr. FORD. I agree the greatest domestic problem we have today is inflation. I think there are four ways you can go about trying to remedy it.

First, you have to identify where the major areas of inflation are.

No. 1 is food. No. 2 is petroleum.

Other than those two areas, I think we have made a reasonably good battle with considerable success against inflation, but food and petroleum are serious.

The Congress asked that the President approve an agricultural bill aimed at increasing supply. I think this is good legislation. I believe it will help alleviate some of the problems as to the supply of food, and that would mean a holding of the line, hopefully a reduction in the cost of food.



Mr. EDWARDS. In hindsight, do you think your decision was correct?

Mr. FORD. Well, it is somewhat bolstered by legal scholars. There has been no definitive decision. I think I could produce as many scholars who believe as I do as others might produce for their viewpoint. So I think it is an unresolved matter where there is an honest difference of opinion.

Mr. EDWARDS. Had you discussed the matter previously with the Vice President before he came to the Speaker's?

Mr. FORD. I had on two occasions, as I recollect, at his request, not to just discuss his possibly submitting his letter to the Speaker, but to let him give me and one other Member of the House an opportunity to hear his side of the story, which he told both of us on some two occasions. At the time, in both of those instances, he inferred in the first and talked more affirmatively in the second that he might come up and see the Speaker with this letter requesting action. I did not know the day that he did it until I understood he was in the Speaker's office, however.

Mr. EDWARDS. Did he discuss with you the rather large extent of his criminal involvement before, in these previous discussions, in these discussions before you met in the Speaker's office?

Mr. FORD. He discussed with me and one of my colleagues the allegations that were alleged, not the full extent of them, and his willingness to take an oath that they were untrue.

Mr. EDWARDS. Did he discuss his plan to submit the matter to the House of Representatives with the President?

Mr. FORD. With the President?

Mr. EDWARDS. With the President.

Mr. FORD. I am not familiar one way or another with that.

Mr. EDWARDS. He did not tell you at these previous meetings whether or not he had discussed the matter with the President?

Mr. FORD. He did not.

Chairman RODINO. Your time has expired.

Ms. Holtzman?

Ms. HOLTZMAN. Thank you, Mr. Chairman.

Mr. FORD, it is very late in the day and you have been patient after a long day, 2 days really of grilling, and I have a few questions to ask of you at this point.

The first regards a report in October 1972 by the staff of the House Banking and Currency Committee which uncovered a number of serious allegations regarding the reelection campaign of President Nixon, including information that large amounts of campaign contributions had been traced to one or more of the Watergate suspects, about a secret Republican fund of at least \$350,000 available that was being used for intelligence-gathering purposes, that a Mexican bank had been used to launder large amounts of campaign funds, that a Federal bank charter had been granted to a large Nixon campaign donor in unusual haste, and that top officials in the Presidential campaign had ordered the bugging of Democrats' National Headquarters as well as the surveillance of bank accounts of Democratic Congressmen and officials.

According to your testimony in the Senate, I understand that you as a Republican leader played a role in the stopping of the investiga-



tion plan in connection with the report by the Banking and Currency Committee investigation. This is not my question, Mr. Ford; let me finish.

Now, I understand also from your testimony that although you met with Mr. Timmons of the White House virtually every day, you did not discuss with him these matters of the allegations in the Banking and Currency staff report and you did not discuss the White House role or White House interest in stopping the investigation by the Banking and Currency Committee; is that correct?

Mr. Ford. Well, first I should make one correction. I never testified before the Ervin committee.

Ms. HOLTZMAN. No, no, I mean before the Senate Rules Committee, I said before the Senate.

Mr. Ford. Oh, I thought you inferred Senator Ervin's committee.

Ms. HOLTZMAN. I set forth a story there and I have subsequently included in the testimony over there the detailed statement that our colleague, Mr. Brown, submitted to the Ervin committee involving the whole matter.

Mr. Ford. Now, I said over there that—and by over there I mean the Senate committee—that I did not discuss the action that I took, which was to call two Republican meetings of members of the Banking and Currency Committee with Mr. Timmons or anybody else.

Ms. HOLTZMAN. I understand. What I wanted to ask you was, did you discuss with Mr. Timmons or with anybody else at the White House whether or not the allegations made by the Banking and Currency staff had any basis in fact or not.

Did you discuss with them, let's say up to the period of November 1?

Mr. Ford. I do not remember discussing those allegations with anybody on the White House staff in 1972.

Ms. HOLTZMAN. OK.

Well, my question then is really—it goes on the action that you took with respect to that proposed Banking and Currency Committee investigation.

In a letter, as I understand it, reported in the press on November 1, 1972, you called the committee staff report the worst form of last-minute smear tactics, and I am concerned that this was done without an apparent attempt to verify with the White House people the charges that had been made by that committee.

Mr. Ford. Well, my release in that regard was predicated on the information that was given to me by the members on our side of the aisle of the Committee on Banking and Currency.

Ms. HOLTZMAN. Well, as I understand it then, these committee meetings—and I read Mr. Brown's, Congressman Brown's statement—the problem that they felt with the Patman-proposed investigation was that it was going to be a fishing expedition, and you, as minority leader, attended these sessions.

Did you ever inform them one way or the other that you had no information one way or another as to the truth or falsity of these charges?

Mr. Ford. I was asked by several members on our side of the aisle on that committee to call the committee together. That was and is a responsibility, as the Republican leader in the House, to get groups like that together when they have a problem. I did it. I presided.



They discussed the position that they as a group ought to take in those hearings or in those committee meetings, and in the course of the discussions at those several meetings, comments were made by various members as to the information they thought might be available, and they thought that Mr. Patman was going on a fishing expedition, and they had beliefs they thought were sound, and, therefore, decided to vote to postpone any action.

I think all the Republicans voted one way with the help of five Democrats.

Ms. HOLTZMAN. I understand that but I, as I said, was concerned and still am concerned that statements were made in an attempt to block that committee investigation, and some of the charges out of which it arose have subsequently turned out to be true, without real investigation it seems by anyone as to whether or not those charges had any basis in fact. 4

Mr. FORD. Well, I think what disturbed a number of members was that Patman committee, which is the Committee on Banking and Currency, has limited jurisdiction. It does not have the broad jurisdiction of the Ervin committee in the Senate that can cut across jurisdictional lines between one standing committee and another. The Subcommittee on Banking and Currency has rather arbitrary jurisdictional limits and some of the things that were included in, as I recollect, in Mr. Patman's prospective investigation, and some of the things that subsequently turned up in the Ervin committee were well beyond the jurisdictional limits of Mr. Patman's Committee on Banking and Currency.

Ms. HOLTZMAN. But I take it that the laundering, the use of international banks, which still appears to turn out to be the case, for the use of illegal campaign funds, probably did fall within the jurisdiction of that committee. 5

Mr. FORD. Yes, I gather that particular item did, and I would not argue that but some of the other items were, I think a little beyond the Banking and Currency Committee jurisdiction.

Ms. HOLTZMAN. That might be.

I would like to turn to another area. I am sure I am not going to have time to finish it, but I feel it is importance simply to dispel any remaining cloud that might arise at a future time.

I must say that I myself have reviewed the very intensive financial investigation which has been made both by the IRS people and by the committee staff, and I must say that I personally, and I am sure many other people, are relieved that the stress thus far, and it has been virtually complete, have shown that you personally have not profited from your public trust, aside, of course, from your salary.

Mr. FORD. Thank you.

Ms. HOLTZMAN. And your honorariums. But we do live in a time of enormous public distrust of various political people and in view of the charges that have been surrounding the White House itself with respect to campaign contributions and alleged favors done in response to those campaign contributions, I would like to raise some instances that have come to our attention which do not reflect any improper conduct on your part, but I would like to give you the opportunity under oath to dispel any possible impropriety at this time so that nobody can say that we, as a committee, did not review this area and you were not given an opportunity to comment on it.



Mr. FORD. I probably would have given it to my then administrative assistant, Mr. Meyer, and he would have communicated with Mr. Mark or Mr. Morton.

Ms. HOLTZMAN. Well, I would like to draw your attention again to another letter that was contained in the files transmitted to me last Wednesday by Mr. Becker, in which you are writing again to Mr. Gordon and it is dated March 21, 1972, and in the second paragraph you say—this is a letter apparently signed by you, has your name at the bottom:

I must also thank you for your generous check made out to the D.C. Committee to Re-elect Gerry Ford. I am turning this check over to the Chairman of this Committee and did want you to know my personal gratitude.

Does this letter in anyway refresh your recollection as to whether the chairman of that committee, Mr. Mark, might have kept records as to campaign contributions?

Mr. FORD. That was a thank you letter to Mr. Gordon.

Ms. HOLTZMAN. Right.

Mr. FORD. As I indicated a moment ago, Mr. Gordon was a very long and dear friend of mine. He apparently sent me or my office a check and I transmitted it to Mr. Mark.

This does not refresh my memory as to the procedure that Mr. Mark or Mr. Morton used. That was something that was internal as far as they were concerned.

Ms. HOLTZMAN. Does this letter in anyway refresh your recollection as to the amount of the contribution made by Mr. Gordon?

Mr. FORD. I am sorry.

Ms. HOLTZMAN. Do you recall at this time the amount of the contribution made by Mr. Gordon to the District of Columbia Committee?

Mr. FORD. I do not recall precisely, but it would be a fair guess that it would be about \$500.

Ms. HOLTZMAN. Thank you. I notice on top of the letter a notation "campaign." Does that refer to any file called "campaign?"

Mr. FORD. It is not in my handwriting. I assume that is a notation for the filing setup, and presumably this was a letter in that file that was given on your request.

Ms. HOLTZMAN. Well, if there is such a file marked "campaign" from which this came, I wonder if you would be kind enough to have your staff review it and allow our staff to examine it. Perhaps it contains other indications of campaign contributions to the District of Columbia Committee in 1972.

Mr. FORD. I will be very glad to, and I think that is how we got these other letters.

Ms. HOLTZMAN. That may be. Thank you, Mr. Ford, in that respect. I also wanted to clarify the record with respect to my questions on the Banking and Currency Committee investigation. I gather it was your testimony that you did not have any conversation with Mr. Timmons or anybody else in the White House regarding either of the following: One, an intention on the part of the White House to squelch the Banking and Currency Committee investigation, and second, the truth or falsity of any of the allegations made.

My question is, we talked about, prior to November 1, 1972, and that was your testimony, that you did not have such conversations. I would just like to clarify the date. Would that go back to the time at which



the Banking and Currency Committee worked, became public around toward the latter part of August 1972?

Mr. FORD. I believe so. As I recall my testimony, I said I never called Mr. Timmons on this matter specifically. I also said in the course of our discussions about many legislative matters we might have discussed very generally the situation there, but I never called him nor he called me concerning these particular problems in the Committee on Banking and Currency.

Ms. HOLTZMAN. Well, I did not mean to misconstrue your testimony. I thought that that was the gist of it.

But getting back to around the end of August deadline, the only conversation you might have had are the ones you just referred to now?

Mr. FORD. That is my best recollection.

Ms. HOLTZMAN. Can you recall now what conversations you had with Mr. Timmons, even though they may have occurred in the context of another phone call or about another subject?

Mr. FORD. He may have asked me the status of, one, any legislation before the committee; and two, my appraisal of what the committee might do. But it would not go into him urging me to do something with our members of the committee or any Democrats on the committee or my saying I had done this, because they are not involved in it, and my only role was getting our members and our side together.

Ms. HOLTZMAN. Did he express to you at any time, let us say toward the end of August 1973, to the beginning of November, any concern he might have had about the status of the Banking and Currency Committee investigation?

Mr. FORD. That is a long time ago, and the details of that kind of a conversation I could not actually relate to you. Whenever we talked about that matter it was in general terms, not as to action requested by them or action taken by me.

Chairman RODINO. The time of the gentlelady has expired.

All requests for time have expired.

Mr. CONYERS. A question is outstanding. I was granted 10 minutes.

Chairman RODINO. The gentleman was asked as to what time, and the gentleman asked for 10 minutes and that 10 minutes has expired, and other members yielded to the gentleman. Now, is the gentleman making any further request for time?

Mr. CONYERS. I have several questions, Mr. Chairman, that I would like to get on the record, and I would ask for a sufficient amount of time to develop them.

Chairman RODINO. What is a sufficient amount of time?

Mr. CONYERS. Five minutes. Mr. Chairman.

Chairman RODINO. Five minutes. The gentleman is recognized for 5 minutes.

Mr. CONYERS. I thank the Chair.

Mr. Ford, is it true that you helped Mr. Kellogg in his attempt to obtain an ambassadorship?

Mr. FORD. I was asked to endorse an ambassadorship that Mr. Kellogg wanted.

Mr. CONYERS. Right. Did he not make a substantial contribution to the Republican National Committee?

Mr. FORD. It is my understanding that Mr. Kellogg, prior to the election of 1968 or in 1968, made a contribution of \$20,000 to the New York State Republican campaign fund. Sometime in 1969, virtually



Confirmation of Gerald R. Ford as Vice President of the United States

DISSENTING VIEWS OF MS. ELIZABETH HOLTZMAN

I cannot in good conscience recommend that this House confirm Gerald R. Ford as Vice President of the United States. First, the Judiciary Committee's investigation remains incomplete in two critical respects: the constitutionality of Mr. Ford's taking office and certain unresolved conflicts in his testimony. Second, despite Mr. Ford's personal affability and the rectitude of his personal finances, he does not meet the high standards which, under the 25th Amendment, we are bound to apply to his nomination.

The Constitutional Impediment

Article I, Section 6 of the Constitution prohibits a Representative, during his term, from appointment to "any civil Office under the Authority of the United States . . . the emoluments whereof shall have been increased during such time." In this term Congress has passed Public Law 93-136, which increased the civil service retirement benefits for the Vice President. There is little question that this increased benefit constitutes an "emolument."

Unfortunately, this Committee did not adequately explore whether this emolument is a bar to Mr. Ford's assuming office when confirmed. No witnesses were heard on this question, and no legal memoranda were available to the Committee when it disposed of this question.

Yet, the question is a serious one. The constitutional debates and the policy of the emoluments clause would indicate that it applies to an appointed vice president. I have attached an analysis prepared by a Professor at the Yale Law School indicating that the confirmation of Gerald Ford as Vice President might well run afoul of Article I, Section 6.

This House has an obligation to assure that whoever is confirmed does not serve under a constitutional cloud. At this stage of the proceedings no such assurance can be given. Clearly, if remedial legislation is needed to perfect the confirmation, it ought to be enacted now.

The Unresolved Conflicts in Mr. Ford's Testimony

A second and equally important unresolved problem concerns Mr. Ford's statements about his role in the effort, which some have alleged was initiated and coordinated by the White House, to halt the investigation into certain aspects of the Watergate affair by the House Banking and Currency Committee in late summer and fall of 1972. In his Senate testimony, the nominee admitted having organized two meetings for Banking and Currency Committee Republicans to "discuss" the investigation, but he firmly denied acting to halt the investigation at the behest of the White House.

Indeed, Mr. Ford broadly and explicitly denied having discussed the matter of the investigation with any White House official during the entire period that the proposed investigation was an issue in the House. See page 284 of typed Senate Transcript.)



On the last day of his testimony before the House, however, Mr. Ford for the first time made sworn statements which indicated that he had indeed discussed the matter of the Patman investigation with Mr. Timmons, a White House liaison officer. (See pages 706-707 of House typed transcript.)

Mr. Ford's House testimony therefore calls into question his testimony before the Senate. Because this testimony came at the very end of the hearings, it was impossible to pursue further the nature and content of the "general" discussions Mr. Ford then recalled, and to resolve the contradiction with earlier testimony. To do so before the nominee is confirmed is imperative, because at a time when the American people are clamoring for absolute candor from their national leaders, the House would do a disservice both to them and to the nominee by leaving unresolved in the record a disturbing and serious contradiction about a matter bearing directly on Mr. Ford's fitness for the Vice Presidency.

I am therefore constrained to recommend that action on the confirmation be postponed until this problem and the constitutional questions are answered.

Obligations under the 25th Amendment

By requiring Congress to act as the surrogate of the American people, the 25th Amendment places a heavy burden on the Members of this House. Under any circumstances, we must scrutinize a nominee for Vice President in light of his fitness for the Presidency. In these times, however, when the nation is enfeebled by the public's loss of faith in its leaders, and when, thus enfeebled, we are nearly overwhelmed by the most serious conjunction of domestic and foreign policy problems we have faced in many years, we must insist that the person we confirm as Vice President can, if he becomes President, recapture public confidence and give us honest, compassionate, imaginative and outstanding leadership.

