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COMMITTEE ON BANKING AND CURRENCY

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Confidential

MEMO TO: All Members of the Banking and Currency Committee

FROM: Wright Patman, Chairman

Enclosed is a copy of a staff report on various events relating to the Watergate burglary. This should be regarded as a preliminary report based on limited inquiries undertaken by the staff under my instructions. It is not intended as an A to Z answer to the complex questions raised concerning the Watergate case, but as a guide for the Members of the Committee in the event it is decided to take up a full-scale investigation of the areas under our jurisdiction.

As the staff study points out, it is obvious that the wanderings of the Republican campaign funds involve broad areas of jurisdiction of the Banking and Currency Committee. This is particularly true in regard to the sums of money which have travelled across national borders and where the United States and Mexican banks have been used for the transfer and the possible concealment of these funds.

The $89,000 of Mexican bank checks which went into the Republican campaign and then into the account of Bernard Barker, one of the suspects in the Watergate burglary, raise tremendous questions for the Committee. It appears that the Committee to Re-Elect the President and its allied groups are willing to go to any lengths to conceal the identity and the origins of these checks. We do not know whether these funds were raised in the United States or Mexico and we do not know whether they are the type of funds which could be legally contributed to or received by a political committee.

The real answer to the $89,000 question undoubtedly is in the books and records of the Committee to Re-Elect the President and/or its various subsidiary groups. All of these questions and the growing speculation about the source of these funds could be cleared up if these records were made available to this Committee and to the public. Without this information on the Republican contributions in the period prior to April 7, it is impossible to determine the facts. Indications are that $100,000 came out of Mexico in one chunk and it is reasonable to question whether or not additional sums travelled these same routes. As the Committee knows from its investigations which led to the passage of the Foreign Bank Secrecy Act in 1970, the transfer of money through foreign bank accounts leads to endless possibilities for concealment of the nature of the funds and the identities of their original owners.

We know that a $25,000 contribution by Dwayne Andreas -- who was later to be a recipient of a national bank charter -- also found its way into the account of Bernard Barker. These events are described in the enclosed study and they too bear on jurisdictions of the Committee.

This document is to be regarded as confidential and for the use of the Members of this Committee only. I am instructing the majority members of the Committee staff not to release this document to anyone but Members of this Committee and they are under the strictest instructions not to discuss the contents outside of this Committee. I sincerely hope that all Members will respect the confidentiality of these documents.

WRIGHT PATMAN, CHAIRMAN

On August 17, you instructed the staff to gather data and interview, where possible, the principals and others who might have information on aspects of the Watergate bugging incident which would bear on areas under the jurisdiction of the Banking and Currency Committee. Under your instructions, this was to be a preliminary inquiry to determine the existence and magnitude of events under the Committee's jurisdiction and the availability of documents and witnesses should it be decided to undertake a full-scale investigation. Included as part of your instructions were copies of correspondence on this subject between yourself and Congressman Henry Reuss and Henry Gonzalez.

Jurisdiction

Preliminary inquiries and findings leave no doubt that the Committee has extensive jurisdiction over large areas of what has popularly become known as the Watergate Caper.

At least a half dozen commercial banks were utilized in the transfer -- and the apparent attempts to conceal -- campaign funds of the Committee to Re-Elect the President -- funds which at some time were under the direct control

of one of the suspects arrested inside the offices of the Democratic National Committee at 2:30 a.m., June 17.

The preliminary staff inquiry indicates that at least $100,000 of funds which reached the Finance Committee of the Committee to Re-Elect the President crossed the border between Mexico and Texas. The staff has been able to confirm that $89,000 of this was drawn on a Mexican bank and that the checks from this foreign bank found their way into the hands and corporate account of one of the suspects picked up at the Watergate in the early morning hours of June 17.

First, there is no question that the Committee has jurisdiction over issues involving the domestic banking system of the United States and there is no question that members of that system -- at least six commercial banks -- are touched by various aspects of these intricate transfers of Republican campaign funds.

Secondly, the Committee has long exerted jurisdiction over questions involving the exports of capital and the record-keeping requirements of U. S. commercial banks in this respect. The Committee investigated the growing law enforcement problems associated with the export of U. S. capital to bank accounts in other nations in 1968, 1969, and 1970, and these studies culminated in Public Law 91-508, the so-called Foreign Bank Secrecy Act, which upgraded the record-keeping requirements and

made easier the monitoring of the flow of capital out of the United States.

Some of the problems associated with the export of capital and its effect on United States law enforcement are illustrated by these excerpts from the Committee report filed March 28, 1970, accompanying H. R. 15073, the Foreign Bank Secrecy bill:

> "Secret foreign bank accounts and secret foreign financial institutions have permitted proliferation of 'white collar' crime; have served as the financial underpinning of organized criminal operations in the United States; have been utilized by Americans to evade income taxes, conceal assets illegally and purchase gold; have allowed Americans and others to avoid the law and regulations governing securities and exchanges; have served as essential ingredients in frauds including schemes to defraud the United States; have served as the ultimate depository of black market proceeds from Vietnam; have served as a source of questionable financing for conglomerate and other corporate stock acquisitions, mergers and takeovers; have covered conspiracies to steal from U. S. defense and foreign aid funds; and have served as the cleansing agent for 'hot' or illegally obtained monies... The debilitating effects of the use of these secret institutions on Americans and the American economy are vast. It has been estimated that hundreds of millions in tax revenue have been lost. Unwarranted and unwanted credit is being pumped into our markets. There have been some cases of corporation directors, officers and employees who, through deceit and violation of law, enriched themselves or endangered the financial soundness of their companies to the detriment of their stockholders. Criminals engaged in illegal gambling, skimming, and narcotics traffic are operating their financial affairs with an impunity that approaches statutory exemption."

At the time this legislation was being considered, no one mentioned the possibility of national political committees utilizing these devices to conceal campaign funds and the identity of their sources. But the Committee's jurisdiction or interest is no less because the funds involve a political committee, particularly when these monies may well have been used to further the commission of felonies in the United States -- the burglary and electronic bugging of the Democratic headquarters in the Watergate.

In addition to P. L. 91-508, the Committee is cognizant of regulations which have required banks to maintain records of large or unusual withdrawals of cash. These Treasury regulations emanating from the "Trading With the Enemy" Act require that these records be maintained by commercial banks and regularly submitted to the District Federal Reserve Bank.

The complex transfer of these campaign funds in U. S. and foreign banks raises obvious questions as to whether the Foreign Bank Secrecy Act and the regulations promulgated under this Act and other reporting requirements are sufficient to monitor the international movement of large sums destined for possible illegal purposes. These questions obviously fall within the Committee's jurisdiction.

In addition, Mr. Reuss' letter of August 17 raises questions concerning possible violations of the Federal Reserve's voluntary restraints on the export of capital by commercial banks, and here again this area lies well within the mandate of the Committee.

In the midst of the investigations of the Watergate incident, at least two major newspapers reported that the contributor of one of the sums in question -- the $25,000 -- had received a bank charter on August 22 -- just 88 days after the application was filed with the Comptroller of the Currency. The $25,000 is now an integral part of the campaign law violations reported by the G.A.O. to the Justice Department and this is a portion of the money which went into the bank account of Bernard Barker, a suspect in the Watergate case.

A preliminary investigation indicates that the bank charter was granted in an unusually rapid time -- 88 days -- particularly considering the fact that the shopping center in which the bank is to be located has not been constructed and apparently the bank could not be ready for banking operations until 1974 or 1975. In addition, a preliminary investigation has indicated that the Comptroller of the Currency may have deviated from normal practices in the procedures leading up to the granting of the charter. There seems no question of the Committee's jurisdiction over the activities of the Comptroller and the granting of national bank charters.

In summary -- the incidents involved in the Watergate Caper cross the jurisdiction of the Banking and Currency Committee at numerous points, particularly where the transfer of funds involves domestic and foreign financial institutions and bank regulatory matters.

Synopsis of the Case

At 2:30 a.m., on June 17, Metropolitan Police of the District of Columbia arrested five men just outside of the office of Democratic National Chairman Lawrence O'Brien in the Watergate. The men are wearing surgical gloves, possess burglary equipment, electric eavesdropping and wiretapping apparatus, cameras and walkie-talkies.

Later it is discovered that $114,000 of funds contributed to the re-election effort of President Nixon has found its way into the account of one of the suspects, Bernard Barker, in the Republic National Bank of Miami, Florida.

Twenty-five thousand dollars of this amount was contributed by a Minneapolis banker and investor, Dwayne Andreas, who handed over the sum in cash to a Nixon campaign executive on a Miami golf course in April. The remaining $89,000 reached Mr. Barker's account in the same bank in the form of checks drawn on an account in the Banco Internacional of Mexico City and payable to Manuel Ogarrio Daguerre, a Mexican national. The $89,000, the

Committee investigators have discovered, reached the Nixon campaign in Washington, D.C., on April 5, commingled with at least $611,000 in other funds.

The $89,000, the $100,000, the $700,000, and Manuel Ogarrio Daguerre

From the start, the $89,000 worth of Mexican bank checks,which reached the Nixon re-election campaign and ultimately the bank account of Watergate suspect Bernard Barker, have been cloaked in mystery and the finance officials in the Republican Party have done little to shed light on the transactions.

Basically, the position of the Nixon campaigners has been that the $89,000 represents contributions from an unknown number of Mr. X's in Texas -- campaign contributors who wish to remain anonymous and the identity of whom the GOP campaigners give not the slightest hint.

The checks, in sums of $15,000, $18,000, $24,000 and $32,000, originated in Mexico City, traveled to Houston, Texas, and then on to Washington, D.C., where they were received by Hugh W. Sloan, Jr., Treasurer of the Finance Committee for the Re-Election of the President on April 5.

Sloan says he was unsure of the negotiability of the checks drawn on the Banco Internacional and turned them over to G. Gordon Liddy, counsel to the Finance Committee of the Committee to Re-Elect the President. Sloan says Liddy delivered the cash to him sometime in the middle of May.

Staff investigators have been able to trace the checks from Mexico City to Houston to Washington and ultimately to the bank account of Bernard Barker in Miami on April 20.

After withdrawals by Mr. Barker, the staff has not been able to document the movement of the funds.

The same is true for the $25,000. It can be traced from Dwayne Andreas to Kenneth Dahlberg, a campaign official for President Nixon, to a bank in Boca Raton, Florida, to the Republican Finance headquarters in Washington, and finally on to the bank account of Bernard Barker on April 20.

Once again, there is a withdrawal by Barker but the staff has no documentation of the movement of the funds after this. Barker's bank statement is summarized later in this report.

It is the position of the Republican campaign officials that most of the $89,000 and the $25,000 -- most of the $114,000 -- did eventually find its way back to the Nixon Finance Committee in Washington

and that it was part of $350,000 in cash taken from a safe in Maurice Stans' office and deposited to the account of "Media Committee to Re-Elect the President" on May 25.

However, no documentation has been produced to corroborate this version. In its audit, the G.A.O. also remarked on its inability to find "any record of the source and make-up" of the $350,000.

What Actually Happened to the $89,000, or the $100,000 or the $700,000?

Contrary to the statements that have been issued by the Republican Finance officials, the Committee investigators believe that it was at least $100,000 -- not just $89,000 -- which reached the Finance Committee from Mexico in early April.

In late March and early April, a group of ad hoc fund raisers in Texas, headed by Mr. William Liedtke, president of the Pennzoil Corporation, were collecting campaign funds for the President's re-election in the Southwest area. Some of the members of the ad hoc committee were David Searls, Robert Mossbacher, William Kilroy, Peder Monsen, Roy Wincnester -- an employee of Pennzoil, and Robert Allen, President of Gulf Resources

and Chemical Company in Houston and presently chairman of the Texas Finance Committee to Re-Elect the President.

According to Liedtke, the ad hoc group turned over some of the money they collected to him while some was taken directly to Washington by committee members. This committee functioned for approximately 3 to 4 weeks prior to April 7 and did get together on an informal basis to determine who would go after which person for a contribution.

While the ad hoc committee was in operation, Liedtke was approached by Allen who told him he could "raise United States money in Mexico" as contributions for the President. Allen wanted to know if there were any legal problems with this. Liedtke said that he would find out and get back to Allen.

On Monday, April 3, Liedtke talked by telephone with Maurice Stans, chairman of the Finance Committee of the Committee to Re-Elect the President, to find out if there were any legal problems with obtaining such funds from Mexico. Liedtke, depending on information supplied by Allen, told Stans that it was money belonging to United States citizens that was either in Mexico at that time or would be transported to Mexico. Liedtke wanted Stans to determine whether or not there were any legal problems in connection with such contributions.

Liedtke told Committee investigators that he knew nothing about the financial arrangements for the money; that is, whether the money was in Texas and would go to Mexico and back to Texas or whether it was United States dollars already on deposit in Mexico. However, Liedtke did tell Stans that the contributions involved amounted to $100,000.

Stans told Liedtke that he would check into the legal situation and would get back to him.

That afternoon -- April 3 -- or the following morning, Liedtke talked to Stans again and was told that it was "okay to bring the money to Washington." During one of the conversations with Stans, Liedtke identified Allen as the person who was raising the money with the Mexican connection.

Following his conversation with Mr. Stans, Liedtke contacted Mr. Allen and told him that the plan to obtain the money through Mexico had been cleared by Stans and that Allen should follow through.

On April 5, the machinery which would eventually move the money into the United States and ultimately through the account of the Watergate suspect, Bernard Barker, was set in motion.

In mid-afternoon, a young man described by Liedtke as having "a Mexican surname,"arrived in the offices of the Pennzoil Corporation in the Houston Southwest Tower. He said he had some money for Liedtke. The agent carried a large pouch to Liedtke's office where the two men were joined by Winchester, Vice President for Public Affairs for Pennzoil. Although both Liedtke and Winchester apparently spent considerable time with the agent and talked with him, they say they are uncertain as to whether they could recognize him again nor do they profess to know his name.