Mr. Ford does not meet this test.

The Secret Bombing of Cambodia

Unfortunately, he cannot claim truly high marks for candor. Knowing full well that Mr. Nixon had lied to the American people about the secret bombing of Cambodia, Mr. Ford nonetheless gave his personal assurance on the floor of the House in 1970 that Mr. Nixon had never deceived the Congress or the public. Should we accept as a potential President a man who shrugs off as "political license" his own failure to be candid with his colleagues and the public, and who affirmatively defends, as Mr. Ford did during our hearings, the right of a President to lie?

The Banking and Currency Committee Investigation

The nominee's judgment also comes into question when we examine his leadership role in killing the House Banking Committee's Watergate investigation before the 1972 presidential election. The Committee's staff had uncovered evidence that illegal campaign funds had been used to finance the Watergate break-in and that high White House officials were implicated in the affair. Mr. Ford admits that he helped block the investigation.



TODAY SHOW

JOHN DEAN INTERVIEW

TOM BROKAW: If ever there was a contemporary author in America, who needs no introduction, it is John Dean who was counsel to President Nixon, a man who served him during the Watergate coverup, who subsequently testified against him, and in fact, served time in prison, as a result of his own role in Watergate.

He is now the author of a book called "Blind Ambition", a book about the Watergate coverup, about the atmosphere in the White House at the time.

Mr. Dean is with us here on "Today" this morning, with Carl Stern, NBC News Correspondent, who covers the Justice Department for us on a regular basis, and covered, gave much of his life, in fact to the coverage of Watergate.

Mr. Dean, first of all, there are some new developments in this book. You describe how President Nixon first raised the possibility of blocking the initial Congressional investigation, or initial Congressional hearings into Watergate, hearings that Congressman Wright Patman of Texas wanted to call, and he raises the possibility of using Jerry Ford, who was then House Minority Leader, to block those hearings.

Did the White House think of Gerald Ford as a stooge?

JOHN DEAN: I don't think a stooge is the right word. They certainly thought of Jerry Ford as somebody who would do their bidding, when it needed to be done; and with the Patman



hearings, it was something that concerned all of us at that stage of the coverup very much, and as you will recall from the book, the President says that he wants Ford to get in, and do his part to block those very untimely hearings at the time.

BROKAW: One of the ways which you had hoped to put pressure on Patman was to detail some questionable campaign contributions that he may have received, and when you had a discussion about this with Bill Timmons, who was then heading up the Congressional liaison from the White House, he said: That's a sensitive point, because Ford may have some problems in that area as well.

What were the problems that Gerald Ford may have had, in campaign contributions?

DEAN: Bill did not elaborate at the time. He knew that I had sent one of the lawyers from the re-election committee to check the records of the members of the Patman committee; and I had those, in fact the day I was in the office, talking with Bill about this; and he said that, John, he said, I don't think this is a very good idea, because some of our guys, and Jerry, may have some problems along this line; so he said don't raise it; and I agreed.

CARL STERN: Perhaps the most disturbing matter raised, though, in your discussion in the book about Gerald Ford, and the efforts made to derail the Patman hearings in October of 1972 is the thought that Mr. Ford did have very intimate



contact with White House staff people, in planning precisely how to do this. Now, Mr. Ford testified during his own confirmation hearings that he didn't have any such contact, or at least, he didn't recall any. Did Mr. Ford tell the truth about that?

DEAN: Well, I don't recall, Carl, precisely what Mr. Ford said at the time of his confirmation hearings to become Vice President. All I'm recalling are the facts as I remember them, and I remember very clearly that Bill Timmons told me on a number of occasions how he was working with Mr. Ford, and Mr. Ford was doing his part, after the White House started that initiative.

STERN: Timmons has denied having had any contact with Ford. Who had contact with Ford?

DEAN: Well, I don't necessary say it was Timmons himself that was having the contact. But somebody on his staff--

STERN: Who?

DEAN: --and it was Dick Cook, the man who had once worked with the Patman Committee, before he had later joined the White House--with the individuals.

STERN: How do you know that?

DEAN: Well, I talked to Dick about it. It came up in Presidential conversation that Dick was a man who had been working on it. Bill Timmons, as you'll recall at the time was on the witness list as one who would be called before the Patman Committee. So Bill was very sensitive about his own involvement in trying to block the hearings. Dick Cook was the man who did the



legwork, and dealt with Mr. Ford, and the other members of the Committee.

STERN: Did he report back as to any of his conversations with Gerald Ford?

DEAN: To me, or to the White--

STERN: To any meeting that you were present at?

DEAN: Well, of course. Yes.

STERN: Give me an example.

DEAN: Well, I can recall Dick coming back, and telling, for example, how Jerry was going to call a meeting of the minority members in Les Aaron's office, off the House floor, and really tell them what they should do on the day of the vote, and how they should hold together, and things of this nature.

STERN: And what should they do? They should block those hearings from going forward?

DEAN: That's correct.

BROKAW: Well, now, let me read you, if I may, Tom, what the transcript of the Ford confirmation hearings said. I won't read the whole thing. But the question is from Senator Byrd.

"Were you in contact with anyone at the White House during the period of August to October, 1972, concerning the Patman Committee's possible investigation of the Watergate break-in? Answer, Mr. Ford: Not to my best recollection."

Do you think Mr. Ford would have recalled that? Is that likely, that he wouldn't have recalled it?



DEAN: I would be surprised, if he didn't recall it. He knew Dick Cook from a number of years. He knew Dick Cook worked at the White House. I would be very surprised, if he didn't know the White House's interest, in not having those hearings go forward.

STERN: So, do you believe that Mr. Ford did not tell the truth, when he said to this committee under oath, that he did not recall any such contact?

DEAN: I believe not recollecting is a very safe answer for him.

STERN: My question is: Do you believe he lied?

DEAN: I don't want to say that. I'll stand on the facts, as I know them.

BROKAW: And what are the facts, as you know them, about the extent of Gerald Ford's knowledge of what had happened during Watergate? Did he perceive this as only a political problem, probably embarrassing to the White House, or did he understand the real nature of what was going on, what you were attempting to do?

DEAN: Well, I don't think that anybody had briefed Mr. Ford, or Mr. Ford had any intimate knowledge as to what was going on. I think it was very clear that the White House didn't want this investigation going on, just before an election. I think that anybody who was in Washington during the days of Watergate and the cover-up didn't need much to know that



something wrong had gone on, and there were efforts to keep it quiet, but I don't know of any specific briefings that Mr. Ford was given; certainly I didn't give him any, nor do I know of Timmons, or Cook, or anybody else giving him any.

BROKAW: This business about Gerald Ford possibly having some problems in the campaign contribution area has now received some attention. It's well known as well that the Special Prosecutor has been looking into campaign contribution areas in President Ford's political background. Has anyone from the Special Prosecutor's Office talked to you?

DEAN: No. They have not.

BROKAW: Have you volunteered any information to them?

DEAN: No. I have not.

BROKAW: Of any kind.

STERN: If Mr. Ford did not tell the truth in this matter, concerning the contact with the White House, and I don't want to harp on that, but it's an awfully important point. It's perhaps the most important point that emerged from the confirmation proceedings from Mr. Ford. If he didn't tell the whole truth on that occasion, that's a pretty big matter.

DEAN: Yes, indeed, it is.

STERN: So I want you to understand what you're saying to us here. It's important.

DEAN: Well, I'm reporting the facts, and they're reported in my book, just as the way they happened, the way I recall very vividly them happening, during those days.



STERN: Mr. Ford was about the last of the major Republican figures to stick with Mr. Nixon in 1974. Why do you think that was so?

I mean, two weeks before the resignation, he was still saying Mr. Nixon was innocent, will be proved so.

DEAN: Well, he was then Vice President, as you recall, and it seems that was a rather natural thing for a man's Vice President to do, would be to stay with his President; and I would think that would be more a political explanation than anything as to involvement, or intimate knowledge, or anything of that nature, Carl.

BROKAW: Can you think of any other role that Gerald Ford may have played in behalf of the White House, during the course of Watergate, apart from this attempt to block the Wright Patman investigation?

DEAN: Not to my knowledge. It's possible that came up in leadership meetings, when Mr. Ford was still the minority leader in the House, and was asked questions about what's the impact of the politics of Watergate having on the Congress, and things of that nature. But specific roles? This was one that came up, and as I report in the book, and is on a tape. The President wanted Mr. Ford to get involved, and to help to stop those hearings.

BROKAW: And there was no question that somebody did make contact with him, and that he did subsequently have meetings in an effort to block the Patman hearing?



DEAN: There's no question in my mind, Tom.

BROKAW: John Dean, author of a new book called "Blind Ambition."

Thank you very much.

END OF FIRST DAY INTERVIEW

BROKAW: John Dean, one of the principal figures in Watergate, the man who testified against Richard Nixon, after serving him as counsel, and subsequently served time himself, now the author of a book called "Blind Ambition".

We're here on "Today" this morning with Carl Stern and Mr. Dean to talk about some of his reflections on the time that he served, not in prison, so much as he served in the White House as counsel to the President.

Do you think that had there not been a John Dean, had you not come forward, in the fashion that you subsequently were forced to come forward, that the country would have found out about Watergate in any event?

DEAN: Tom, I don't really know. It's a tough question. It's a, you know, 'what if' question, and it's hard to say. I think that much might have come out in some time. I'm not sure it would have come out, as quickly as it did, maybe not as completely, as it did. But I really can't, I can't give you a good, crystal ball answer on that one.

STERN: In the book, even for those who followed Watergate closely, there are things in here that I never knew before.



Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

they're going to get it, right?" Haldeman nodded his approval, and the President glanced at me.

"That's an exciting prospect," I remarked flatly, mustering my hostility toward those who threatened the cover-up. I was trying to sound like a vicious prize fighter and doing a poor job, but I seemed to be pleasing the President. I was taking each apple he handed me, polishing it and passing it back.

I felt the anger in the room subside. We turned to remaining problems. Congressman Wright Patman's planned hearings on the Watergate money transactions posed the biggest obstacle, I informed the

obtain the next batch of cash. On this note, he and Herb walked out of my office like pallbearers. Now Kalmbach was out; LaRue was in.

Such encounters deflated my confidence, but Haldeman usually pumped me back up. A few days after the Kalmbach ceremony, he saw me in the hall and invited me into his office for a chat. Bob had become very friendly and increasingly open. He had to make a few quick calls, so I wandered around his office examining his mementos. He had a beautiful tapestry from the China trip which I admired, but I soon returned to my favorite artifacts: the three dried bullfrog car-

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hearings. It's going to come to a head pretty soon. Patman's got to get his committee to vote him subpoena power, and it's a close question whether we have the votes to kill it. I've been talking to Bill Timmons * and Stans and Petersen on this thing, and Mitchell is working on it, too. We think we can give our guys a leg to stand on by telling them that an investigation will cause a lot of publicity that will jeopardize the defendants' rights in the Liddy trial. But that may not be enough. We really need to turn Patman off."

"Call Connally," said Haldeman. "He may know some..."

There are countless lies and only one fact in Mr. Dean's statement.

Since the original Watergate hearings, at no time has Mr. Dean or anyone else ever hinted that I played such a role in connection with the Patman investigation. Nor have I ever been questioned by the several Watergate investigative Committees or the Special Prosecutor. Now in order to sell books, he has remembered something that he has never before chosen to recite. My family and I deeply resent this cheap huckstering at our expense.

Specifically, the one fact that rings true is that John Dean was the only person who ever suggested that I communicate with the then Minority Leader of the House, Gerald Ford. Former President Nixon never did. Haldeman never did. Ehrlichman did not. Bill Timmons never did. Despite John Dean's repeated and frantic requests, I never spoke with Mr. Ford about the need to deny Mr. Patman's request for subpoena power. With the gift of his own testimony and hindsight, I now know why John Dean was so worried, for he has admitted to being present at planning meetings that led to the Watergate break-in.

Moreover, anyone who knew Mr. Ford and his style of leadership as House Minority Leader would agree that such intrusion by the White House would have been most unwelcome and shunned. Even on political issues -- which the Patman hearings were thought to be at the time -- Mr. Ford would have deeply resented suggestions that he assert his dominance over the Minority Member of a standing Committee at a President's request.



If there is one single reason why the late Chairman Patman was denied his subpoena authority by a bipartisan majority of his own committee it is because John Dean lied to me in the presence of witnesses.

In August or September, 1972, when it appeared that Chairman Patman was serious in his pursuit of the funding of the Watergate break-in, virtually everyone in Washington thought his action was politically motivated. I shared that opinion, but having been employed by the Banking Committee for the five years 1964-1969, I had a high respect for his investigative staff. For that reason, I asked two Minority staff members of the Committee to join me in a private meeting in the Executive Office Building with John Dean and Maurice Stans. At the outset of that one-hour meeting I asked Dean and Stans, "Is there any substance whatsoever to Mr. Patman's charges?" Dean assured us that there was none. He lied to me. He lied to two former colleagues of mine who were and are universally trusted by Democrats and Republicans alike in the Congress.

From that day forward, despite Mr. Dean's frantic pleas, I stayed in contact with just two people, one staff man and a Republican member of the Committee -- and then only to check on the status and schedule of the Committee's deliberations. At the time, I had far more important legislative matters to attend to, as strange as that may seem today.

But there is no need to take my word for it. All the press has to do, or the Congress for that matter, is to interrogate or seek sworn testimony from some 40 or 50 members and staff of the House Banking and Currency Committee. Surely, even John Dean's vicious lies and clever distortions would be hard pressed to explain a four-year conspiracy of silence on the



charge Gerald Ford prevented a full investigation by the House Committee on Banking and Currency. If that's not good enough, then we should ask the members and staffs of the Ervin Subcommittee, together with the Rodino and Eastland Committees, what their investigations of the Patman episode revealed. It seems to me that should settle once and for all that Mr. Dean has lied.

After all of that, if the public still believes John Dean over the word of three Committees of the Congress, then he has brought off the stunt of the century.

The key question remains: is John Dean telling the truth when he insinuates that President Ford distorted the truth under oath before the Judiciary Committees of the Senate and House?

There is no question in my mind that the President told the truth. And several score Democratic and Republican members of Congress and staff, I am confident, would confirm this.



November 27, 1973

MEMORANDUM

To: Peter W. Rodino, Jr., Chairman
From: Bob Trainor
Re: Request to Reopen Ford Confirmation Hearings

I have carefully reviewed the correspondence forwarded to you by Representative Elizabeth Holtzman requesting that the Ford confirmation hearing be reopened to permit clarification of what she believes to be contradictory statements uttered by Mr. Ford concerning his involvement in the Watergate cover-up. In support of her request she references three allegedly inconsistent statements: (1) Mr. Ford's testimony before the Senate Rules Committee on November 5, 1973; (2) Mr. Ford's testimony before this Committee on November 26, 1973, and; (3) an affidavit submitted to this Committee on November 26, 1973, by Mr. William Timmons of the White House staff.

An analysis of these three alleged inconsistent statements discloses that, in fact, they are not inconsistent at all. First, Ms. Holtzman cites Senator Robert Byrd's inquiry of Mr. Ford appearing on pages 128-29 of the printed Senate hearings. In pertinent part the inquiry and response are as follows:

Senator Byrd: Were you in contact with anyone at the White House during the period of August Through October 1972 concerning the Patman Committee's possible investigation of the Watergate breakin?

Mr. Ford: Not to my best recollection. The best and, I think most authoritative answer to this question is one that Representative Jorry (sic) Brown...submitted to the Ervin Committee.

(Congressman Brown's statement was then submitted for the record)



I believe that Mr. Ford's response to Senator Byrd's question was predicated on Mr. Ford's belief that Senator Byrd wished to determine if any contact was made with the White House for the specific purpose of receiving instructions or information relating to the possible Banking and Currency Committee investigation. While Mr. Ford's answer indicates that he could not recall any contact with the White House for the specific purpose of receiving instructions, he expresses an awareness of Mr. Brown's contacts with the members of the Administration during this period.

Furthermore, I believe that Ms. Holtzman's account of Mr. Ford's testimony before the Senate is misleading in the way in which it is presented. Ms. Holtzman recounts in the text of her letter Mr. Ford's answer to Senator Byrd's inquiry in the following manner:

Mr. Ford: Not to my best recollection. (At 284.) Almost daily...I talked to Mr. Timmons, or someone in the Legislative Liaison Office of the White House but even in this case I do not recall any conversations concerning this particular matter. (At 286.)