The agent opened the pouch and deposited four checks totalling $89,000 from Banco Internacional of Mexico City and 110 one-hundred dollar bills on Liedtke's desk. The checks were made out to Manuel Ogarrio Daguerre, a Mexican attorney who represented Allen's company in Mexico. They were to eventually be drawn on dollar accounts in four United States banks -- Chase Manhattan, Bank of America, First National City Bank, and Continental Illinois. Mr. Liedtke says he only glanced at the checks casually and is uncertain as to whether they were endorsed. Winchester says, however, that he did examine the checks closely and noticed a scrawled illegible signature on the back of the checks. He said he would not have known whose signature it was except that there

was a typed endorsement of Ogarrio under the signature. Neither Winchester nor Liedtke claims to have ever heard of Ogarrio.

In addition to the $89,000 in checks, the agent produced the $11,000 in cash which Winchester personally counted in front of the courier. Winchester said that some of the bills were new but not all of them were -- unlike the $5,300 discovered on Watergate break-in suspect Barker which were all new bills. This is the first time that anyone connected with the Republican campaign efforts has mentioned that there was cash in addition to the four Mexican checks totalling $89,000. The agent who delivered the pouch asked for a receipt for the checks and cash but neither Winchester nor Liedtke were willing to give a receipt and later told Committee investigators that "in the fundraising business you don't deal in receipts."

At this point, the sums destined for the Republican campaign start growing dramatically. By this time the Pennzoil offices had obviously become a major collection point for Republican contributions from Texas, Mexico and surrounding areas.

Shortly after the departure of the agent who had delivered the $100,000 in cash and checks, this money was placed in a suitcase along with other funds collected.

by the ad hoc committee. Liedtke and Winchester contend that none of the additional funds were raised outside of the United States.

However, Liedtke and Winchester, like other officials involved in the President's re-election efforts, provided no documentation that would reveal sources of this growing campaign chest and as they had candidly stated earlier, "In the fundraising business, you don't deal in receipts."

At this point, the suitcase, according to Winchester, contained approximately $700,000. Winchester said approximately $150,000 was in cash and the remainder in the form of checks and negotiable stock certificates. Neither Liedtke nor Winchester claim to have an exact accounting of the amount of money that was placed in the suitcase that was to be transported to Washington. They also explained that the stock certificates in the bundle were subject to market fluctuations, and thus it was difficult to determine the total value of the contributions. But they regarded $700,000 as a fair estimate of the suitcase's contents.

So, late in the afternoon of April 5, we have at least $100,000 of funds fresh from Mexico and $600,000 from unknown sources packed in a suitcase in the executive offices of Pennzoil in Houston, Texas. This was one day before the new Federal Campaign Expenditures Act was to go into effect, requiring specific identification of all donors.

Faced with this deadline, the Pennzoil officials gathered up the $700,000 and took it to the Houston Airport to a waiting Pennzoil Company plane. Accompanying this bundle of Republican contributions were Winchester and another Pennzoil employee, Peter Mark, described by Liedtke as "young and strong" and whose job it was to ride "shotgun" on the funds.

The plane landed at Washington National Airport about 9 p.m. on April 5. Winchester and Mark immediately took the suitcase containing the $700,000 to the Finance Committee's office on the second floor of 1701 Pennsylvania Avenue.

At approximately 10 p.m., Winchester and Mark turned over the funds to the Committee's Treasurer Hugh Sloan. Winchester did not ask for, not did he receive, a receipt for the funds. Nor is there any indication that the funds were counted in either the presence of Winchester or Mark.

Winchester told Committee investigators that there was a great deal of confusion in the campaign office at that time and he left without completing paperwork on the donations. He returned the next day and gave a secretary -- he cannot remember which one -- a list of people who had donated the cash. In cases where he did not know the names of the donors, he listed

the person who had raised the cash. He said he did not list the names of those who had sent money by checks or negotiable instruments. With regard to the $100,000 raised in Mexico, Winchester said he listed Allen as the person who raised the money. Asked why he did not list Ogarrio as the donor of the $89,000, Winchester and Liedtke said they knew that Ogarrio was not the donor. Asked further how they could be sure of this, they replied, "We just knew."

After dropping off the suitcase at 1701 Pennsylvania Avenue, Mr. Winchester and Mr. Mark apparently had no further contact with the $700,000. The same appears to be true for William Liedtke.

Winchester and Liedtke further stated that following the delivery of the $700,000 to Washington, they have had no further contact with Mr. Allen except for one phone call dealing with a meeting at the Republican National Convention in Miami Beach.

Attempts to Locate the Texas Finance Chairman, Robert H. Allen

On Monday, August 21, Committee investigators attempted to make contact with Robert Allen but were told by his secretary that he was "out of town and would not be back until the end of the week."

Approximately ten minutes later, a Mr. Richard Haynes, who identified himself as a lawyer for Mr. Allen, called the Committee staff saying that he was returning the call made to Mr. Allen. The staff indicated that they would like to talk to Mr. Allen. Mr. Haynes said that Mr. Allen was not in town at the present but that he -- Mr. Haynes -- would meet with the Committee staff. The Committee staff offered to go to Houston but Mr. Haynes said that would not be necessary since he would be coming to Washington that evening.

In order to expedite the staff work, one of the staff members called Mr. Haynes back and offered to meet his plane when it arrived at Dulles Airport that evening and to discuss Mr. Allen's relationship with the $700,000 at that time. This was quite agreeable to Mr. Haynes and the appointment was made.

But the staff member waited in vain at Dulles. Finally an airline official produced a note directed to the staff member from Mr. Haynes saying that Mr. Haynes had missed the flight and would now be arriving the following day by private aircraft.

The following day at about 12:15 p.m., Mr. Haynes arrived in Washington and called the staff member and promised to be in contact with him that day.

Later the staff member called Mr. Haynes' hotel several times but received no answer. After waiting until 7:30 p.m., the staff member called the hotel back and left a message to have Mr. Haynes return the staff member's call at his home. At 8:30 p.m., Mr. Haynes called the staff member and said that he would be unable to meet with him since he had to leave for Houston immediately.

So, Mr. Haynes left without discussing the case with the Committee staff.

On Thursday, August 24, the staff member flew to Houston and went to Haynes' office about 1:30 p.m. in hopes of setting up an appointment with Mr. Allen. Then, for the first time, Mr. Haynes said that Mr. Allen was out of the country and would not be back until September 13.

The staff member discussed the reasons why the staff wanted to talk to Mr. Allen and Mr. Haynes said that he was expecting a phone call from Mr. Allen that afternoon and would advise him of our request and would be back in touch with the staff following the phone call. Mr. Haynes has not responded. During the interview in Houston, Mr. Haynes was asked if in the absence of his client he could provide any information about the contribution of the $100,000. He was specifically asked about the names of the donors and he declined to reveal

the names on the grounds that they had been guaranteed anonymity. He added that Mr. Allen had refused to reveal the names of the contributors to the F.B.I. on the same grounds.

Maurice Stans and the $89,000

Maurice Stans was questioned on August 30 about the $89,000 and he denied knowledge of the transfer of any campaign funds to Mexico. If funds were transferred, Mr. Stans said, these were the decisions of the contributors to insure anonymity.

At the beginning of the interview Mr. Stans was asked three questions designed to elicit any knowledge that he may have had concerning the transactions and to determine the degree, if any, of his participation in the movement of these funds.

The three questions were: (1) Have you at any time authorized the transfer of campaign funds -- or prospective campaign funds -- through a foreign country? (2) Have you participated in any way in plans to transfer campaign funds to Mexico or any other nation? and (3) Have you at any time been aware that any state or local finance committee of the Republican Party or any employee of the Party at any level has been engaged in the transfer of funds to Mexico or any other country?

To each of these questions Mr. Stans gave a one word answer -- "No."

Mr. Stans further stated that he had not learned of the $89,000 for several weeks after the money was delivered to the Finance Committee on April 5. He said he did not actually see copies of the four Mexican bank checks until he was in Miami Beach for the Republican National Convention.

The staff repeatedly returned to questions relating to the $89,000 and repeatedly Mr. Stans professed a lack of knowledge about any transfer of funds to Mexico.

He was then asked whether he had questioned the apparent contribution of $89,000 by a Mexican National, Manuel Ogarrio. Like Mr. Sloan, Mr. Stans said he didn't think it was Ogarrio's contribution but understood it was a contribution from others. Earlier in the questioning, Mr. Stans noted voluntarily that it was illegal to receive campaign contributions from foreign nationals, saying that the committee did not want "foreign checks."

He, however, declined to provide the names and addresses of the contributors making up the $89,000 replying that the money had been collected on the grounds that the donors would remain anonymous. He said this constituted an agreement or contract between the Committee to Re-Elect the President and the donors and that,in effect, the

committee could not unilaterally dissolve the contract. Both Mr. Stans and his attorney stated that there would be no voluntary release of the names and addresses.

Mr. Stans was also questioned about published reports mentioning upward of $750,000 in campaign funds having been moved through Mexico. Mr. Stans' denial of the $750,000 figure was emphatic. In answer to a further question, he said it was correct that he had no knowledge of anything more than the $89,000 mentioned in the GAO report and here again he wasn't willing to concede knowledge of the actual transfer of any funds to Mexico.

The Shifting Positions of Maurice Stans

Faced with the obvious conflicts between the Stans and Liedtke versions and with growing reports of more than $89,000 crossing the Mexican-Texan border, Chairman Patman wrote Mr. Stans on August 31 asking that he restate his position on several key points.

Confronted by the request of Chairman Patman, the Stans positions began to shift from the versions given the staff investigators on Wednesday, August 30.

These new answers were finally forthcoming late on September 5 after Stans checked and rechecked his reply with his counsel.

Unlike his statements of August 30, Mr. Stans now recalled that on April 3 he had been "informed by our Texas Chairman of a possible contribution of $100,000 in U. S. funds in Mexico."

On August 30, Mr. Stans had been asked by the staff: Have you at any time been aware that any state or local finance committee of the Republican Party or any employee of the party at any level has been engaged in the transfer of funds to Mexico or any other country?

At that time he provided a one word answer: "No."

Throughout a long series of questions propounded by the staff on August 30, Mr. Stans did not mention the conversation of April 3 concerning the Mexican contributions. In addition to the direct question quoted above, time after time the questioning returned to the subject of the $89,000, and nothing was mentioned concerning the conversation of April 3. On several occasions, Mr. Stans interjected voluntarily that he did not know about the transfer of any funds to Mexico and his attorney objected to the phrasing of at least one question on

the grounds that it presupposed that Stans had knowledge of the transfer of funds to Mexico -- a fact which they denied.

Stans further stated that he had no knowledge of the $89,000 in checks until several weeks after they reached the campaign committee on April 5, and that he did not see the checks until the Republican National Convention in Miami Beach.

In discussing these points, it is apparent that there were numerous places where it would have been appropriate -- and certainly responsive to the line of questioning -- for Mr. Stans to have mentioned the April 3 conversation. But, he did not until after the Committee staff had obtained the information from Republican campaign people in Texas and after being confronted with the letter from Chairman Patman.

Mr. Stans and his attorney may well argue that they are legally entitled to give limited, narrow and technical construction to the staff inquiries, but it is difficult to reconcile this performance with President Nixon's press conference statement on the Watergate case on August 29 -- the day before Mr. Stans was questioned.

The President said:

"We have cooperated completely. We have indicated that we want all the facts brought out...We want the air cleared. We want it cleared as soon as possible."

Chairman Patman's letter of August 31 also elicited for the first time a mention of $100,000 by Stans. As the staff went back and forth over the $89,000 on August 30, not once did Mr. Stans refer to a $100,000 figure -- the figure which the staff investigators learned of in Houston the following day.

Mr. Stans was emphatic in denying the published reports of $750,000 in campaign money having been moved through Mexico. In answer to a further question, he said it was correct that he had no knowledge of anything more than the $89,000 mentioned in the GAO report. But no mention here of the $100,000 which he now talks about in the letter of September 5 to Chairman Patman.

During this line of questioning, Stans and his attorney referred to a written denial of the $750,000 they had issued to the Washington Post. The staff obtained a copy of this denial from Stans' attorney, and here again, Mr. Stans does not volunteer any information about the $100,000, and in fact only states that $89,000 came through Mexico.

In his letter of September 5 to Mr. Patman, Mr. Stans again refers to the $89,000 stating, "I have no knowledge of any transaction involving a Mexican bank beyond the $89,000 which is the subject of your inquiry."

Mr. Stans does not further explain the relationship of this $89,000 to the $100,000 which he mentions earlier in the letter to Mr. Patman. Also, as reported earlier in this document, Mr. Liedtke says he did receive a total of $100,000 in the package containing the checks from Mexico and that it was delivered to the Committee to Re-Elect the President.

In his reply to Mr. Patman, Mr. Stans continues to deny any role in the Mexican affair. He states in the September 5 letter:

> "I did not participate in any way in plans for the collection and transfer of that amount ($100,000) or any part of it."

This is basically the position taken in answer to staff questions on August 30.

However, on August 31 in Houston, Mr. Liedtke, the Southwest finance chief for the President, says he talked to Stans on Monday, April 3, seeking legal advice on the Mexican contributions totalling $100,000. According to Liedtke, Stans asked for time to check on the legal aspects. Liedtke says that he again talked to

Stans on the afternoon of April 3 or the morning of April 4 and was told by Stans that it was "okay to bring the money to Washington."

This would appear to indicate participation by Stans in events involving the Mexican transactions, and it would appear difficult for Stans to have obtained legal opinions without knowledge of some details of the planned transactions.