In truth, all matter appearing after the first sentence "Not to my best recollection (At 284.)" was in response to a second question offered by Senator Byrd appearing on pages 134-35 of the printed Senate hearings. Specifically, Senator Byrd's question and Mr. Ford's response is as follows:

Senator Byrd: Mr. Ford, you undoubtedly would recall any conversation you might have during that period of August-October with the President, with Mr. Haldeman, Mr. Ehrlichman, Mr. Dean, or anyone at the White House, in connection with the proposed investigation by the Patman Committee. Do you recall any such conversations that would indicate that the White House wanted you to lend your efforts as a leader, to blocking such an investigation? (emphasis added)

Mr. Ford: I can say categorically, Senator Byrd, I never talked with the President about it, or with Mr. Haldeman, Mr. Ehrlichman, Mr. Dean. I know I had no conversation with them now.

Almost daily, during my period as Republican leader in the House, I talked with Mr. Timmons, or someone in the Legislative Liaison Office of the White House, but even in this case I do not recall any conversations concerning this particular matter.



It is my interpretation that Mr. Ford's answer was strictly in response to the question of whether he had received instructions from the White House to lead the effort to block the Patman investigation rather than, as Ms. Holtzman would have you believe, in response to the question of whether he had ever, under any circumstances, discussed the Patman matter with Timmons.

In light of the above, Mr. Ford's testimony before the Committee on November 26, 1973, stating that while he never contacted the White House or Timmons specifically for the purpose of discussing the possible Banking and Currency investigation, he may have briefly and generally mentioned the proposed investigation, does not in any way seem inconsistent with his earlier Senate testimony.

An examination of the affidavit submitted by Mr. Timmons does present some question as to the total accuracy of Mr. Ford's statements relating to the Patman investigation. On the one hand, Ford admits that he may have generally discussed the matter with Timmons, while Timmons categorically denies ever having communicated with Ford on the issue. The severity of this inconsistency is slight when viewed in terms of the inability of Ford to recall specific instances where he may have spoken with Timmons about the matter. Ford spoke in terms of his conversations with Timmons on this issue as possible occurrences, stating "we might have discussed very generally the situation there," and "H/e may have asked me that status of..."

Ms. Holtzman suggests on page 3 of her letter that Mr. Timmons' affidavit is deficient in that it covers only the period from September 21 through October, rather than the entire period beginning in August. It appears that Mr. Timmons did not intentionally omit the month of August from his sworn statement but was asked only to consider the "Fall" of 1972. The significance of this one month omission is, at best, slight, since the vote taken by the Banking and Currency Committee considering the authorization of subpoena power did not take place until October 3, 1972. Any concerted effort, it could be argued, to obstruct the investigation certainly would have occurred just prior to the vote.

Of further note is the fact that the Banking and Currency Committee refused to authorize the subpoena power by a vote of 20 to 15. While all of the Republicans present for the vote (14) cast their ballot in opposition to the resolution, they were joined by six Democrats to defeat the resolution. It is apparent therefore, that it took a bipartisan effort to defeat Mr. Reuss' resolution and was not purely a Republican effort.



Ms. Holtzman refers in her letter to John Dean's testimony before the Ervin Committee and urges that he be called to testify before this Committee. John Dean, in his testimony, never referred to Mr. Ford by name as a target of White House pressure to obstruct the Banking and Currency investigation. Moreover, Congressman Garry Brown submitted to the Watergate Committee a lengthy statement detailing the Administration's involvement in the matter. He did not indicate that Ford was involved in any way nor was he ever called to appear before the Committee to explain his statement.

In this regard, it is important to remember that this Committee is in receipt of a letter from Senator Ervin stating that his Committee has uncovered no information that in any way bears on the qualifications of Mr. Ford to be Vice President of the United States.



WASHINGTON
DISTRICT OF COLUMBIA

AFFIDAVIT

I, WILLIAM E. TIMMONS, being duly sworn according to law, do hereby swear and affirm that during the Fall of 1972 I had no communications, written or oral, with Rep. Gerald R. Ford in regard to any proposal or intention of the Banking and Currency Committee of the House of Representatives to conduct an investigation and/or hold hearings on the Watergate break-in and related issues.

William E. Timmons
WILLIAM E. TIMMONS

Sworn to and subscribed
before me this 26th day of
November, 1973.

John Joseph Ratelford
NOTARY PUBLIC
My commission expires May 31, 1978



but that I wasn't going to suggest filing any lawsuit or taking any action that was not well founded.

I had talked with Mitchell, Ken Parkinson, and Paul O'Brien about the matter and Mr. Parkinson informed me that he was working on several potential counteractions. I requested that he submit a memorandum to me as soon as possible because there was great interest at the White House in a counterattack, including the interest by the President. On September 11, 1972, Mr. Parkinson submitted his memorandum to me and after the memorandum, I redrafted his documents for submission to Haldeman. I have submitted to the committee copies of both Mr. Parkinson's memorandum and the memorandum I submitted to Haldeman.

[The documents referred to were marked exhibit No. 34-19.*]

Mr. DEAN. You will note that my memorandum of September 12, 1972, to Mr. Haldeman has a "P" with a checkmark in the upper right-hand corner, which indicates that the document was forwarded directly to, or reviewed by, the President. I later learned that the President was pleased and wanted a full followup on the items in the memorandum. The markings on the memo are Mr. Haldeman's markings.

It was also about this time, later July—early September, that I learned during a meeting in Mitchell's office that Mr. Rhoemer McPhee was having private discussions with Judge Richey regarding the civil suit filed by the Democrats. I believe this fact was known to Mr. Mitchell, Mr. LaRue, Paul O'Brien, and Ken Parkinson—and later again by McPhee—that Judge Richey was going to be helpful whenever he could. I subsequently talked with Mr. McPhee about this, as late as March 2 of this year, when he told me he was going to visit the judge in the judge's rose garden over the weekend to discuss an aspect of the case.

MEETING WITH THE PRESIDENT—SEPTEMBER 15, 1972

On September 15 the Justice Department announced the handing down of the seven indictments by the Federal grand jury investigating the Watergate. Late that afternoon I received a call requesting me to come to the President's Oval Office. When I arrived at the Oval Office I found Haldeman and the President. The President asked me to sit down. Both men appeared to be in very good spirits and my reception was very warm and cordial. The President then told me that Bob—referring to Haldeman—had kept him posted on my handling of the Watergate case. The President told me I had done a good job and he appreciated how difficult a task it had been and the President was pleased that the case had stopped with Liddy. I responded that I could not take credit because others had done much more difficult things than I had done. As the President discussed the present status of the situation I told him that all that I had been able to do was to contain the case and assist in keeping it out of the White House. I also told him that there was a long way to go before this matter would end and that I certainly could make no assurances that the day would not come when this matter would start to unravel.

*See p. 1173.



Early in our conversation the President said to me that former FBI Director Hoover had told him shortly after he had assumed office in 1969 that his campaign had been bugged in 1968. The President said that at some point we should get the facts out on this and use this to counter the problems that we were encountering.

The President asked me when the criminal case would come to trial and would it start before the election. I told the President that I did not know. I said that the Justice Department had held off as long as possible the return of the indictments, but much would depend on which judge got the case. The President said that he certainly hoped that the case would not come to trial before the election.

The President then asked me about the civil cases that had been filed by the Democratic National Committee and the common cause case and about the counter suits that we had filed. I told him that the lawyers at the reelection committee were handling these cases and that they did not see the common cause suit as any real problem before the election because they thought they could keep it tied up in discovery proceedings. I then told the President that the lawyers at the reelection committee were very hopeful of slowing down the civil suit filed by the Democratic National Committee because they had been making ex parte contacts with the judge handling the case and the judge was very understanding and trying to accommodate their problems. The President was pleased to hear this and responded to the effect that, "Well, that's helpful." I also recall explaining to the President about the suits that the reelection committee lawyers had filed against the Democrats as part of their counteroffensive.

There was a brief discussion about the potential hearings before the Patman committee. The President asked me what we were doing to deal with the hearings and I reported that Dick Cook, who had once worked on Patman's committee staff, was working on the problem. The President indicated that Bill Timmons should stay on top of the hearings, that we did not need the hearings before the election.

The conversation then moved to the press coverage of the Watergate incident and how the press was really trying to make this into a major campaign issue. At one point in this conversation I recall the President telling me to keep a good list of the press people giving us trouble, because we will make life difficult for them after the election. The conversation then turned to the use of the Internal Revenue Service to attack our enemies. I recall telling the President that we had not made much use of this because the White House did not have the clout to have it done, that the Internal Revenue Service was a rather democratically oriented bureaucracy and it would be very dangerous to try any such activities. The President seemed somewhat annoyed and said that the Democratic administrations had used this tool well and after the election we would get people in these agencies who would be responsive to the White House requirements.

The conversation then turned to the President's postelection plans to replace people who were not on our team in all the agencies. It was at this point that Haldeman, I remember, started taking notes and he also told the President that he had been developing information on which people should stay and which should go after the election. I recall that several days after my meeting with the President, I was talking to Dan Kingsley, who was in charge of developing the list for



Haldeman as to people who should be removed after the election. I told Kingsley that this matter had come up during my conversation with the President and he said he had wondered what had put new life into his project as he had received several calls from Higby about the status of his project within the last few days. The meeting ended with a conversation with the President about a book I was reading.

I left the meeting with the impression that the President was well aware of what had been going on regarding the success of keeping the White House out of the Watergate scandal and I also had expressed to him my concern that I was not confident that the coverup could be maintained indefinitely.

BLOCKING THE PATMAN COMMITTEE HEARINGS

I would next like to turn to the White House efforts to block the Patman committee hearings. As early as mid-August 1972, the White House learned through the congressional relations staff that an investigation was being conducted by the staff of the House Banking and Currency Committee, under the direction of Chairman Patman, into many aspects of the Watergate incident. The focus of the investigation at the outset was the funding of the Watergate incident, and other possible illegal funding that may have involved banking violations. The White House concern was twofold: First, the hearings would have resulted in more adverse preelection publicity regarding the Watergate, and second, they just might stumble into something that would start unraveling the coverup.

The initial dealings with the Patman committee and the reelection committee were handled by Mr. Stans and Mr. Parkinson. However, as the Patman committee proceeded, Stans called for assistance from the White House. I was aware of the fact that the Patman investigators had had numerous conversations with Parkinson and the investigators themselves came to the Republican National Convention to interview Stans on August 23, 1972. Upon Mr. Stans' return from the Republican Convention he met with the investigative staff of the Patman committee, which I believe occurred on August 30. He was accompanied at both these interviews by Mr. Parkinson.

At some point in time during these investigations Mr. Parkinson was put in touch with Congressman Garry Brown, who was a member of the Banking and Currency Committee. To the best of my recollection, this may have resulted from discussions between members of the White House congressional relations staff with the Republican members of the Banking and Currency Committee to determine who would be most helpful on the committee, and Brown indicated his willingness to assist.

On September 8, Congressman Brown sent a letter to the Attorney General regarding the forthcoming appearance of Secretary Stans and others before the Patman committee. I have submitted to the committee a copy of this letter, which was, in fact, drafted by Mr. Parkinson for Congressman Brown.

[The letter was marked exhibit No. 34-20.*]

Mr. DEAN. It is my recollection that Secretary Stans was scheduled to appear before the Patman committee for formal testimony on Sep-

*See p. 1181.



tember 14. Prior to Parkinson's drafting the letter for Congressman Brown, I had been asked to discuss the matter with Henry Petersen, which I did. I told Petersen of the problem and asked him for his feeling about Stans and others appearing before the Patman committee and what effect that might have on either the grand jury or the indicted individuals once the indictments were handed down. I recall that Petersen had very strong feelings that it could be very detrimental to the Government's ability to prosecute successfully the Watergate case, but he said he would have to give some thought to responding to Congressman Brown's letter. I had several additional discussions with Petersen and later with the Attorney General, when Petersen indicated he did not think he could respond before the scheduled appearance of Stans on September 14.

The Justice Department did not feel that it could write such a letter for one individual regarding the Patman hearings and was very reluctant to do so. I also had conversations with Mitchell about this and reported the matter to Haldeman and Ehrlichman. The Justice Department felt that for them to write such a letter would look like a direct effort to block the hearings and I frankly had to agree. Therefore, no response was sent prior to the scheduled September 14 appearance of Stans and Mr. Parkinson himself informed the committee that Stans would not appear because he felt it would be detrimental to the then pending civil and criminal investigations.

It was after my September 15 meeting with the President where this matter had been briefly and generally discussed and, as the subsequent activities on the Patman committee became more intense that the White House became more involved in dealing with the Patman committee. On September 25, Chairman Patman announced that he would hold a vote on October 3 regarding the issuing of subpoenas to witnesses. With this announcement the White House congressional relations staff began talking with members of the committee as well as the Republican leadership of the House.

I recall several conversations with Mr. Timmons and Dick Cook regarding this matter as well as conversations with Haldeman. Timmons and Cook informed me that there was a daily change in the list of potential witnesses and the list was ever growing and beginning to reach into the White House itself. In discussing it with Haldeman I asked him how he thought the Patman hearings might be turned off. He suggested that I might talk with Secretary Connally about the matter because Connally would know Patman as well as anybody. I called Secretary Connally and told him the reason I was calling. He said that the only thing he could think of, the only soft spot that Patman might have, was that he had received large contributions from a Washington lobbyist and had heard rumors that some of these contributions may not have been reported.

I discussed this matter with Bill Timmons and we concluded that several Republicans would probably have a similar problem so the matter was dropped. At this time I cannot recall the name of the lobbyist whom Secretary Connally said had made the contributions to Mr. Patman. Timmons and I had also discussed that probably some of the members of the Banking and Currency Committee would have themselves potential campaign act violations and that it probably would be worthwhile to check out their reporting to the Clerk of the House. I told Timmons I would look into it.



On September 26 I received a report I had requested from Parkinson after he had one of his associates check the reports of the members of the committee with the Clerk of the House. After I received the document from Parkinson, a copy of which I have submitted to the committee, I decided it would be a cheap shot to get into anything of this nature.

[The document referred to was marked exhibit No. 34-21.¹]

Mr. DEAN. Accordingly, I never reviewed the document that Parkinson submitted and I have not reviewed it to this day.

While the White House had received through its congressional relations staff informal reports as to who was likely to be subpoenaed, Chairman Patman made public his list on October 2, 1972. The individuals for whom subpoenas were to be requested was extensive and included several people who had varying degrees of knowledge regarding the Watergate and related matters. This list, for example, included Alfred Baldwin, Jack Caulfield, persons from the finance committee, Sally Harmony, Fred LaRue, Clark MacGregor, Mr. Magruder, Mr. Mardian, Mr. Mitchell, Rob Odle, Bart Porter, Hugh Sloan, Stans, Timmons, and myself. I have submitted to the committee a copy of the entire list.

[The document referred to was marked exhibit No. 34-22.²]

Mr. DEAN. As the names on the list had continued to evolve, it became increasingly apparent that the White House did not want the hearings to be held. For example, Bill Timmons took a much greater interest in the project when he realized early on that his name was among those who would be called. I say this not because Timmons had any reason not to appear because I know of no illegal or improper activity on Timmons' part, rather he had been working to prevent the hearings from occurring in the first instance through his conversations with the Republican leaders and members of the committee. This he knew would put him in an awkward position.

I began receiving increasing pressure from Mitchell, Stans, Parkinson and others to get the Justice Department to respond to the September 8 letter of Congressman Brown as a vehicle that Congressman Brown could use in persuading other Republicans not to vote in favor of the subpoenas. Congressman Brown felt that with this document in hand he could give the Republicans and others something to hang their vote on. I had continued my conversations with Henry Petersen and after the indictments had been returned he said that indeed he did feel that the Justice Department should issue such a letter because of the potential implications of the breadth of the Patman hearings. The letter was sent on October 2, 1972. I have submitted to the committee a copy of Congressman Brown's letter³ and Assistant Attorney General Petersen's response.

[The document referred to was marked exhibit No. 34-23.⁴]

Mr. DEAN. A number of people worked on getting the votes necessary to block the Patman committee hearings. Mr. Timmons discussed the matter with the House Republican leaders who agreed to be of assistance by making it a matter for the leadership consideration, which resulted in direction from the leadership to the members of the com-

¹ See p. 1183.

² See p. 1190.

³ Congressman Brown's letter appears as exhibit 34-20.