Stans also raises new questions about the donors of the $89,000 in his letter to Mr. Patman. In the letter to Mr. Patman he says the reason that he is not releasing the names is because he doesn't know the identities.

However, in discussing this point with the staff, Mr. Stans and his attorney said that they were not releasing the names because of an agreement with the donors that their names would remain anonymous. They, in effect, described this as a joint contract that could not be broken by the Committee to Re-Elect the President. The staff pursued this point and both Stans and his attorney agreed that there were no circumstances under which the names would be voluntarily released. They were further asked if this meant that they would require a subpoena for this information, and they replied in the affirmative.

Mr. Stans' statements to the staff on August 30 on this point were similar to those recorded by the General Accounting Office. The GAO report of August 26 states: "Mr. Stans has told us that the four checks were pre-April 7 contributions from donors in Texas who wished to remain anonymous, and therefore would not reveal their names."

The $89,000 Travels to Miami

Somewhere along the line, the $11,000 in cash which was in the pouch delivered to the Pennzoil executives in Houston dropped out of the picture and the four Mexican bank checks totalling $89,000 picked up a companion -- a cashiers check made out to Kenneth Dahlberg for $25,000.

This fifth check has an interesting history all of its own. Dahlberg, who is the Chairman of the Minnesota Finance Committee to Re-Elect the President, was handed $25,000 in cash by Mr. Dwayne Andreas on April 9, 1972, on a golf course near Miami.

Mr. Dahlberg has stated that he did not want to carry that much money around in cash and as a result he obtained a $25,000 cashiers check at the First Bank and Trust Company of Boca Raton. Even though the check

represented a donation to the Committee to Re-Elect the President, Dahlberg had the check made out to himself. On April 11, Dahlberg travelled to Washington and gave the check to Mr. Stans during a break at a meeting at the Statler-Hilton Hotel. At the time the check was given to Mr. Stans it carried the single endorsement of Mr. Dahlberg. When interviewed on August 30, Mr. Stans said he did not see Mr. Dahlberg endorse the check; however, he did note that the check had been endorsed.

Mr. Stans stated that he held the check only a few minutes. After that he handed it to Mr. Hugh Sloan, Treasurer of the Committee to Re-Elect the President, and informed him of the circumstances relating to the contribution and called his attention to the fact that the date on the check was April 10, 1972. In turning the check over to Mr. Sloan, Stans requested that it be determined how the contribution should be handled in view of the check's date and the problems it might raise with the new Campaign Contributions Act.

The staff determined that on April 11 the check was in the hands of Hugh Sloan. Suddenly, however, the check dropped from view and does not surface again until April 19 in the possession of Bernard Barker, one of the five persons arrested in the Watergate break-in case.

On that date -- April 19 -- Barker appeared at the Republic National Bank of Miami with five checks -- one, the $25,000 Dahlberg check, and the others, the four checks totalling $89,000 drawn on the account of Manuel Ogarrio at the Banco Internacional discussed earlier.

Barker asked to see the President of the Bank but when the President was unavailable, he met with another bank official, Ectore Reynaldo. Barker told Reynaldo that he would like to convert the five checks totalling $114,000 into cash and would like to do it immediately. Barker impressed upon Reynaldo that there was a great need for him to obtain the money immediately.

Reynaldo told Barker that the only way he could obtain the cash was to endorse the checks and place them in the bank for collection or deposit the checks to his account.

Barker asked if it would be possible to at least obtain the $25,000 immediately since it was in the form of a cashiers check. Reynaldo explained that even though it was a cashiers check he had no way of knowing whether or not the Dahlberg endorsement was genuine. Barker inquired as to how such proof could be obtained and Reynaldo suggested that the best way to accomplish this was to have the signature notarized. Barker left taking all

five checks with him, but prior to this, Reynaldo had photostated all of the checks so that he could begin collection work on the checks to hasten their transition to cash.

The following day, April 20, Barker returned to the bank with all five checks and a notarization by his own seal (Barker is a Notary Public in the State of Florida) attesting to the Dahlberg signature.

Barker then made out five separate deposit slips and placed the money in the bank in his account under the name, Barker Associates, Inc.--Trust Account, 2301 N.W. 7th Street, Miami, Florida. Barker continued to impress Reynaldo with the urgency of converting the money into cash and asked him to do everything possible to expedite this. Reynaldo said that he would do everything possible to speed up the collection process.

Two or three days later, following frequent phone calls from Barker, Reynaldo called the Bank in Boca Raton which had issued the Dahlberg cashiers check and was assured by the President of that bank that it was all right to release the funds. The President of the Boca Raton bank did not ask who was cashing the check nor did Reynaldo volunteer the information.

On approximately the same day, April 24, Barker came into the bank and asked for the $25,000 in cash. Reynaldo went into a teller's cage, picked up the cash and returned to his desk where he had Barker count out the money. Reynaldo recalls that Barker asked for $10,000 of the money in $100 bills. Reynaldo suggested that Barker take a cashiers check instead of cash. Barker declined and insisted on cash.

Before leaving the bank, Barker inquired as to whether the $89,000 in the four Mexican checks had cleared. Reynaldo said that they had not but that he would continue to check. Following persistent phone calls from Barker and visits to the bank, Reynaldo made several calls to each of the American banks in which the Mexican bank had accounts -- Chase Manhattan, New York City; Bank of America, San Francisco; First National City Bank, New York City; and Continental-Illinois National Bank in Chicago. Reynaldo finally sent wires to the four banks to determine if the checks had cleared and on May 1 or May 2 he received return wires that the checks had cleared and could be paid.

Before Reynaldo could notify Barker that the checks had cleared, Barker appeared at the bank on May 2. At that time, he wrote a check on the Barker Associates account for $33,000 and obtained the money in cash,

asking that the money be in large bills. On May 8, Barker returned to the bank and cashed another check on his Trust Account in the amount of $56,000. Once again he asked for the cash in large bills. Since that time, officials of the bank say that Barker has closed out the account and they recall that he may have been in the bank on one additional occasion since May 8, but they cannot be certain.

Barker Associates, Inc., Trust Account--Summary of Selected Transactions

Beginning Balance:	
April 18, 1972	$ 8,189.82
Deposits:	
April 20, 1972	
Cashiers' check drawn on the First Bank and Trust Company of Boca Raton, Florida, and payable to Kenneth H. Dahlberg.	25,000.00
Check drawn on Banco Internacional Mexico City and made payable to Manuel Ogarrio	18,000.00
Check drawn on Banco Internacional Mexico City and made payable to Manuel Ogarrio	15,000.00
Check drawn on Banco Internacional Mexico City and made payable to Manuel Ogarrio	32,000.00
Check drawn on Banco Internacional Mexico City and made payable to Manuel Ogarrio	24,000.00
TOTAL DEPOSITS	$114,000.00
Withdrawals:	
April 24, 1972	
Cash withdrawal by Barker	25,000.00
May 2, 1972	
Cash withdrawal by Barker	33,000.00
May 8, 1972	
Cash withdrawal by Barker	56,000.00
TOTAL WITHDRAWALS.	$114,000.00
Ending Balance:	
May 8, 1972	7,689.82

The Four Mexican Checks

The Committee investigators obtained copies of the four checks on the Banco Internacional. All four checks are made out to Sr. Manuel Ogarrio and each bears information concerning the U. S. banks from which the funds are to be drawn down in U. S. dollars. The checks are endorsed by an illegible signature and underneath the signature is typewritten the endorsement of Sr. Manuel Ogarrio. There is also under the endorsement a series of numbers which appear to be a bank account number. This number is identical on all four checks.