⁴ See p. 1104.



mittee to vote against the hearings. I was informed that Congressman Brown had been working with several members on the Democratic side of the Patman committee to assist in voting against the hearings or as an alternative not to appear for the hearings. Timmons informed me that he was also in direct contact with one of the leaders of the southern delegation who was being quite helpful in persuading the southerners on the committee not to vote for the subpoenas or in the alternative not to appear at the meeting on October 3. Also Mitchell reported to me that he had been working with some people in New York to get the New Yorkers on the committee to vote against the hearings. He told me, and I cannot recall now which members of the New York delegation he referred to, that he had assurances that they would either not show up or would vote against the hearings. I in turn passed this information on to Timmons, but I did not tell him the source of my information. On October 3 the vote was held and the subpoenas were defeated by a vote of 20 to 15 and another sigh of relief was made at the White House that we had leaped one more hurdle in the continuing coverup.

On October 4, however, Chairman Patman requested a GAO investigation and I was asked by Stans what this would mean. I told him that this would be primarily between himself and the GAO but that since GAO had no subpoena power to compel testimony, the scope of their investigation would have limits. He said he felt that he could work with Elmer Staats, who was an old and good friend, and not let this matter get out of hand with the GAO. On October 10, Chairman Patman decided to proceed without subpoena power, and sent letters to MacGregor, Stans, Mitchell, and myself. Everybody who received such a letter declined to appear and Patman held his hearings with empty witness chairs and, as I recall the press accounts, "lectured" the missing witnesses.

THE SEGRETTI MATTER

I would now like to turn to the so-called Segretti matter. I have been informed by committee counsel that the subject of alleged political sabotage will be taken up in subsequent hearings. However, I have been asked to explain in full the pattern of coverup which evolved in connection with the Watergate and related matters and my explanation would be less than complete in presenting my knowledge of the subject if I were to omit the so-called Segretti matter. While the Segretti matter was not directly related to the Watergate, the coverup of the facts surrounding Mr. Segretti's activities was consistent with other parts of the general White House coverup which followed the Watergate incident. I will not go into extensive detail at this time, rather I will give the highlights of the pattern that was followed regarding the dealings of the White House with Mr. Segretti.

I first heard of Mr. Segretti when Gordon Strachan called me in late June and told me that the FBI had called a friend of his by the name of Donald Segretti, and requested to interview him in connection with the break-in at the Democratic National Committee. Strachan asked if I would meet with Segretti. I told him that I would and Strachan arranged a meeting at the Mayflower Hotel where Segretti was staying. Strachan gave me a very general description of Mr. Se-



Senator MONTROYA. Now, referring to the President's news conference on August 29, 1972, and I will quote from that conference, a reporter asked this question:

Mr. President, would not it be a good idea for a special prosecutor, even from your standpoint, to be appointed to investigate the contribution situation and also the Watergate case?

Answer:

The PRESIDENT. With regard to who is investigating it now, I think it would be—it would be well to know that the FBI is conducting a full field investigation. The Department of Justice, of course, is in charge of the prosecution and presenting the matter to the Grand Jury. The Senate Banking and Currency committee—

I presume he meant the House—

is conducting an investigation. The General Accounting Office, an independent agency, is conducting an investigation of those aspects which involve the campaign spending law. Now with all these investigations that are being conducted, I don't believe that adding another Special Prosecutor would serve any useful purpose.

Now, you stated before that there was a move at the White House to try to stop the House Banking and Currency investigation, and you presented testimony as to what went on in the White House in the background.

Now, was this going on under auspices of anyone close to the President?

Mr. DEAN. Well, of course, on September 15 I had had a discussion with the President about this. He had asked me about the Banking and Currency Committee investigation. He had asked me who was handling it for the White House. I had reported that Mr. Richard Cook was the man who had formerly worked with the Banking and Currency Committee as a member of the minority staff, was very familiar with the members of the committee, and at the conclusion of my report I recall him saying that he wanted Mr. Timmons to get on top of the matter and be directly involved in it also.

Senator MONTROYA. And that was about the time that he was making this statement to the press?

Mr. DEAN. Well, that preceded—that is correct. Of course, it was September 15 that that arose in his office directly and we are talking about a press conference in August, and during the following weeks, of course, there was an ever-increasing effort of the White House to deal with the Patman committee hearings as I have so testified.

Senator MONTROYA. When did the President tell you this? Was it before August 29 when he made the statement at the press conference or after?

Mr. DEAN. It was after, September 15.

Senator MONTROYA. It was approximately 17 days later.

Mr. DEAN. That is correct.

Senator MONTROYA. 17 or 13 days.

In the same, and as he went along, the President said as follows:

The other point that I should make is that these investigations, the investigation by the GAO, the investigation by the FBI, by the Department of Justice have at my direction had the total cooperation of the—not only the White House but also of all agencies of the government.



I want you to pay special attention to this. This is quoting the President still.

In addition to that, within our staff under my direction Counsel to the President, Mr. Dean, has conducted a complete investigation of all leads which might involve any present members of the White House staff or anybody in the Government. I can say categorically that his investigation indicates that no one in the White House staff, no one in this Administration presently employed was involved in this bizarre incident.

Now, I ask you this question: With respect to any project that you handled directly for the President where a report was required wouldn't you assume that if this is true that you would have been required to file a report?

Mr. DEAN. Yes, sir.

Senator MONTROYA. And also if, assuming that this was true, wouldn't that report be available at the White House?

Mr. DEAN. That is correct.

Senator MONTROYA. And so assuming the correctness of the President's statement then it necessarily follows that if you made a complete investigation at his behest, and for him, that the President should produce that Dean report?

Mr. DEAN. I already believe that the White House has indicated there was no Dean investigation. I think that is one of the inoperative statements. [Laughter.]

Senator MONTROYA. But it is still your testimony that you were not requested by the President to make a report to him or to conduct this investigation.

Mr. DEAN. Not at that time, Senator; that is correct.

Senator MONTROYA. All right.

I want to go into this a little further the matter of the San Clemente conferences.

Now, did you discuss specifically with Mr. Haldeman, with Ehrlichman and others who might have been attending their matters directly dealing with the so-called coverup?

Mr. DEAN. Yes, we did.

Senator MONTROYA. Now, will you as succinctly as possible, as briefly as possible, relate for the record now just exactly what those discussions were with respect to the coverup?

Mr. DEAN. Well, we had a lengthy discussion ranging over 2 days, and I have estimated between 12, 14—10, 12, 14 hours—I do not know how many hours totally were spent in a discussion, that basically were focusing on how to deal with this committee. At the end of that discussion, on the last day of the discussion, on Sunday afternoon, what I described as the bottom line question came up, because everything depended upon the continued silence of the seven individuals who had either been convicted or had pleaded guilty. Would they remain silent during the duration of these hearings? I was asked that question.

I said, I cannot answer that question, because I do not know. All I know is that they are still making money demands.

Preceding that, there had been a good bit of discussion between Mr. Haldeman and Mr. Ehrlichman and back and forth to Mr. Mitchell as to who was going to raise the necessary money. I reported to them that there was nothing I could do, this was out of my hands, that Mr.



man of the Senate Judiciary Committee, had become even friendlier to the Administration since Mitchell had assured him he would face no Republican opposition in his reelection campaign. He chaired the Kleindienst hearings to our advantage.

When Colson finished chewing on Kleindienst, we began assessing in earnest. We faced the nearly impossible task of proving a negative—of showing there was no collusion involved in the ITT settlement. After reviewing the documented history of the ITT case, I knew that Dita Beard's memo conveyed a hopelessly inaccurate, almost naïve view of the Administration's workings. She appeared to be puffing up her own influence by ignoring the other f

Bud looked at me stoically. "Listen, John, if the damn thing's going to come out, it's going to come out." Bud had been a tough cookie at the White House; now he looked like Sir Thomas More facing the executioners bravely. "I'll tell you something. I haven't really had a good day since I went over there to Transportation. I'm troubled by my confirmation hearings up in the Senate. I think I may have crossed the line up there. I tell you, I thought about saying this was all national-security stuff, but I decided just to sort of dodge it. I don't even like to read back over my testimony."

He's worried about perjury, too, I thought. I decided to get him off the subject. "How strong is Hunt's hand on this, Bud? Did John approve this Ellsberg thing?"

Dean Book Accuses Ford on Watergate

By Jules Witcover

Washington Post Staff Writer

Former Nixon aide John W. Dean III says in his soon-to-be-published book that he was told Gerald R. Ford had knowledge of, and discussed tactics in, the White House's effort to block a Watergate investigation before the 1972 presidential election.

Dean, in his book, "Blind Ambition," says former Nixon congressional liaison chief William E. Timmons told him he (Timmons) in September, 1972, had discussed with Mr. Ford the possibility of trying to blackmail Rep. Wright Patman (D-Tex.) into dropping his planned inquiry. The idea was rejected by Mr. Ford and Timmons, Dean says.

Timmons, now a Washington lobbyist, said yesterday he did have a conversation with Dean about using a report of an alleged illegal campaign contribution to deter Patman. But Timmons said he rejected it outright. Timmons said he never discussed that or any other tactic for sidetracking the impending investigation with Mr. Ford.

At the White House, Richard B. Cheney, President Ford's chief of staff, said last night the White House would stand on Mr. Ford's testimony before two congressional committees in 1973 that he had never had any conversations with anyone in the White House about blocking Patman's proposed investigation.

he said "even in this case I do not recall any conversations concerning this particular matter."

Jake Lewis, the House Banking and Currency Committee staff aide who worked most closely with Patman on the Watergate matter, said yesterday that after the Nixon White House tapes were made public, Patman tried to get the Senate Watergate committee to subpoena tapes from Sept. 15 to Oct. 3, 1972. He hoped, Lewis said, they would reveal whether Nixon's orders had been carried out, and by whom.

But the tapes still have not been made public, he noted. Concerned that they might be lost or destroyed, Lewis said, Patman on Aug. 8, 1974, the day President Nixon announced his resignation, wrote to the House Judiciary Committee urging that all tapes be kept intact.

Dean writes in his book, to be published in November by Simon and Schuster, that former Gov. John B. Connally of Texas told him he had heard in Texas that Patman, now deceased, may have "received some contributions from an oil lobbyist" that he had not reported.

Dean says he asked the Nixon campaign committee's lawyer, Kenneth Parkinson, to check into campaign contributions to Patman and other members of the committee, and had passed Connally's idea on to Timmons.

"Timmons, who met regularly with Jerry Ford, had explored with him Connally's suggestions about Patman," Dean writes in the book.



THE WHITE HOUSE

WASHINGTON

B.
Bill Stanton:

"This is my recollection of the one and only time Ford ever had a meeting with the Minority Members of the B&C Cmte with respect to the Patman investigation: It was members of the Cmte who asked to meet with Ford. Ford did not request the meeting. The reason members wanted to meet with im, this was usual procedure when we were to take a position where other members of the minority (not members of the Cmte) might be affected by a minority Cmte action. I don't know who asked him, but ~~we~~ presume it was Bill Widnall. At the meeting Ford mostly sat, smoked his pipe and listened. The discussion went along the following line: If Patman limited probe just to laundered money in South America, the Cmte had no objection. The Cmte was ~~is~~ adamantly opposed to unlimited use of subpeone power which gave the imporession that it was a political withc hunt two days before adjournment of Congress and one month before election. Some members of the Cmte felt by simply not showing up, they would lack a quorum. It was them unanimously decided that if Patman asked for unlimited subpoena power, the members would vote no and at the smae time ask Patman, if his probe were not political, to call the members back the day after the election and we would be glad to cooperate. Ford's only remarks were to concur with our decision that a month's delay made sense and that we were taking the right action. Wright Patman never accepted the minority members' challenge and never called a meeting. The best of my recollection~~wh~~ shortly after this instance, Senator Kennedy looked at the subject matter and decided not to call for an investigation basically becuse he felt it was not under the jurisdiction of his committee.

Mr. Dean, whatever he says in his book, speaks for himself. I know of at least $\frac{1}{2}$ ~~h~~ dozen highly respected present and former Members of Congress who will verify my statement. "



GARRY BROWN
30 DISTRICT, MICHIGAN

COMMITTEE ON
BANKING AND CURRENCY

COMMITTEE ON
GOVERNMENT OPERATIONS

JOINT COMMITTEE ON
DEFENSE PRODUCTION

Congress of the United States
House of Representatives
Washington, D.C. 20515

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August 31, 1972

The Honorable Wright Patman
Chairman
House Committee on Banking and Currency
2129 Rayburn House Office Building
Washington, D. C.

Dear Mr. Chairman:

I was shocked and dismayed to learn that yesterday certain staff members of the Banking and Currency Committee conducted an ad hoc hearing regarding the financial transactions involved in the so-called Watergate bugging incident and called former Secretary Stans as a witness without any authority to do so and, even more disturbing, members of the Committee were not notified of this session nor were we given an opportunity to be present.

Surely I do not need to remind you of the Rules of the House and the Rules of the Committee on Banking and Currency which expressly prohibit the very type of proceeding which occurred; the Rules of the House applicable being:

Jefferson's Manual and Rules of the House of Representatives

Rule XI., §735.(f)(1) Each committee of the House (except the Committee on Rules) shall make public announcement of the date, place, and subject matter of any hearing to be conducted by the committee on any measure or matter at least one week before the commencement of that hearing, unless the committee determines that there is good cause to begin such hearing at an earlier date. If the committee makes that determination, the committee shall make such public announcement at the earliest possible date. Such public announcement also shall be published in the Daily Digest portion of the Congressional Record as soon as possible after such public announcement is made by the committee. (Emphasis added)

Rule XI., §735.(h) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two. (Emphasis added)

And, the applicable Rules of the Committee on Banking and Currency being:

Rules of Procedure of the Committee on Banking and Currency

Rule 3. A majority of the members of the Committee shall



August 31, 1972

constitute a quorum for the purpose of reporting any bill or making decisions on any matters before the Committee; two or more members of the Committee shall be present for the purpose of hearing witnesses and taking testimony. (Emphasis added)

Rule 4. The date, time, place, and subject matter of all hearings shall be publicly announced at least one week before the commencement of that hearing, unless the chairman and ranking minority member determine that there is a good cause to begin the hearing at an earlier date to the extent feasible. If the chairman and ranking minority member make that determination, the committee shall make such public announcement and provide telephonic and written notice to the members of the Committee, at the earliest possible date. Such public announcement also shall be published in the Daily Digest portion of the Congressional Record as soon as possible after such public announcement is made by the committee.

* * *

Rule 12. . . . Seven days prior notice shall be given to all members of the Committee of any proposed Committee or subcommittee inquiries and investigations other than routine requests for reports and information in connection with bills and resolutions pending before the Committee. Similar notice shall be given to all member(sic) of the Committee of any proposed studies and reports by the Committee or any subcommittee, and of any print or document to be filed with the Clerk of the House or printed as a House document. Such prints or documents shall clearly indicate that the views expressed therein do not reflect the views of any member of the Committee not a signatory thereto.

* * *

I will not question, although many may, the wisdom of our Committee becoming involved in still another investigation of this matter although several other investigations of the incident are already in progress. However, I do lodge my serious protest to such an investigation being initiated and conducted by staff personnel without any authorization from the Committee and even without at least this member's knowledge.

I demand that the staff be instructed to immediately cease and desist from any further investigation of this matter until such time as you have called the Committee together for the purpose of discussing and determining appropriate Committee action.

The Watergate incident is a serious matter and is deserving of as full and complete an investigation as is possible. I totally concur in the need and

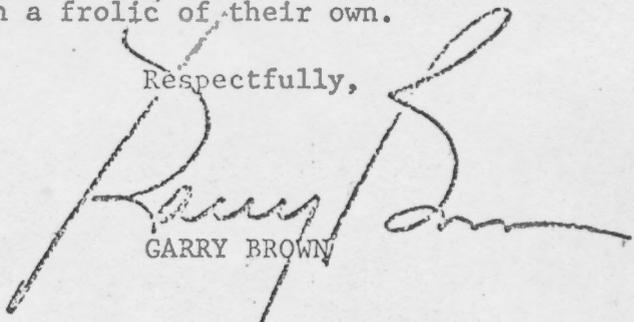


The Honorable Wright Patman

August 31, 1972

the right for the Congress, as well as the public, to be fully informed regarding all of its ramifications. In fact, the very nature of this matter dictates each member's personal involvement, not the involvement of only staff members engaging in a frolic of their own.

Respectfully,


GARRY BROWN

cc: All Members of Committee on Banking and Currency



GARRY BROWN
3D DISTRICT, MICHIGAN

COMMITTEE ON
BANKING AND CURRENCY

COMMITTEE ON
GOVERNMENT OPERATIONS

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September 5, 1972

The Honorable Wright Patman
Chairman
House Committee on Banking and Currency
2129 Rayburn House Office Building
Washington, D. C.