There is nothing on the front or the back of the copies of these checks to indicate that these are anything other than personal checks of Manuel Ogarrio.

The Andreas-Dahlberg-Barker $25,000 Check

The Dahlberg $25,000 cashiers check was drawn on the First Bank and Trust Company of Boca Raton, N.A., on April 10, 1972, a copy of which has been obtained by the Committee staff. The Cashiers check is made out to Kenneth Dahlberg. The back of the check carries the endorsement of Dahlberg followed by a notarization attesting to the signature and signed by Bernard Barker in his capacity as a Notary Public.

Stans-Sloan Explanation of the Receipt and Cashing of the $114,000 in Campaign Funds

As for the Andreas-Dahlberg $25,000, Mr. Stans said he received this contribution in the form of a cashiers check from Kenneth H. Dahlberg at the Statler Hilton Hotel in Washington, D.C., on April 11, 1972. The check was made payable to Dahlberg and endorsed by him.

Within a few minutes after Stans received the check, he handed it to Hugh Sloan, treasurer of the Committee to Re-Elect the President, informing Sloan of the circumstances relating to the contribution and calling his attention to the fact that the date on the check was April 11, 1972. He also requested that Mr. Sloan determine how the contribution should be handled in view of its date.

A signed statement by Sloan substantially corroborates Mr. Stans' version of how the Dahlberg check was handled. In his statement, Sloan confirms that he received a $25,000 cashiers check made payable to and endorsed by Kenneth H. Dahlberg and that the date this occurred was sometime within a week after April 7, 1972. He further confirms that Mr. Stans raised a question about the date of the check and whether this presented any problem in view of the Federal Election Campaign Act.

After this check was received by Sloan, Stans contends he has no direct knowledge of how the check was handled nor where its proceeds ultimately came to rest.

The $89,000 of Mexican checks came directly to Sloan on the night of April 5, 1972. In his statement, Sloan reveals that he consulted Gordon Liddy, counsel for the Committee to Re-Elect the President, to determine how the Dahlberg check should be handled. Sloan states he was advised by Mr. Liddy that this check should be reconverted to cash. Sloan, at Mr. Liddy's suggestion, then handed the check over to Liddy, apparently so that Liddy could convert it to cash. The only endorsement the check contained when it left Mr. Sloan's hands was that of Kenneth H. Dahlberg.

As for the four checks from Mexico, Sloan states that he was unsure of their negotiability and their legality. This being the case, he sought the advice again of Gordon Liddy. Liddy advised Sloan that he did not know whether there was any problem with these checks but that he would look into it and if there was not, he would convert them to cash. The checks contained no endorsement other than that of Manuel Ogarrio. The date Liddy received the checks is unclear.

While it is not known what date Liddy received either the Dahlberg or the Banco Internacional checks, we might infer that it was sometime prior to April 20, 1972, since all five of these checks were deposited in the account of Barker Associates, Inc., of Miami, Florida, on that date. We do know, however, that the proceeds of these checks were not returned to Sloan until sometime in mid-May when, according to Sloan, Liddy delivered the cash on two separate occasions at the Committee's offices in Washington, D. C.

According to Sloan, none of the checks was entered into the books of account of the Committee, none was ever deposited to the account of the Committee, and the proceeds of these checks were never actually deposited in the name of the Committee until May 25, 1972. Sloan further states that the proceeds of the five checks when returned to him by Liddy amounted to something less than $114,000. He states that the shortage was, to the best of his knowledge, approximately $2,500. This was explained by Mr. Liddy as being charges relating to converting the checks to cash.

When Mr. Stans was asked about the procedures for keeping track of cash flows such as the $114,000, he told the Banking Committee staff that this is an area of jurisdiction of the Treasurer to the Re-Election Committee.

He went on to say that his signature normally was not required for the withdrawal of campaign funds. Sloan does state that Mr. Stans was eventually informed of the disposition of these funds.

Following are signed statements on these points by Mr. Stans and Mr. Sloan:

Maurice Stans, being duly sworn, deposes and says: 179

1. I am Maurice Stans, and I became Chairman of the Finance Committee for the Re-election of the President on or about February 15, 1972.

2. On the morning of April 5, 1972, Mr. Kenneth Dahlberg, the Minnesota Chairman of my Committee, spoke to me on the telephone and informed me that he had received a cash contribution in the amount of $25,000.00 from an individual contributor and his wife, who asked to remain anonymous. Mr. Dahlberg reported that the money had been placed by the contributors in a safe deposit box in his name in Boca Raton, Florida.

3. At a scheduled meeting of the State Chairmen of the Committee held at the Statler Hilton Hotel in Washington, D.C., on April 11, 1972, at approximately 9:00 a.m., I was met by Mr. Kenneth Dahlberg, who handed me a cashier's check in the amount of $25,000.00, which he said he purchased with the cash he had previously received, drawn on the First Bank and Trust Company of Boca Raton, Florida. This check was made payable to Mr. Dahlberg and endorsed by him in blank.

4. Within a few minutes after I received the check I handed it to Mr. Hugh Sloan, Treasurer of the Committee, informing him of the circumstances relating to the contribution and calling his attention to the fact that the date on the check was April 10, 1972. I requested that Mr. Sloan determine how this contribution should be handled in view of its date.

5. Several weeks later, Mr. Sloan reported to me that he had given the check to Mr. Gordon Liddy, Counsel for the Committee, and had asked for his advice as to how to handle it. Mr. Sloan further reported that

Mr. Liddy had said he would handle the matter and had done so by reconverting the check to cash and giving the proceeds of the check to Sloan.

6. Mr. Sloan has informed me that the amount was included as part of the cash on hand as of April 7, 1972 in his report to the General Accounting Office, as required by law, and the funds were deposited in a bank account in the National Savings & Trust Company of Washington on May 25, 1972.

7. I have no knowledge as to how or why the check may have cleared the bank account of Bernard Barker, whom I have never met nor ever heard of until after June 17, 1972.

Maurice H. Stans

Subscribed and sworn to Thomas J. English

before me on this 25th day of

August, 1972

My Commission [illegible]

STATEMENT OF HUGH W. SLOAN, FORMER TREASURER
OF THE FINANCE COMMITTEE FOR THE RE-ELECTION OF THE PRESIDENT

1. Did you receive a cashier's check dated April 10, 1972, in the amount of $25,000 drawn on the First Bank and Trust Company of Boca Raton, Florida, and issued to Kenneth N. Dahlberg?

ANSWER: Yes. I did receive a $25,000 cashier's check made payable to Kenneth N. Dahlberg, but do not recall the date on the check or on what bank it was drawn.

2. If so, from whom, and under what circumstances?

ANSWER: I received the check from Mr. Stans in his office at the Finance Committee to Re-Elect the President sometime within a week after April 7..

3. Were you given instructions as to how to handle the check, its purpose, or other background information regarding it? If so, what were those instructions and by whom were they given?

ANSWER: Mr. Stans turned the check over to me indicating that it represented a cash contribution received by Mr. Dahlberg prior to April 7. He also gave the name of the contributor but I cannot recall whether it was on that occasion or shortly thereafter.Mr. Stans asked if we would have any problem in handling the check and I advised him that I didn't know but that I would take the matter up with our counsel, Gordon Liddy.

4. Was Mr. Dahlberg an agent for your committee at the time? We note that he is also the chairman of an affiliated committee. How did you determine what capacity he was acting in at the time?

ANSWER: My understanding was that Mr. Dahlberg was acting as Minnesota Chairman for our Committee at that time.

5. What information do you have concerning the date and source of the contribution?

ANSWER: The only information I have was what Mr. Stans provided me as described in the Answer to Question #3.

6. How, when and in what manner was this check entered into any of the books of account of the Committee to Re-Elect the President or any of its affiliated committees?

ANSWER: The check itself was never entered into the books of account of any of the committees.

7. Was this check ever deposited to any of the bank accounts of those committees? If so, when, which committee, and which bank account? If not, what did you do with the check?

ANSWER: The check was never deposited to the account of any committee. As I advised Mr. Stans in the Answer to Question #3 above, I took the check to our counsel, Gordon Liddy, to seek his advice on the handling of this check. His advise was as it was with regard to the checks described in the Answer to Question #20, namely, to reconvert the contribution to cash. He offered to have this done and I turned the matter over to him.

8. What endorsements did the check contain when it left your custody?

ANSWER: The only endorsement was that of Mr. Kenneth N. Dahlberg.

9. Did you receive cash in exchange for the check?

ANSWER: Yes.

10. If so, from whom, on what date, where, and under what circumstances?

ANSWER: I received cash in exchange for this check and for the checks described in Question #20 from Mr. Liddy in my office on two separate occasions at sometime in mid-May.

11. How much cash did you receive in exchange for the check?

ANSWER: The aggregrate of the cash received on the two occasions described above totalled something under the total $114,000 represented by the Mexican and Dahlberg checks. Mr. Liddy described the shortage to me as being charges related to reconverting the checks to cash. This shortage was in excess of $1,000 and to the best of my recollection was approximately $2,500.

12. Was any cash received in exchange for the check ever entered into the books of account of the Committee to Re-Elect the President or any of its affiliated committees?

ANSWER: Yes

13. Was this amount deposited in any of the bank accounts of the Finance Committee to Re-Elect the President or any of its affiliated committees?

ANSWER: Yes

14. If answer to either of two preceding questions is affirmative, what specific committee and bank account and how was it treated?

ANSWER: The funds were entered in the books of account of the Media Committee to Re-Elect the President and were deposited to the bank account of that committee. These funds were treated as cash on hand as of April 7.

15. Was the $25,000 check or its proceeds accounted for in the June 10 report of the Finance Committee to Re-Elect the President or any of its affiliated committees? How?

ANSWER: Yes. It was reported in the June 10 report of the Media Committee to Re-Elect the President and was listed in that report as cash on hand as of April 7.

16. Did you personally make a deposit of $350,000 in cash on May 25 to the a/c with the National Savings and Trust? If not, who did?

ANSWER: Yes. I made the deposit of $350,000 on May 25. I was accompanied by Mr. Liddy on that occasion.

17. How and when was this sum accumulated?

ANSWER: It was accumulated by authorized fund raisers for the President's re-election campaign prior to April 7.

18. What evidence exists, including notes, memoranda, or books of account to show the dates the sums were received?

ANSWER: I do not know as I have resigned my position with the Finance Committee to Re-Elect the President.

19. How, where and in what manner were these funds carried on the books of account of the Finance Committee or any of its affiliates?

ANSWER: They were carried on the accounts of the Media Committee to Re-Elect the President as described above.

20. Press accounts have referred to four checks totaling $89,000 drawn by the Banco Nacional to Manual Ogarrio Deguerre and deposited in Bernard L. Barker's account on the same day as the $25,000 check? Are these checks or the funds they represent related in any way to the Finance Committee to Re-Elect the President or any of its affiliated committees?

ANSWER: Yes

21. If so, describe in detail.

ANSWER: To the best of my recollection, I received four checks drawn on a Mexican bank totalling $89,000 on the evening of April 5. They were delivered to me by Roy Winchester along with other cash and checks that had been collected from supporters of the campaign in the Southwest. These checks were not represented to me as being a contribution by Mr. Deguerre but as one from Texas. As I was unsure of the legality or negotiability of these checks I sought the advice of our counsel, Gordon Liddy. He advised me that he did not know if there was any problem with them, but indicated he would check into it and if there was not offered to reconvert them to cash as the recommended way of handling them. He delivered the cash to me in mid-May as described above.

22. Was there shrinkage of the $350,000 between April 7 and May 25, 1972 other than charges referred to in the Answer to Question #11 above?

ANSWER: No.

I have read the foregoing questions and answers. These answers as written are an accurate reflection of my verbal answers to the questions asked by representatives of the General Accounting Office on August 23, 1972.

HUGH W. SLOAN, JR.

August 24, 1972

What Responsibility Does Maurice Stans Have Concerning the Wanderings of the $114,000?

First, Mr. Stans states that he did not have any knowledge of how the funds reached the account of Bernard Barker in Miami. He says he does not know Mr. Barker.

Secondly, he contends that the day-to-day operations involving expenditures are the responsibility of the treasurer and that he is not required to give his personal okay for all outlays, particularly if they are within established budgets.

But Stans retains the title of Finance Chairman -- chief money man for all of President Nixon's re-election effort. Such a title and position obviously carries with it responsibility for what happens to funds under the control of the Finance Committee -- unless we are to accept a theory that Mr. Stans is nothing more than a figurehead with no operating authority.

It is uncontroverted that Mr. Stans had the $25,000 Andreas contribution in his hands and that he raised questions about how it should be handled under the new campaign law. It is also conceded by Mr. Stans that he was aware that plans were underfoot which could involve funds from Mexico, and a major campaign subordinate says that Stans put his endorsement on the collection of this money.

Yet, this $114,000 was taken out of Mr. Stans' Finance Committee winding up in the account of Bernard Barker, who was arrested inside the Democratic headquarters.

By the testimony of his own subordinate, this money was given to G. Gordon Liddy, counsel for the Committee and a former White House Aide, and Nixon finance officials contend that Liddy returned the money in cash in "mid-May." Thus we have a picture of $114,000 in funds collected under a Committee headed by Mr. Stans wandering around the country for four to six weeks.