Dear Mr. Chairman:

Thank you for your letter of explanation relative to the activities being carried on by staff members of the Banking and Currency Committee relative to the Watergate affair and your interpretation of your authority under the Rules of the House and the Rules of the Committee concerning your authority to assign staff work and authorize staff investigations in the absence of any Committee action.

At the outset, let me put aside once and for all the suggestion you have incorporated in your letter that my objection to the conduct of this investigation by staff members is an "attack" upon the investigation itself and the jurisdiction of our Committee to conduct such an investigation. You seem to have missed the thrust of my letter wherein I repeatedly objected to the investigation by staff members without the authorization of the Committee and even without the Committee's knowledge. Specifically, I said:

I will not question, although many may, the wisdom of our Committee becoming involved in still another investigation of this matter although several other investigations of the incident are already in progress. However, I do lodge my serious protest to such an investigation being initiated and conducted by staff personnel without any authorization from the Committee and even without at least this member's knowledge.

And, in my letter to you of August 31, 1972, I further said:

The Watergate incident is a serious matter and is deserving of as full and complete an investigation as is possible. I totally concur in the need and the right for the Congress, as well as the public, to be fully informed regarding all of its ramifications. In fact, the very nature of this matter dictates each member's personal involvement, not the involvement of only staff members engaging in a frolic of their own.

In further critique of your response of September 5, 1972, let me state that the



September 5, 1972

activities of the staff members in interrogating Mr. Stans cannot be considered "normal staff procedures," under any circumstance as you have suggested, and such activity on the part of staff members with respect to a matter which you have described as one "carrying . . . serious political implications" can only be viewed as highly unusual, especially so in the absence of any Committee authorization to initiate an investigation.

Your letter attempts to suggest that Mr. Stans somehow imposed himself upon the staff members as a witness when you say that "Mr. Stans appeared voluntarily to answer questions at my request." I trust you don't believe that Mr. Stans and I are politically naive enough to accept the proposition that his refusal to appear at your request would have been benignly neglected and silently received by you.

In addition, I take serious issue with the innuendo incorporated in your letter to the effect that I consider an investigation of the Watergate incident as a mere "frolic." The use of that term in my original letter, and as again referenced herein, could only have been interpreted by any reasonable person as suggesting that staff members do not have the same obligation of accountability to constituents and the people of the country as a whole as do the Members of Congress. To that extent they have much greater freedom of activity, and I need not point out to you that on occasion this freedom of activity of staff members has even reached the point of being irresponsible.

In summary, I restate my basic contention; namely, that the investigation of the Watergate incident to the extent that it falls under the jurisdiction of our Banking and Currency Committee should be an investigation discussed with and authorized by the full Committee; and, to the extent testimony, answers to questions, or whatever you wish to call it, are to be taken from persons having knowledge about the matter, Committee members shall be fully apprised and informed of such plans and intentions.

For the reasons above set forth, I request that you immediately call a meeting of the Committee for the purposes of informing the members of the status of the investigation which has been conducted by staff members as well as the areas of concern within the jurisdiction of the Committee which you feel should receive further attention from the Committee and its staff.

Inasmuch as we have a meeting scheduled for tomorrow morning at 10:00 A.M., I request that before continuing with the markup of the Housing Bill we

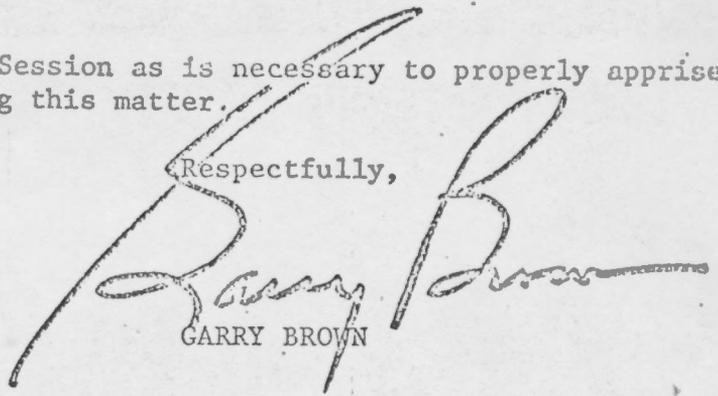


The Honorable Wright Patman

September 5, 1972

devote such time in Executive Session as is necessary to properly apprise the Committee members regarding this matter.

Respectfully,


GARRY BROWN

I concur in the request for a meeting for the purposes stated as set forth in the last paragraph of Representative Brown's letter.

Bill French

Albert W. Wilson

Ben Blackburn

Phil Custer

Thomas Williams

Jim H. Casper

Norman F. Law



November 5, 1973

The Honorable Gerald R. Ford
H-230, The Capitol
Washington, D. C.

Dear Jerry:

Pursuant to our telephone conversation today, I am forwarding to you herewith a copy of the sworn statement I filed with the Ervin Committee relative to the allegations made by Mr. Dean when he testified before that Committee early this summer.

Although my statement makes no direct reference to Dean's allegations concerning involvement of the Republican leadership in the House of Representatives relative to the Patman hearings, the statement does correctly reflect the general situation which existed at that time. As a practical matter, Mr. Dean at no time during the course of his direct testimony before the Ervin Committee alleged that you personally had been in any way involved, his references in that testimony having been to "the Republican leadership of the House" (page 106 of his testimony); "Republican leaders" (page 108); and, "House Republican leaders" (page 109).

Rather than in connection with Dean's testimony, I believe your name became associated with the Patman hearings through press reports at that time to the effect that you had met with the Republican members of the Banking and Currency Committee. Of course, as you know, you did meet with us on two occasions, but each of those meetings had been requested by Mr. Widnall, the ranking member, and the other Republican members of the Committee primarily for the purpose of apprising you of the situation which existed and to seek any advice which you and Mr. Arends might care to proffer.

In addition and as was noted by the media at that time, at the request of the Republican members of the Banking and Currency Committee you sent a letter to all Republican members of the Committee urging them to be present for the vote on October 3, stating it to be your opinion, and properly so, that our system of criminal justice dictated against Congressional hearings while criminal proceedings were pending. Of course, this is the position taken by even Archibald Cox when he urged the Ervin Committee to suspend its hearings earlier



November 5, 1973

this year.

I regret that I cannot provide a more substantive response to any suggestions which may have been made that you were in any way improperly involved in the Banking and Currency Committee action, but as you know it is next to impossible to "prove the negative."

With best regards,

Sincerely,

GARRY BROWN

Enclosure



Washington Post

FINAL

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OCTOBER 4, 1972



By Bob Hurchette—The Washington Post
Rep. William A. Barrett (D-Pa.), left, and Wright Patman (D-Tex.) await outcome of roll call prior to the vote on whether to conduct hearings in the Watergate case.

Bugging Hearings Rejected

House Panel Defeats Bid By Patman

By Bob Woodward and Carl Bernstein
Washington Post Staff Writers

The House Banking and Currency Committee, after a week of heavy Republican lobbying, voted 20 to 15 yesterday against holding public hearings on the Watergate bugging incident and alleged irregularities in President Nixon's re-election campaign financing.

All 14 Republicans in attendance, four Southern Democrats and two other Democrats voted against Committee Chairman Wright Patman's request for the hearings.

They thus apparently ended any chance of a full airing before election day of issues stemming from the now celebrated break-in and alleged bugging of the Democrats' Watergate headquarters in June.

Rep. Garry Brown (R-Mich.), the key figure in engineering the defeat, acknowledged in an interview that he worked with the Justice Department and Rep. Gerald R. Ford (R-Mich.), the House minority leader, to block the hearings.

Brown denied a charge by Patman that the White House brought "all kinds of pressure" but added: "I would have to presume that the White House wouldn't want further attention paid to this. I'm not so stupid to have to be told."

In opposing the hearings yesterday, Brown and other Committee members contended that the proposed inquiry would prejudice the rights of

Welfare Compromise Killed; New Reform Bid in Doubt

By Spencer Rich
Washington Post Staff Writer
The Senate yesterday killed the Ribicoff welfare compromise by a 32-to-34 vote dealing with a shuffling, possibly fatal blow to the chances of welfare reform for the rest of this Congress.

Unless the Nixon administration endorses some new compromise between its own Family Assistance Plan and the more generous Ribicoff plan, it appears likely that all

So far, the White House has refused all compromises, insisting on the House-passed version of its own proposal.

A plan even closer to the administration program than the one sponsored by Sen. Abraham A. Ribicoff (D-Conn.), which was defeated yesterday, is being introduced by Sen. Adlai E. Stevenson III (D-Ill.), but the administration hasn't indicated endorsement. Ribicoff and Gaylord Nelson (D-Wis.) taunted the White House yesterday, saying it is refusing

another item of social legislation suffered a possibly fatal setback when conservatives defeated, 196 to 188, an attempt to send the minimum wage bill to conference with the more generous Senate version. Story on Page A17.

In place of the hodgepodge of current state programs for families with minor dependent children, with monthly benefits ranging between \$60 in Mississippi and \$335 in Connecticut, the administration originally proposed a federal payments of \$200 a month (plus \$100 a year) for every fam-

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'Wandering Funds' of GOP Now Topic for Banking Unit

By Bob Woodward
and Carl Bernstein
Washington Post Staff Writers

Rep. Wright Patman (D.Tex.) chairman of the House Banking and Currency Committee, said yesterday that he will call a meeting of his Committee next week to discuss "the strange wanderings of Repub-

Campaign '72



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& L

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Hijacker Gets Life; Silent On \$300,000

By Paul G. Edwards
Washington Post Staff Writer

Confessed air pirate Frederick W. Hahneman was sentenced to life imprisonment yesterday without saying publicly why he hijacked an East African airlines jet or what he did with the \$303,000 ransom with which he parachuted into the Honduran jungle last May 8. Since he surrendered to U.S. officials in Tegucigalpa, Honduras, on June 3, Hahneman apparently has told only his court-appointed attorneys the details of the hijacking, and has instructed them not to discuss them even if it would help him.



FREDERICK W. HAHNEMAN
... silences lawyer

Hahneman told American members of the American Embassy staff in Tegucigalpa that the money was taken by a contact from Panama and deposited in a "Chinese Communist bank account in Hong Kong for use in supporting unspecified "causes" in Latin America.

U.S. Attorney Brian P. Gattling said in an interview that Hahneman has stood by this bank story, but "We don't believe it. We think the money is still under his control, but there is nothing we can do about it."

Hahneman could be eligible for parole in 13 years, and court hearings said the effect of the missing money on Hahneman's parole chances "is something that's entirely up to individual

because you have established your credibility with us, we do not feel the need for continuing the work strike."

Visibly moved, Hardy shook Johnson's hand warmly and said: "Men of Lorton, I want to thank you."

He said the four days of mass bargaining had changed the community's image of Lorton prisoners.

The week demonstrated, Hardy said, "how a segment of the community which has been rejected has not lost their manhood and their ability to be gentlemen."

"I know my career is on the line right now. There are those who want me to leave this job," Hardy said. Adding that he was eligible for retirement in June, he said: "I do not run from a fight. I want change and I will stay and try to bring about that change."

Hardy's comment about adversaries referred to mounting criticism in some quarters of law enforcement and in Con-

See LORTON, A6, Col. 1

GOP Opposition Perils House Watergate Probe

By Donald Kessler
Washington Post Staff Writer

A congressional attempt to investigate the Watergate burglary episode has run into strong Republican opposition that threatens to postpone any probe until after the presidential election.

The effort has been spearheaded by Sen. James Buckley, who will vote to postpone it or won't be there to vote," he said.

Brown said there has not been any White House directive to stop the probe, although he said he talks with White House aides almost daily about many matters, in-

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NYT
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"All the News
That's Fit to Print"

The N

VOL. CXXII ... No. 41,892

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HOUSE PANEL BARS PRE-NOV. 7 INQUIRY INTO BUGGING CASE

Decision Virtually Rules Out
Congressional Hearings
Until After the Election

WHITE HOUSE ACCUSED

Patman Charges Pressure
—Six Democrats Among
Majority in 20-15 Vote

Special to The New York Times

WASHINGTON, Oct. 3—The House Banking and Currency Committee rejected today, 20 to 15, a proposal to hold public hearings on certain aspects of the alleged bugging of the Dem-



NY 1
P. 1
10/11/72

ceiling on Federal spending in the current year.

The spending ceiling, which was approved by a vote of 291 to 163, would give Mr. Nixon unrestricted authority to either cut or eliminate Federal spending programs to keep spending to the \$250 billion maximum. The ceiling would be in effect only for the current fiscal year, which began July 1.

Nixon Praises Vote

Mr. Nixon issued a statement praising the House for its "responsible" action, about an hour after the vote.

He urged the Senate to take "quick and positive action" on the measure "without creating any loopholes, so that excessive spending and inflation can be held in check and higher taxes can be avoided."

Whether the Senate would honor his request was not clear.

Senator Mike Mansfield of Montana, the majority leader, said just before the House vote that if the spending ceiling were passed, "you might as well abolish Congress" because Congress would have given away its constitutional power to control Government spending.

Democrats Lose Fight

But the Democratic leaders in the House had also opposed the ceiling, and they were voted down.

A key difference between the Senate and the House may be in the attitudes of the chairmen of the committees with jurisdiction over the spending ceiling.

In the House, the chairman of the Ways and Means Committee, Wilbur D. Mills of Arkansas, was the leading advocate of the spending ceiling.

The chairman of the Senate Finance Committee, Russell B. Long of Louisiana, on the other hand, has indicated that he wants to see some limitations on the President's budget-cutting authority written into the bill.

The Finance Committee may try to meet, hold a hearing and take action on the measure all

were being extended was made without explanation this evening by Ronald F. Ziegler, the White House press secretary.

Shortly after 6 P.M., Mr. Ziegler said that word had been received from Mr. Kissinger "in the last half hour" that he would hold another session tomorrow with Le Duc Tho, a member of the North Vietnamese Politburo, and Xuan Thuy, the chief North Vietnamese negotiator at the larger semi-public peace talks.

Mr. Kissinger, the President's national security adviser, will fly home tomorrow evening, the White House added.

White House spokesmen de-

off

Although the White House would not provide a chronology of Mr. Kissinger's activities in Paris during the day, the impression created here was that his decision to stay in Paris came after he met with the French Foreign Minister, Maurice Schumann, following the third negotiating session with the North Vietnamese.

Mr. Schumann, who for weeks has been expressing optimism over the outcome of the current phase of the talks publicly and privately, called on President Pompidou immediately.

Continued on Page 10, Column 1

By CHRISTOPHER LYDON

CHICAGO, Oct. 19—Senator George McGovern detained tonight his plans for withdrawal from Vietnam, including a visit to Hanoi by his Vice President to speed the return of American prisoners.

Drawing the choice between himself and President Nixon as "four more years of war or four years of peace," Mr. McGovern

Transcript of the McGovern address is on Page 29.

built on two year old campaign pledges and told a national television audience that if elected President he would take the following steps:

¶ Halt the bombing of North Vietnam and end all military and political support of South Vietnam's military Government next Jan. 20, Inauguration Day.

¶ Soon afterward send Senator Shriver, his Vice President, to Hanoi "to speed the arrangements" for the return of American prisoners.

¶ Allow the Vietnamese to work out their own settlement, and cooperate to see that any settlement, including a coalition government, gains international recognition.

¶ At the conclusion of the war, request Congress to adopt "an expanded program for our veterans."

¶ Give jailed and exiled draft evaders "the opportunity to come home." He did not use the word "amnesty."

¶ Order the closing of American bases in Thailand, but only "after all our prisoners have been returned."

Quiet Persuasion

The heart of Senator McGovern's plan was not in the few fresh particulars but was in his reaffirmation that quiet persuasion in place of the current bombing would free the prisoners within 90 days. The same three months, he said, would permit the removal of troops and "all salvageable American military equipment."

Mr. McGovern's speech, recorded last Sunday in Washington, was aimed at a prime-time audience that included more than 20 million viewers on the Columbia Broadcasting System and a number of other stations across the nation.

The setting of Mr. McGovern's speech was the office of the Senate majority leader, Mike Mansfield, in the Capitol.

Hammers at Nixon

Beyond his own peace plans, some sections of the McGovern

Patman Bids 4 Nixon Aides Testify on Watergate Case

SPECIAL TO THE NEW YORK TIMES
WASHINGTON, Oct. 19—Representative Wright Patman announced today that the House Banking and Currency Committee would meet Thursday in another attempt to investigate the break in and alleged bugging of the Democratic headquarters.

The Texas Democrat, who is the committee chairman, issued copies of letters to four prominent advisers to President Nixon asking them to appear voluntarily at the session.

The chairman's effort to hold public hearings came after reports this morning in The Washington Post that the incident had been part of a larger espionage and sabotage campaign against the Democrats, waged on President Nixon's behalf.

One of those invited was John Wesley Dean 3d, counsel to the President. The lawyer is known to have conducted a secret White House investigation of the June 17 break-in at the party headquarters in the Watergate complex.

Also asked to testify were John N. Mitchell, former chairman of the Committee to Re-elect the President; Clark MacGregor, the present chairman, and Maurice H. Stans, head of



The New York Times
Representative Wright Patman talks to newsmen.

the Nixon campaign finance committee.

All four were invited to bring along any books and records in their possession dealing with various aspects of the incident.

Mr. Patman indicated a particular interest in financial transactions linked to it.

There was no indication that any of the four would testify voluntarily. A Republican member of the committee, Representative Ben B. Blackburn of Georgia, told newsmen that

Continued on Page 27, Column 1

Continued on Page 13, Column 1

Laotian Tribe Fears U.S. Will Abandon It



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THE NEW YORK TIMES, WEDNESDAY, OCTOBER 11, 1972

Men to Testify Tomorrow on the Watergate Case Father Tows 3 But They Drown

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Nixt, are reported to be en-
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orney General of
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The Post charged in its article
without citing further examples,
that Federal investigators had
reported that the intelligence
operations included the follow-
ing activities.

Following members of Dem-
ocratic candidates' families and

said today that private inves-
tigators for her had found evi-
dence that wiretaps had been
placed on her Washington and
New York Congressional of-
fices.

She asked Speaker Carl Al-
bert of Oklahoma to conduct a
further investigation into the
matter.

physical bug or tap," she said.
"Their investigator, Nicholas
Beltrante, heard a voice say as
he dialed a local number:
"Bob, they're dialing a Wash-
ington number—start monitor-
ing."

The private investigator's re-
port concluded, "It is my firm

EDGARTOWN, Mass., Oct. 10
(UPI)—A 41-year-old man, tow-
ing his three dead sons, reached
shore today after swimming
through the night in stormy
seas when his boat sank off
Chappaquiddick Island. The

10/14/76
P. 40
NYT

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House Comment
House declined to
the speech, but it
that President
considering a na
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He recommended surrender
and withdrawal."
"It seems to me that the
whole thrust of the statement
may be based on some sort of
idealism, which is fine," he
said.

"But to base negotiations and
national security policy simply
on idealism, and not on realism
and not facing up to the real
world in which we live is abso
lutely the most dangerous thing
that we can do if we are going
to have success in future nego
tiations any place in the world,"
he said.



Senator George McGovern being applauded by Mayor Richard J. Daley at a stop Tuesday night in Chicago.

dents at Wheaton College
nearby Wheaton, Ill. "Setting
the moral tone of this nation
is the most serious responsi
bility of the next President."

A little more than an
later, the Democratic
nored Mayor Daley and
of his precinct captains
Sherman House here
contend beef and cabbage
and an exchange of pe
homedies.

Senator McGovern, "a
organizational politics."
"great statesman" who
poses the Vietnam war as
"a poor man, a man of
city" declared the Mayor.

'First Great Turn'

It was Mr. Daley who
the Presidential candidate
first great turn toward
with a huge rally here
month. Mr. McGovern
and he said that the Ma
assistance at a fund-ra
event for 10,000 persons
night had helped to ma
the most heart-warmi
stirring, most deeply gra
evening" of the campaign.

The two speeches to
Mr. McGovern were dis
tinct in tone and theme
they served to illustrate
fort to combine spiritual
alism with political
plem in his search for the
tion of the Democratic

Mr. McGovern has deno
the Vietnam war as im
decided the Nixon Admin
tion as "corrupt" and all
creasingly in the closing
of the campaign for a re
tation to the principles
nation's founders.

Today on the Edman
on the campus at Whe
a "nondenominational,"
committed evangelical
mentalism in religion
called growing up in the
Dakota household of his fa
Joseph McGovern, a Fu
mentalist Methodist minist

Distortion Detected

He spoke of Sunday
thought "would never
service in the Young M
Workers Band and rules
strict for my liking" that
bade dancing, card play
drinking, smoking and me

But his upbringing im
him, he said, with religious
victions that shaped his vie
"the moral dimensions of
life as a great, but I think
ly troubled nation."

He emphasized that he
not quarrel with the cons
tional principle of separa
church and state, but comp
ed that it had been dist
into "the practice of separ
of faith from politics, the
ration of morality from gov
ment."

He implied a difference
approach between Pres
Nixon and himself. He said
"no President has the pe
and the wisdom to cure al
difficulties that face this
because our deepest p
the same still within us."
But he said that a Presi
could "reverse, profound
no such cancerous had been
Heckle, "slow and regenera

Nixon Aides Balk on Watergate Hearing

WASHINGTON, Oct. 11 —
Four of President Nixon's ad
visers declined today to appear
before the House Banking and
Currency Committee to answer
questions about the break-in at
the offices of the Democratic
National Committee.

The Banking Committee chair
man, Representative Wright
Patman of Texas, had asked
the four men to testify volun
tarily at a session scheduled
tomorrow morning. The full
committee refused to issue
subpoenas in the case.

The four who declined Mr.
Patman's invitation were John
Wesley Dean, 33, counsel to the
President; Clark MacGregor,
chairman of the Committee for
the Re-election of the Presi
dent; John N. Mitchell, the for
mer chairman; and Maurice H.
Stans, Mr. Nixon's chief fund
raiser.

Letter by MacGregor

In a letter to Mr. Patman,
Mr. MacGregor said that he
would accompany the President
on his campaign trip to Atlanta
tomorrow and that therefore
his schedule "does not permit"
an appearance.

Mr. MacGregor, a former
House member, said it was his
understanding that the com
mittee rules did not permit
witnesses to be called without
notice. This point was also
raised by the Nixon commit
tee's lawyers.

In a letter to Mr. Patman on
behalf of Mr. Mitchell, Mr.
Stans and Mr. MacGregor, the
lawyers said that committee
rules required that prospective
witnesses be given public no
tice at least a week in advance.

They also asserted that an
investigation of the break-in,
in which electronic listening
devices were allegedly to be
installed at the Democratic of
fices in the Watergate complex,
had not been authorized by the
committee and that the panel,
in refusing to issue subpoenas,
had voted against holding hear
ings.

Cooperation Alleged

They contended that Mr.
Stans had "fully cooperated in
every way with your commit
tee." They said he had an
swered "numerous questions"
during a private meeting earlier
with the committee staff.

even the most basic inquiries.
It is the first time that a Presi
dential campaign has been
carried on as if it were being
operated as a "secret society."
"The letter from the attor
neys is an insult to every single
American who believes in free
and open elections. It is an ar
rogant act. It is an amazing
performance for people who
are supposed to be seeking the
votes of the people."

Walter Cronkite, the news
commentator for the Columbia
Broadcasting System, said in an
interview today that last Mon
day a man had called him and
had impersonated Frank Mar
kiewicz, the director of the
McGovern campaign.

Mr. Cronkite said that the
caller, whose name sounded a
little like Mr. Mankiewicz,
wanted to thank him for the
greater exposure that he said
Senator George McGovern was
being given on the news pro
gram, as against that given
President Nixon. The caller said
that the ratio looked like about
80 per cent for Mr. McGovern
and 20 per cent for Mr. Nixon.

The caller said that he
wanted to warn Mr. Cronkite
that newsmen covering the
campaign were beginning to
notice the favoritism and that
he wanted to warn him before
they did an expose on it.

Mr. Cronkite said that he
had told the caller that this
was not true and had hung up.
The next day, Mr. Cronkite said,
he called Mr. Mankiewicz, who
told him he had never made the
call.

3 Watergate Defendants

Meanwhile, three of the de
fendants in the Watergate bug
ging indictments contended to
day that they had been the ob
jects of telephone tapping and
other surveillance in recent
weeks.

Lawyers representing the
three men, G. Gordon Liddy,
E. Howard Hunt Jr. and James
W. McCord Jr., filed papers in
Federal District Court here to
day giving details of the report
ed incidents. They were among
a number of court papers filed
in the case today.

Mr. Liddy said in his affidavit
that he had been followed on
one occasion by two men in a
sedan while driving on a Wash
ington freeway, and, in another
incident yesterday, followed by
two men in a sedan.

The letter, which was ag
gressively used by the paper's
publisher, William French, in edi
torial attacks on Mr. Mankie
wicz, came up again yesterday when
The Washington Post charged
that a White House aide had
taken credit for writing the
letter.

Marilyn Berger, a Post re
porter, said that on Sept. 20,
Ken W. Clawson, deputy direc
tor of communications for the
executive branch, told her, "I
wrote the letter." The Post re
ported that Mr. Clawson had
denied making such a state
ment. Mr. Clawson was not
available today for comment.

Mr. Liddy said in an inter
view yesterday that he still stood
behind the letter. The author
he said, is a young man who
hangs around The Seed, a drug
rehabilitation clinic in Deer
field Beach.

Mrs. Shelley Barker, an as
sistant director of The Seed,
said that she had never seen
or heard of "Paul Morrison"
and that the center had no
records bearing his name.
The "Canuck" remark was al
leged to have occurred at The
Seed.

Senator Robert J. Dole of
Kansas, chairman of the Re
publican National Committee,
issued a five-page statement
today in which he assailed
Senator George McGovern on
the Watergate issue.

Difficulties Described

Mr. Mankiewicz and some
other Democrats have been
telling of various campaign di
fficulties and unexplained oc
currences. The McGovern ad
viser has suggested that the
Republicans were responsi
ble but has provided no evidence.

He recalled a telephone call
to the office of George Meany,
the labor leader, in which
someone who identified him
self as Gary Hart, another Mc
Govern aide, rather peremp
torily told Mr. Meany to go
to New York to meet with the
Democratic candidate. Mr. Hart
denied making the call.

It was also said that some
one who posed as Oliver Ferox,
the McGovern television buy
er, tried to gain the Senator's
speech on CBS last night. The
network checked with McGov
ern headquarters and was told
no such character had been
employed.

NY 1
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Including: Air fare, accommodations with private bath, breakfasts, museum pass, special lunch in Naples, special dinner in Rome, rental car (you just pay for mileage), shopping discounts, welcome cocktails, wine tasting, discounts on meals, night club entrance, coral "good luck" charm, and more! For more information, mail the coupon.

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Lucy said in an interview.

The Chicago meeting elected a five man steering committee to draft a constitution for a group to be called the Coalition of Black Trade Unionists

Workers and the Poor

The coalition will conduct a membership drive to enlist black union members throughout the country, Mr. Lucy said. It will also embark on an intensive effort to organize poor blacks, he added.

There are about 2 million black members of trade unions. The total number of blacks in the work force is estimated at 9.8 million.

The new coalition will not be a black "separatist" or even a "civil rights" organization, Mr. Lucy explained. It will work within the trade union framework for black workers and the black community, he said.

"But before now there has been no forum for black militancy within the trade union movement," he asserted.

The decision by George Meany and the executive council of the labor federation to refrain from endorsing a Presidential candidate this year was the catalyst that created the move toward a national black labor organization.

Nixon Impact Cited

"The AFI-CIO decision did not take into consideration the negative impact that Nixon has on the poor, especially the black poor," Mr. Lucy said. "There is no way black unionists are going to remain neutral in this election," he declared.

However, the goals of the new coalition go far beyond this year's election, and will deal with matters of particular concern to black workers, he said.

For example, the new organization would not support the President's continuation of the

President of the United States — if he had a mind to — could have done a con job on the whole American people.

"As to the grand investigation, I don't know what we'll find but we're going to investigate the hell out of it."

Mr. Gray said he had taken under my own wing.

By break in and bugging of Democratic National Headquarters at the Watergate office building that resulted in the indictment of seven men, including two former White House consultants and the former chief of security for the Committee for the Re-election of the President.

Mr. Gray said he did not subscribe to the thesis that the Administration could not investigate itself.

"Anyone who writes that is really leveling a general indictment against all public officials," he said.

"Look at the Watergate," he said. "If the President of the United States were so minded, he would have had to give an order to the Attorney General, who would have had to order the Assistant Attorney General for the Criminal Division and the Acting Director of the FBI, who would have had to order 1,200 agents. He would have to control the United States Attorney of the District of Columbia and the men and women of the grand jury.

"Even if some of us are crooked, there aren't that many that are. I don't believe everyone is a Sir Galahad, but there's not been one single bit of pressure put on me or any of my special agents."

Inquiry Delay Asked

WASHINGTON, Oct. 2 (UPI) —The Justice Department told the House Banking Committee today that a committee investigation of the Watergate bugging incident at this time would

The AFI-CIO executive (terday by



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Banking Panel to Vote on Wat

By Bob Woodward
and Carl Bernstein

Washington Post Staff Writer

Chairman Wright Patman of
the House Banking and Cur-
rency Committee announced

some Democrats say they ex-
pect a vigorous opposition to the
investigation from the White
House.

The decision on whether to
begin the first full public en-

quiry generally declined to discuss
the case on the grounds that
such discussion would preju-
dice the rights of the accused.

That position was echoed
again yesterday by Rep. Glenn

politically motivated . . . the Secy
Watergate case is all Me
Govern has going for him, and
Brown said.

In announcing the Oct 3 stop
Banking Committee meeting vari

Panel to Vote on Watergate Probe

erats say they ex- generally declined to discuss
s opposition to the the case on the grounds that
from the White such discussion would preju-
dice the rights of the accused.
on whether to That position was echoed
rst full public air- again yesterday by Rep Garry

politically motivated . . . the
Watergate case is all Mc-
Govern has going for him."
Brown said.
In announcing the Oct 3
Banking Committee meeting

Secretary Maurice H. Stans,
the chief Nixon fund raiser,
and published reports that top
Nixon campaign officials de-
stroyed financial records rele-
vant to the case.

quest by George Washington
University law professor John
F. Banhof III that the court
appoint a special prosecutor in
said the federal court has no
the Watergate case. Richey

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Both the White House and the FBI, citing Chief U.S. District Court Judge John J. Sirica's order restricting out of court comment on the Watergate case, have recently refused to discuss the investigation.

Gray, in Dallas on a tour of FBI field offices, told reporters there yesterday that he felt he was covered by Sirica's order.

But the acting FBI director did say that "there is no aim of government we would fall

Nixon Aides Snub House Probe Call

By Bob Woodward
and Carl Bernstein

Washington Post Staff Writers

Four of President Nixon's top aides and former aides have declined to appear voluntarily today before the

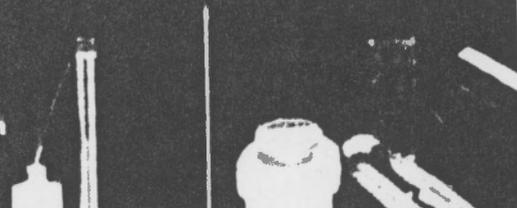


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with 2 YEAR
GUARANTEE



10/13/72
A.G. w.P

Patman Lectures Empty Seats As Nixon Aides Fail to Appear

By Karlyn Barker

Washington Post Staff Writer

The chairman of the House Banking and Currency Committee lectured to four empty

Congress press for an investigation of the Watergate issue, said the absence of the witness "will be the political turning point in the polls as long as Mr. Nixon shows con-

President's re-election committee chairman said. "The Washington Post is elevating gossip to front page news . . . because it is frustrated that the

Prolongs Paris Talks

The White House announced last night that presidential envoy Henry A. Kissinger would end his talks in Paris with North Vietnam's negotiators on the fourth day today.

The surprise announcement came several hours after the House press secretary said L. Eiegler told reporters that Kissinger would return late last night after three days of talks.

The news came as CBS reported that Hanoi would be willing to accept South Vietnamese President Nguyen Van Thieu as the leader of one of the factions in a coalition government, "if you make a realistic supposition" that he would accept such a coalition government for a neutral Vietnam.

The correspondent John H. Johnson, who returned Monday from several weeks in North Vietnam, said he had been told this by "a North Vietnamese who speaks with authority."

It was noted here that the Communist demand has always been not merely the departure of Thieu, but the basic restructuring of the government in Saigon.

The head of only one of three factions in a coalition — the present rulers in the South, the Communist opposition and the National Liberation Front.

and me in the 1972 presidential campaign."

With McGovern long committed to end the American share of the warfare in Vietnam, Laos and Cambodia within 90 days of his election, he made no claim that he was producing any dramatic new variation on his own program. Instead, he elaborated on his proposals, which he claimed "will work," and charged that President Nixon, by contrast, has "broken" his war-ending pledges with a still-unfulfilled "secret plan" to stop the killing.

The senator's delivery of his plan to end "a hated war" was probably the most effective performance of his campaign. He spoke in strong moral tones, but with calm deliberateness, and said that in 1954 France elected a new president, Pierre Mendès-France, with a "very similar" route out of Indochina warfare, which he fulfilled "within three months."

McGovern made no direct reference last night to the current negotiations in Paris between presidential envoy Henry A. Kissinger and North Vietnamese Politburo member Le Duc Tho, which the White House last night said will continue for an unprecedented fourth day today.

The senator evidently was betting, however, that no matter what may emerge from the Paris talks, it cannot produce by election day, Nov. 7, the sweeping exit from the war that he advocates. Indeed, there is no claim of that inside the White House.

Rep. Wright-Patman tells press conference he wants to probe into Nixon's...
Associated Press

Democrats Step Up Sabotage Charges

By Karlyn Barker and Bob Woodward

Washington Post Staff Writers

The McGovern camp last night accused the Republicans of more acts of attempted political sabotage and Rep. Wright Patman (D-Tex.) renewed his effort to open a congressional investigation into the Watergate incident and

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Large Arena Bills Voted in Pr. George's

By Phillip A. McCombs
Washington Post Staff Writer

The Prince George's County Council overwhelmingly approved yesterday a controversial zoning law that allows construction of the large sports arena on public park land and seeks to protect the project from a legal challenge. The Council also approved

Nixon committee
Clawson, a White
linked to the poll-
age in the Post
flatly denied the

tory reported that
had linked the
bugging incident
campaign of polit-
and sabotage
Democrats.

an, chairman of
banking and Cur-
nittee, cited the
ing again for the
ngressional inves-
subpoena powers
atergate bugging
was refused by
of his Commit-

he called the
ether for a 10 a.m.
meeting because
s of the past
reatly intensified
ss of the matter."

asked to testify
an's Committee
MacGregor, chair-
Committee to Re-
sident; Maurice
committee's fi-
nan; John Mitch-

mission.
There has also been a
statement by Alfred C. Bald-
win III, who has been granted
immunity from prosecution,
that he participated in the
bugging conspiracy and saw
transcripts of the bugging
addressed to a presidential
aide and members of the re-
election committee.

Patman said U.S. District
Court Judge John J. Sirica's
amended order issued last Fri-
day "clears the way for these
witnesses (Mitchell, Mac-
Gregor, Stans and Dean) to
appear voluntarily. . . There
is no legitimate reason for
them not to appear."

Sirica has earlier prohibited
out-of-court comment on the
Watergate incident on the
grounds that it would preju-
dice the case of seven defend-
ants indicted in the Watergate
break-in and alleged bugging
of Democratic National Com-
mittee headquarters.

On Friday, however, Sirica
said his ruling was not in-
tended to affect congressional
activities, political debate or
news media reporting.

Patman said he did not

A spokesman for the GAO
said yesterday, however, that
his office "may not have the
time or authority" to do all
that Patman has asked by the
Oct 28 deadline.

There was no indication yes-
terday whether any of the
four Republican aides asked to
testify before the Committee
would appear Thursday.

A spokesman for the re-elec-
tion committee said he did not
know what response MacGreg-
or and Stans would have
"and I don't believe in saying
things I don't know."

There was no response from
either Mitchell or Dean, but a
spokesman for Patman said he
expected that at least some of
the pair would show up for the
hearing.

"Judge Sirica has given
them permission to talk and
that was their only excuse be-
fore," said the spokesman.
"They'll have to come up with
another reason or they'll sim-
ply have to start talking."

The spokesman said that if
the witnesses did not show up,
"then the Committee will con-
sider voting to subpoena
them."

Members of the Committee,

the remaining 20 per cent to
Nixon. "But everybody's get-
ting suspicious—better give
more to Nixon," the Map-
kiewicz impersonator said.

Mankiewicz said that Cron-
kite later told him of the im-
personator's call and "said
the guy was definitely not
just a crank."

Mankiewicz said the other
recent examples of alleged dis-
ruption and intelligence gath-
ering included:

- A telephone call to McGov-
ern finance personnel by some-
one impersonating Kirby Jones
of the McGovern staff asking
for information on how much
was given to the McGovern
campaign by Stewart Mott, the
General Motors heir.

- A request by another per-
son claiming to be a Taiwan
diplomat seeking information
on McGovern's long-range cam-
paign schedule.

- A telephone call by some-
one posing as an aide to cam-
paign manager Gary Hart re-
questing campaign chairman
Lawrence F. O'Brien to stop
criticizing Hart.

- Another telephone imper-
sonator alleging to be Oliver
Tyree, the McGovern TV
agent, and trying to cancel the

final shooing for the Re-
publicans described some of
the plans.

Robert Lee Nixt, the attor-
ney, told CBS reporters in
Iowa that one plan was to
print up "bogus tickets, or
extra tickets" for Democratic
fund-raisers, particularly those
of Sen. Muskie.

Nixt said these extra tickets
"would be given to people so
that when the dinner was ac-
tually held, there'd be confu-
sion because too many people
would be there and this would
irritate the Democrats in a
way and create a problem in
the Muskie campaign."

Nixt said he was told "I
would get paid good for it,
that money was no problem."

Meanwhile, reports were cir-
culating in the McGovern
camp that some of the initial
information concerning the
medical history of Sen. Thom-
as Eagleton came from Repub-
lican sources. McGovern
dropped Eagleton from the
ticket after it was disclosed
that the senator had received
psychiatric treatment.

Robert Boyd, chief of the
Washington bureau of Knight
newspapers which received the
first tip on Eagleton's back-
ground, including



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p. 18

es Ahead, Tomorrow

WINTER
Times
her the spending ceiling
d be retained by the full
te.

anwhile, both the Senate
the House moved quickly
ean up other, less contro-
al legislation. Actions to-
included the following:
he House approved a com-
ise bill to channel \$30-
n in Federal revenues to
states, cities and counties
the next five years. Sen-
action is expected tomor-
sending the bill to the
e House.

oth the Senate and the
e approved a compromise
illion military construc-
authorization bill, send-
to the White House.
he Senate approved the
nation of Gen. Creighton
brams to be Army Chief
aff, by a vote of 84 to 2.
ouse action is needed.

he House passed and sent
e Senate a bill to prohibit
and municipalities from
g taxes on airline pas-
s and airline ticket sales.
ould be certain limited
ptions, but only until next
1.

he Senate approved a com-
se bill authorizing \$2.1-
over the next three years
ate aid to the elderly, in-
g transportation, recrea-
housing and home delivery
als. The House is expected
e final approval tomorrow.

he House approved a
billion compromise de-
appropriations bill, the
t since World War II. It
out \$5.2-billion below
House requests. The Sen-
s still to act before send-
e measure to the White

he House approved and sent
e Senate a bill providing
Federal controls over
mining and authorizing a
to restore strip-mined
The Senate has before it
ewhat similar bill, but it
ertain whether final ac-
on either bill will come
at.
Senate passed a bill to

PATMAN BALKED ON WATERGATE

Fails Twice to Get Enough Democrats for Quorum

By F. W. KENWORTHY
Special to The New York Times

WASHINGTON, Oct. 12—Any prospect of a Congressional investigation before Election Day into the break-in at the Democratic National Committee and the alleged financial irregularities connected with it apparently evaporated today. Wright Patman, chairman of the House Banking and Currency Committee, failed twice to collect enough committee Democrats to make a quorum.

On Oct. 2, the committee voted 20 to 15 against a motion by Mr. Patman that would have enabled him to issue subpoenas to compel testimony by 40 witnesses and the production of documents.

He sought to determine how \$114,000 in Nixon campaign contributions was funneled from a Mexico City bank, to Houston, to Washington, and ultimately to the Miami bank account of Bernard L. Barker, who was one of seven men arrested in the June 17 break-in at Democratic headquarters in the Watergate complex here.

In that vote, 14 of the committee's 15 Republicans joined four Southern and two Northern Democrats to defeat the chairman, a Democrat of Texas. One Democrat and one Republican were absent.

Mr. Patman called the meeting today ostensibly to question four Nixon aides—John N. Mitchell, former chairman of the Committee for the Re-election of the President; Clark MacGregor, his successor; Maurice H. Stans, the President's chief fund-raiser, and John Wesley Dean 3d, counsel to the President, who has already done an in-house investigation of the Watergate incident for Mr. Nixon.

There was never any likelihood that these four would respond to Mr. Patman's in-
vestigation, they did not, the



Robert C. Mardian

Aide to Nixon's Campaign

Continued From Page 1, Col. 6
of the re-election committee, including its former chairman, John N. Mitchell. But the reports did not give the source of the information.

Efforts to reach Mr. Mitchell today were unsuccessful.

No evidence has been found, either, that the seven men informed anyone on the committee orally about their intelligence-gathering activities at the Watergate, the sources said.

Although committee money was used to finance the Watergate operation, evidence gathered thus far indicates that G. Gordon Liddy, the committee's former finance counsel, who is one of the seven men indicted in the case, arranged for the money on his own.

The \$350,000 that was later disclosed to have been in the safe of Maurice H. Stans, President Nixon's chief fund-raiser, at the time of the Watergate operation was there for reasons that were not connected with the operation, the sources said.

They would not disclose the reasons but said that details about the money would come out at the trial of the seven men and "will surprise some people."

Some of the information collected in the investigation of the case, according to one of those who took part in the inquiry, dealt with the relationship of Mr. Mardian to men involved in the Watergate affair.

While an assistant attorney general, Mr. Mardian served as the liaison in the Justice De-

partment for an team formed by W aides last year. The put together to pluck to the press after th tion in The New Yor details concerning tr limiting nuclear arm tween the United Soviet Union.

The group incl Liddy, a former F bureau of Investigat and E. Howard Hunt Central Intelligence A erative and part-time elist. Both Mr. Lidd Hunt are among the sons indicted in the

According to sourc the case, Mr. Liddy Hunt would go to M when the intelliger needed information Justice Department, an agency of the dep investigate a particu Last December.

Washing

Oct. 12, 1972

THE PRESIDENT

Activities. Preside had a morning meet Republican Cong leaders, later he a Nixon flew to Atlant

MAJOR POSITIONS

Defense. The Sen formed by an 84 to 2 nomination of Gen W Abrams as Army Staff.

CONGRESS

Floor Action. Ships. The House 354 to 3, and sent to ate a bill authoriz

How does you

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THE 1972 CAMPAIGN

THE NEW

2D CAMPAIGN TOUR PLANNED FOR NIXON

President to Visit New York
on Next Tuesday—G.O.P.
Legislators Speak Out

By ROBERT B. SEMPLE JR.

Special to the New York Times

WASHINGTON, Sept. 19 —
President Nixon will fly to New
York next Tuesday to kick off
the second tour of his re-election
campaign.

Mr. Nixon, who will pay a
brief visit to Texas Friday and
Saturday morning, is scheduled



SEPP

will be no new taxes in a second Nixon Administration if Congress shows mature restraint on spending.

Senator Hugh Scott of Pennsylvania, minority leader, was asked whether he could clear up apparent confusion between assertions by Administration aides on Sept. 7 that there would be no tax increases in a second Nixon term and a statement yesterday by George P. Shultz, Secretary of the Treasury, that "sooner or later" the question of tax increases would have to be faced if Government spending was allowed to keep rising.

"There is no confusion about it," Mr. Scott said. "If the Congress will adopt a spending ceiling, if the Congress is responsible, that is it. The President believes that if his advice is followed there is no reason why he should have a tax increase."

Ronald L. Ziegler, the White House press secretary, took much the same tack in his morning briefing. He said the President did not "intend" to propose tax increases but that "Congress would have the responsibility to raise revenues" if it continued to exceed Mr. Nixon's spending requests.

Mr. Ziegler took strong exception to an article in this morning's New York Times, which suggested that pledges made at separate briefings on Sept. 7 by Mr. Ziegler and John D. Ehrlichman, assistant to the President for domestic

affairs, had confused voters around the country. They reported that he felt he needed an opportunity to explain his view of the country and what he felt it should aspire to and to try to dispel fears among the electorate that he was a radical.

Despite Senator McGovern's recent success with crowds during his travels across the country and his own apparent growing confidence, many of those following the campaign discerned a degree of uncertainty about the national impact his efforts were having in the new discussion of the wisdom of an early nationwide television address.

"Would Not Like It"

In the meantime, his decision to produce this week substantive statements on the problems of Appalachia and parochial schools for those strategists who have been advocating the use of such statements as a counterbalance to what have become his standard attacks on the Nixon Administration on such issues as Vietnam, taxes, unemployment and inflation.

Along these lines, he visited Gordon Technical High School this morning, where he was greeted by an auditorium full of screaming students.

First he warmed them up with the attacks on the Administration's conduct of the Vietnam war that have become expected of him.

"We would not like it if bombs were falling on Illinois

Senator McGovern declared, the needy in American cities especially will be dealt a heavy, painful blow.

Mr. McGovern has wrestled for some time with the difficulty of providing aid to Catholic and other religious schools that could be reconciled with the constitutional demand for the separation of church and state.

He has visited Catholic educators for discussions, as he did last month in Kenosha, Wis.

In issuing his statement today, he noted that the Supreme Court had upheld the use of public school textbooks by nonpublic school students because a "wide segment of informed opinion, legislative and otherwise, has found that these schools do an acceptable job of providing secular education to their students."

For this reason, he said he thought there was "reason to believe that further aid to the parents and children participating in parochial and other bona fide nonpublic schools will be upheld by the Court."

"It is on that basis that after careful thought to all the difficult questions involved," he went on, "I want to endorse here this morning a system of tax credits to aid the parents of children attending parochial and other bona fide nonpublic schools."

He added that he thought the proposals "by no means cover

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day with Walter J. Hickel, former Interior Secretary

HOUSE UNIT SCANS FUND GIVEN G.O.P.

A Secret Report Describes How Money Went From Mexico to Washington

WASHINGTON, Sept. 12 (AP) — Staff investigators for the House Banking Committee say that as much as \$100,000 in Nixon campaign contributions that came from Mexico was involved in the break-in and alleged bugging of the Democratic National Committee offices in Washington last June 17.

In a confidential report to the full committee, investigators said that at least \$89,000 may have come from Mexican nationals. The investigators added that accepting such contributions would violate Federal law. The \$89,000 had been linked to one of five men arrested in the break-in at the Watergate Building.

The report was prepared on orders from the chairman of the Banking Committee, Representative Wright Patman, Democrat of Texas.

The report was accompanied by a directive that it not be released to the public, but a copy of the report was obtained by Jack Anderson, the columnist, who made it available to The Associated Press.

Stuffed Into a Suitcase

Committee staff investigators said the \$100,000 in funds was brought from Mexico to the Pennzoil Corporation headquarters in Houston, Tex., in early April where, with Pennzoil executives present, it was stuffed into a suitcase along with \$800,000 in campaign contributions collected in Texas. The suitcase was then flown in a Pennzoil plane to Washington, the investigators said.

They added that the haste was necessary to beat the April 7 effective date of a new Federal election law that required the naming of all campaign contributors who donated more than \$100.

Staff investigators also contended that Maurice H. Stans, former Secretary of Commerce who now heads the Nixon fundraising campaign, had contradicted himself in statements to the committee and its investigators.

Stans's Testimony

Mr. Stans, according to the investigators, at first denied

Oversight May Peril Dem

By AGIS SALPUKAS
Special to The New York Times

WASHINGTON, Sept. 12 — The suit for damages by the Democratic party against a Republican campaign committee as a result of the break-in at Democratic headquarters may be in danger of being dismissed because of oversights by attorneys for the Democrats.

Judge Charles R. Richey of the Federal District Court here decided at a hearing today that he would rule Sept. 20 on the motion to dismiss the suit, which asks for \$1-million in damages.

If he dismissed the suit, the Democrats could probably refile it, but this would further delay the progress of the suit. Even before the judge's decision today, the suit had little chance of coming to trial before the election.

Judge Richey also ordered the lawyers for the Democrats to stop taking depositions from people connected with the Republican campaign and the White House until he makes his ruling.

Hugh W. Sloan Jr., former treasurer of the Committee for the Re-election of the President, appeared before the Democrats' attorneys today, but it was unclear whether he made a deposition.

Mr. Sloan and Maurice H. Stans, finance chairman of President Nixon's campaign, were accused in an amended complaint to the suit yesterday of passing \$114,000 to a spy squad, refusing to say what the money had been used for and destroying the financial records.

The original suit was brought on behalf of Lawrence F.



Associated Press
Hugh W. Sloan Jr., former treasurer of the Committee for the Re-election of the President, on his way to meet with lawyers in Watergate case.

O'Brien, who was chairman of the Democratic National Committee at the time of the break-in last June 17 at the Watergate Building.

Judge Richey could dismiss it on a technicality — that Harold Ungar, one of the attorneys handling the suit for the Democrats, did not answer a motion to dismiss the suit within five days of when it was filed.

The motion was made by

ans for Last 8 Weeks of Drive

of Talks Starts Off With Strategy Meeting During White House Breakfast

... for canvassing and registration. The alleged bugging of the Democratic National Committee headquarters in the Watergate case was not discussed, Mr. MacGregor said. But Mr. MacGregor, who held a brief news conference later in the day, said there had been "a single session on the Watergate" during a 5 1/2-hour briefing for the Republican officials held this afternoon at Republican National Committee headquar-

Mr. MacGregor said that his job had been to the effect "the prompt handing-down of indictments" would exonerate everyone connected with the re-election campaign. This

that the Watergate incident would be "a plus for us in the long run, not a minus," because of Democratic "overstatements," and that there was "no evidence that the Watergate has affected us adversely."

The briefing, according to Mr. MacGregor and Senator Robert J. Dole, the chairman of the Republican National Committee, was concerned "mostly with the mechanics of the campaign." It was, according to Senator Dole, a "very enthusiastic, well-attended meeting."

The 120 state leaders were scheduled to go almost directly from their briefing — during which they heard various experts such as Robert Teeter, the campaign's chief pollster — to a White House reception given by the President and Mrs. Nixon.

As for the President's campaign plans, Mr. MacGregor said that Congressional races "will be an element in determining his travel schedule," with particular attention likely to be

Kennedy and McGovern W

Continued From Page 1, Col. 7

State Street at noon and to an audience of about 10,000 in Detroit's Kennedy Square later, before going on to Ohio for a third performance in the Cleveland Arena.

The day appeared to be an outline in miniature of Senator McGovern's national strategy. The objective, according to Frank Mankiewicz, the political director, is "to combine as much of the Democratic party as we can with the McGovern constituency," which he described as the young, the minorities and the liberal suburbanites in a score of key electoral-vote states.

"Democratic" victory are being placed in the Senator's campaign offices across the country. Television and radio commercials used during the primaries are being updated to include an appeal to "vote Democratic" on Nov. 7.

McGovern state coordinators have been ordered to clear campaign appointments with Governors, Mayors or party and labor leaders who opposed the Senator's nomination.

Mr. Mankiewicz spent last Saturday as a house guest of Salvatore Bontempo, the New Jersey Democratic chairman, and dined on Sunday with Peter J. Camiel, the leader of the Philadelphia Democratic organization.

Their help, and that of other

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PI NYT

before the Presidential election, the Democratic challenger stumped populous New York State and New Jersey with a warning that Mr. Nixon, as he referred to the President, would be merciless in a second administration of the "despair" of the cities.

"It's not going to do us any good to be able to say that we have the most devastating and murderous missiles that can be conceived by the mind of man, if they're defending a country that is beset from within by the enemies of crime and drugs and pollution and division and hatred," he asserted.

It was Senator McGovern's 11th campaign visit to New York and his sixth to New Jersey since Labor Day. It was also the 29th wedding anniversary for the candidate and his wife, Eleanor. They celebrated with rallies at the Onondaga County Court House in Syracuse and in Journal Square in Jersey City, followed by fund-

that Mr. Nixon would make three more radio broadcasts tomorrow, Friday and Saturday and would address the nation on television Thursday night at 7:30 o'clock and on Nov. 6, the eve of the election.

All the broadcasts will be paid for by the Committee for the Re-election of the President.

Strategy Unchanged

This final flurry of electronic activity, however, represents only a slight, and fully predictable, departure from Mr. Nixon's campaign strategy. The essence of that strategy has been to let his subordinates and surrogates carry out traditional campaigning on the road while he tends to Presidential business at home.

Mr. Nixon has campaigned in only 10 states since the Republican National Convention in August, including a "nonpolitical" visit to Philadelphia, and he is at present scheduled to

The Prime Minister's office said that Mr. Trudeau would sue a statement after a meeting tomorrow with his Cabinet.

indicated that he would make no public comment on the stinging per-
took he received at
He himself was re-
bit parliamentary dis-
ting easily in an Eng-
ing area of Montreal.

Under Canada's par-
system, the fact that
servatives were one
of the Liberals was r

Continued on Page 2,

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Continued on Page 27, Column 2 Continued on Page 26, Column 3

House Report Raises Questions On Nixon Campaign Financing

\$30,000 Donation Traced

By E. W. KENWORTHY

Special to The New York Times

WASHINGTON, Oct. 31—A report by the staff of the House Banking and Currency Committee raised new questions today

The Watergate Mystery

By WALTER RUGABER

Special to The New York Times

WASHINGTON, Oct. 31—Despite 19 weeks of intensive investigation, sensational disclosures, and heated political debate, the dimensions of the Water-

Under the state election law, candidates and committees organized for candidates are required to file preliminary expense statements 10 days before the election. A final statement must be filed 20 days after the election.

"It seems to me," an analyst for the Secretary of State's office said, "that a lot of money was raised for Nixon outside the state and spent here, while the McGovern people obtained a lot of money here and spent it in other states."

throughout the state.

"I don't see a comparable storefront effort for McGovern," said a clerk in the Secretary of State's office.

The President's committee, based in the Roosevelt Hotel in New York City, spent \$10,237 for buttons, including 250,000 Nixon Agnew buttons. But only President Nixon's name appeared on 830,000 other buttons. The campaign buttons were bought from Green Duck Metal Stamping Company, 55 West 42d Street.

William L. Weiss, Port Chester, N. Y., \$5,000, Mrs. Albert Lasker, 29 Beekman Place, \$3,000, Mrs. Herbert H. Telman, 820 Park Avenue, \$500, Carter Burden, a New York City Councilman, \$1,000, Mr. and Mrs. Cass Canfield, Bedford, N. Y., \$500, Louis Nizer, 477 Madison Avenue, \$1,000, William Benton, 342 Madison Avenue, a publisher, \$1,000, Dr. Vera Rubin, 1080 Fifth Avenue, an anthropologist, \$5,000, Mr. and Mrs. Arthur Kram, 33 East 69th Street, \$5,077.06.

United Press International

Rockefeller yesterday gave a luncheon address.

for Nixon;
Week 5th Term

Report Raises Questions on Nixon Funds

Continued From Page 1, Col. 1

explored, the staff said, because any contributions by foreign nationals would be a violation of the law.

In a response to the report, a spokesman for the Committee for the Re-election of the President termed it a "dishonest collection of innuendo and fourth-hand hearsay" and "nothing more than an eleven-hour attempt to save Mr. Patman's candidate for President from what may be one of the worst defeats in American political history."

This was the second staff report based on an investigation into the break-in at and alleged bugging of the Democratic National Committee headquarters last June 17 and possible financial irregularities in fund collection.

After the first report Sept. 12, the committee chairman, Wright Patman, Democrat of Texas, twice sought the panel's approval for the use of subpoenas to elicit information. He was twice refused.

In the report today, the staff several times complained that its investigators had been hampered by the lack of subpoena power.

Money Transferred

Earlier, staff investigators reported that \$100,000 in campaign funds had been traced from Houston to Mexico, back to Houston and then to Washington.

was placed on the "inactive" list by the Securities and Exchange Commission in late 1969.

"This raises an obvious question: Why would Gulf Resources be transferring large sums to an inactive corporation?" the report said.

The Washington Post on Oct. 6 quoted Federal Bureau of Investigation sources as having said that the subsidiary turned the money over to Manuel Ogarrin Daguerra, the Mexican attorney for Gulf Resources.

For Legal Services

The company, according to the same reported FBI sources, insists that the money was for legal services.

But Mr. Ogarrin reportedly converted the deposit into four cashier's checks, totaling \$89,000 and \$11,000 in cash. In this form, the money was returned to Houston and became part of about \$700,000 flown to Washington just before the April 7 deadline.

The four checks ended up in the Miami bank account of Bernard L. Barker, one of five men arrested in the break-in at the Democratic offices in the Watergate complex. After being converted to cash, the money was returned to re-election headquarters in Washington.

The staff report raised the question today whether the \$100,000 was "an illegal corporate contribution disguised through the use of the Mexican transfer."

which made half the loan. The F.D.I.C. has a large stake in the outcome of the case since hundreds of depositors in the closed bank may not get their funds unless the receiver is able to recover unpaid loans, such as the one made to Mr. Duncan, the report said.

While unable to pay off the \$1.3-million owed to a Federal agency, the report stated "Duncan is somehow able to make a \$305,000 contribution in the form of a personal note to the Committee to Re-elect the President."

Contributed to Humphrey

The staff said it believed "the F.D.I.C. should make claim" on the committee and Mr. Duncan for "the amount of the note" to the committee.

The staff said the note had been discounted "in the amount of \$10,200.55" by the First National Bank of Washington, "which holds large balances for the Committee to Re-elect the President."

Mr. Duncan contributed \$300,000 to Senator Hubert H. Humphrey's campaign for the Democratic Presidential nomination earlier this year.

The report also said that one of the committee's investigators had been told by a witness that Hugh W. Sloan, former treasurer for the Finance Committee to Re-elect the President, had said that someone had called him to say "they could monitor the deposits of Democratic Senators and Congressmen to learn of any illegal

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Times

table as the Governor

Governor appeared to be ing himself as he fielded written questions passed members of the audience speaker's table after his red speech.

he been asked by the Administration to make speech? "Yes sir, and I aced with great pleasure," Rockefeller replied.

ould he be Secretary of Defense or Secretary of Defense second Nixon Administration?

have no plans other than ay where I am," he re- "I have been offered no I seek no jobs."

said he was seeking to t the President of the d States in carrying out -ties" as any citizen.

"That's my only goal ny only plan," Mr. Rockefeller insisted.

ed if he would endorse President Agnew for the ican Presidential nomi- in 1976 and what Cab- ost he would accept in an administration.

eller replied that nobody "any sense" would make endorsements beyond 1972 ed that a New York City al election was coming up ear, followed by a state- election New York in

Rockefeller, who sought Republican Presidential

Judge's Gag Order Questioned

By Lawrence Meyer
Washington Post Staff Writer

House Banking and Currency Committee Chairman Wright Patman yesterday expressed "deep concern" to the judge who has prohibited anyone connected with the trial of seven men charged in the break-in at the Watergate from publicly discussing the case.

In a five-page letter to Chief District Judge John J. Sirica, Patman said that Sirica's order may be so broad that it will interfere with an investigation Patman hopes to hold.

Patman said that the Justice Department has used the case as an excuse to

could." Sirica acknowledged that the order could possibly prevent Democratic presidential candidate George McGovern from discussing the case, but McGovern said he would not be inhibited by it. Patman said he was confident Congress could proceed with its own investigation, in the face of Sirica's order, "but what I am concerned about is the interpretation which prospective congressional witnesses might place on your order." Among the questions Patman said he wanted to investigate was the granting of a national charter to a Minnesota bank following a \$25,000 contribution that

eral judge about a court order. Patman said he had not spoken to Sirica yesterday. "He gave out his interview," Patman said, "and I felt privileged to give out this," referring to the letter.

Patman's letter highlighted a potential constitutional confrontation involving all three branches of government. Sirica's order was sought by the defense but was not protested by the prosecution.

When it was pointed out to Sirica Wednesday that the order might prevent McGovern and other political candidates from discussing the June 17 Watergate break-in, Sirica said, "I frankly hadn't given that a

practice law. In 1934, while in private practice, Sirica used his boxing talents on a Metropolitan police sergeant who, according to witnesses, took a swing at Sirica. Sirica left the officer with a swollen eye.

At that time, residents of the District of Columbia did not have the vote; nonetheless Sirica served as a volunteer speaker for the Republican National Committee. His reward, in 1957, was an appointment to the District Court here by President Dwight D. Eisenhower. He is chief judge by virtue of his seniority.

On the bench, Sirica has developed a reputation as a tough, no-nonsense judge, but not

W. Post

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P. 53

The Washington Post
FRIDAY

Nixon Aide

AIDES, From A1

Timmons has declined to discuss whether he received any memos of wiretapped conversations since The Washington Post first asked him about the matter more than two weeks ago.

A White House spokesman said Timmons denies that he ever received any such memos as asserted by Baldwin, who is expected to be a key government witness in the Watergate bugging trial.

A spokesman for the House

his party, 1968 rivals, California Gov. Ronald Reagan and Gov. Nelson A. Rockefeller, have become his temporary chairmen for the convention and will be making the speech for Nixon.

Poll, which on a four-year scale is only a 2-point lead for the Democratic side, says Hubert H. Bay reports him as of his rival, McGovern. A poll for Time magazine today puts McGovern's margin at 28 percent.

and other individuals. Mr. Nixon's abandonment of the campaign today, says Mr. Nixon, "is a flat, no-holds-barred election."

strategists are expected to provide a proper strategy for the convention and even further

are expected to put their diplomacy to work in the next few days in an effort to assure that the campaign fully exploits what most Republicans see as their best opportunity in 16 years for a major national victory.

Secret Service To Guard Schmits

Rep. John G. Schmitz, the American party presidential candidate, will receive Secret Service protection, the Treasury Department announced yesterday.

The announcement said Schmitz had requested the protection for himself and his vice presidential candidate, Tom Anderson.

Schmitz, a lame-duck congressman from California, switched from the Republican to the American party prior to his nomination.

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Aug 20 '72
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convention can highest among those groups who make up the new coalition for change in the electorate: the college-educated, the young, suburban voters, and those earning \$15,000 and over a year.

The "cross section" was asked, "All in all, did you have an overall favorable or unfavorable impression of the Democratic convention in Miami?"

	Favorable	Unfavorable	Not Sure
Total Likely Voters	52	25	23
By Region			
East	35	21	24
Midwest	42	27	24
South	42	31	23
West	48	23	27
By Age			
18-29	58	22	17
30-49	42	24	22
50 and over	43	29	26
By Size of Place			
City	52	22	24
Suburban	37	24	17
Town	48	20	22
Rural	48	27	23
By Education			
High grade or less	41	19	36
High school	47	22	27
College	61	24	15
By Income			
Under \$3,000	47	21	28
\$3,000-4,999	41	21	27
\$5,000-9,999	52	22	23
\$10,000 and over	58	20	18

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Watergate Break-In to Be Probed

Chairman Wright Patman of the House Banking Committee yesterday ordered a staff investigation of the break-in at the Democratic National Committee headquarters in Washington two months ago.

The Texas Democrat, responding to a request from Rep. Henry Reuss, (D-Wis.), told Committee investigators to report within two weeks on what Reuss called "the transfer through U.S. and Mexican banks of money linked to the

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Hill Probe of Watergate Scored

By Bob Woodward
and Carl Bernstein

Washington Post Staff Writers

The Justice Department, following a Republican campaign to block televised congressional hearings into the Watergate bugging case, has attempted to discourage the House Banking and Currency Committee from opening such an inquiry.

In a letter sent to Committee Chairman Wright Patman (D-Tex.), the department expressed the same reservations as President Nixon recently cited in opposing any further extrajudicial inquiry

poena list obtained by The Washington Post includes former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans. In addition, 14 members of the Nixon re-election committee and pertinent records of eight banks and the Internal Revenue Service would be subpoenaed.

An effort to postpone any congressional Watergate probe until after the Nov. 7 election has been spearheaded by Rep. Garry E. Brown (R-Mich.), who last week asserted that he had

William E. Timmons, the President's assistant for congressional relations. In the Committee's list of proposed witnesses, Timmons is described as "an employee of the White House who reportedly received memoranda containing material from eavesdropping efforts directed at the Democratic National Committee." Reliable sources have said that the ex-FBI agent, Alfred C. Baldwin III, who participated in the Watergate bugging, has said that Timmons received the memos.

Murray M. Chotiner, who is described in the Committee's list as an investigator for the committee's own

the possession" of Stans, the chief Nixon fund raiser, and Hugh W. Sloan Jr., the former Nixon committee treasurer.

Edward Faller, who is said on the Committee list to be "an employee of the Committee to Re-elect the President and one who has knowledge of whether the campaign committee attempted surveillance of political activities."

The other White House aide named on the list is John W. Dean III, counsel to the President, who conducted an investigation into the Watergate case for the President.

After receiving the report of Dean's investigation, President Nixon said that it exonerated everyone "presently

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