On advice of counsel, Mr. Stans declined to answer a question concerning internal procedures for checking on campaign contributions and we have no detailed knowledge of the Finance Committee's operating mechanism.

Even if the Nixon campaign is more disorganized than the press has detected to date, it is reasonable to assume that Mr. Stans had responsibility to know where sums as large as $114,000 were going and more particularly to know if that much money was missing -- and apparently not accounted for -- for a month to six weeks. This seems all the more true when it is remembered that it is Mr. Stans himself who raises questions about the handling of the $25,000 when he turns the check over to the treasurer.

If we are to absolve Mr. Stans of any knowledge about the wandering $114,000, then we must conclude that he has very limited knowledge of how the campaign contributions under his control are being used, and maintains no real control commensurate with the title of Finance Chairman.

At a minimum, it would appear that a Finance Chairman of any political campaign -- regardless of his day-to-day delegations to the treasurer or others -- has an overall responsibility to make certain that funds under his control are not used for illegal purposes. While no court of law has proven such illegal purposes -- or proven the involvement of campaign funds -- should such findings be made, it would appear difficult to exclude the chief finance officer from responsibility.

Why Did Sloan Allow the $114,000 to Wander?

Hugh W. Sloan is the former Treasurer of the Finance Committee to Re-Elect the President and a former White House aide. He is the official who gave the $114,000 to G. Gordon Liddy, counsel for the Finance Committee.

In the case of the $89,000, Sloan says that he gave the four checks to Liddy for two purposes: (1) to determine the negotiability of the Mexican checks; and (2) to convert them to cash. The fifth check -- the

$25,000 Dahlberg cashiers check -- was given to Liddy to convert to cash.

There is no clear explanation of why Sloan felt it necessary to handle these five checks in a special manner and to receive advice of counsel. It would appear that everything Sloan wanted to determine about the checks could have been ascertained through the normal banking operations of the Finance Committee. The checks appear to be instruments which could have been handled by any one of a number of Washington banks, many of which have long experience in handling foreign checks.

In fact, the offices of the Finance Committee are located one floor above one of Washington's largest banks, and the headquarters of the Financial General bank holding company which has considerable dealings in international finance. It would appear that any of its officers -- located only a floor away -- could have taken care of Mr. Sloan's questions.

It is obvious that Mr. Sloan gave Mr. Liddy the checks sometime between the night of April 5 and April 19. The funds, however, were not returned to the Committee until mid-May according to Sloan's testimony. Normal procedures for maintaining accounts would appear to have given Mr. Sloan and Mr. Stans ample reason to have raised questions about the location of these funds during April and May.

Were the Manuel Ogarrio Checks Contributions from a Foreign National?

Manuel Ogarrio Daguerre is a lawyer in Mexico City whose clients include a number of U.S.-owned companies, including Gulf Resources and Chemical Corporation of Houston, whose president, Robert H. Allen, is the Texas Finance Chairman for the Re-Election of the President. No one appears to question that Ogarrio is a Mexican national. It can be documented that the Finance Committee for the Re-Election of the President did receive checks totalling $89,000 from Manuel Ogarrio.

Title 18 of the United States Code, Section 613, prohibits certain nationals of foreign countries from making political contributions in connection with any election to political office in the United States. Section 613 reads as follows:

> "Whoever, being an agent of a foreign principal, directly or through any other person, either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal, knowingly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office; or
>
> "Whoever knowingly solicits, accepts, or receives any such contribution from any such agent of a foreign principal or from such foreign principal-
>
> "Shall be fined not more than $5,000 or imprisoned not more than five years or both..."

It would appear that a contribution to the Republican Party by Manuel Ogarrio would be a violation of this statute.

The staff has not seen any documents which would indicate that the contribution is from anyone other than Manuel Ogarrio -- the name which appears on the checks which were received by the Finance Committee for the Re-Election of the President.

Mr. Sloan, Mr. Stans, and the campaign officials in the Southwest simply say that they understood that this contribution -- the $89,000 -- was being made for someone else. In Houston, Mr. William Liedtke, the Southwest Finance Chairman for the Re-Election of the President, was asked how he could substantiate this claim and he said, "We just knew."

No names have been provided to establish that the donor or donors of the $89,000 are United States citizens, legally entitled to make contributions to a political party. Nor is there any documentation which would establish that this is a contribution which the Republican Committee could legally accept.

It is obvious that the Finance Committee should have within its possession records which would establish the factual situation and which would either prove or disprove whether this is a contribution by a foreign national, contrary to the provisions of 18 U.S.C. § 613.

Did the Funds Originate in the United States or Mexico?

Much of the public comment about the $89,000 has indicated that the money originated with Texas contributors and was sent to Mexico and then back to the United States. Some of the phrases used in the General Accounting Office report released on August 26 lend credence to this version.

However, the staff has been unable to substantiate that these funds did originate in Texas. Mr. Stans himself told the staff that he could not confirm that the $89,000 had been sent to Mexico. Later, in a letter to Mr. Patman dated September 5, Mr. Stans said he did not know whether the funds were collected in Texas or Mexico. In Houston, William Liedtke, the Southwest Chairman for fundraising, also said he was unable to know whether the money had been in Mexico at that time or was transported to Mexico.

From these answers, it becomes apparent that there is a possibility that these funds were raised in Mexico from some unknown sources.

Once again, it would appear that the Finance Committee and/or its subsidiaries have records in their possession which would answer this question.

What Was the Connection Between Bernard Barker and the Committee to Re-Elect the President?

It is an uncontraverted fact that Bernard Barker, arrested inside the Democratic Headquarters on June 17, received and had control of at least $114,000 of funds of the Committee to Re-Elect the President. It is obvious that Mr. Barker could not have obtained the five campaign checks totalling $114,000 without having some sort of relationship with the Committee to Re-Elect the President.

Unless it is contended that these funds were stolen by Mr. Barker, someone within the Committee to Re-Elect the President had to voluntarily turn them over to Barker. To date, we know of no report of any funds being stolen from the Finance Committee to Re-Elect the President.

Did the United States Banking Institutions Maintain Proper Records?

Existing regulations, aside from those promulgated under the Foreign Bank Secrecy Act, require commercial banks to maintain certain records of large or unusual cash withdrawals.

From the interviews conducted by the staff, it is obvious that "cash" was the byword of these complex transactions.

First, Mr. Andreas appears on a Miami golf course with $25,000 in cash. Where was this cash withdrawn and was it properly reported by the commercial bank involved?

Bernard Barker withdraws $89,000 in cash from the Republic National Bank in Miami. Was this properly recorded and reported according to Treasury regulations?

Mr. Barker was arrested in the Watergate with $5,300 in cash on his person. Was any part of this reported as a cash withdrawal by a commercial bank?

According to Mr. Sloan's testimony, G. Gordon Liddy returned approximately $111,500 to the Finance Committee in cash in mid-May. Was any part of this withdrawal from a bank and is it recorded on the proper forms?

More importantly, are existing regulations, including those issued under the Foreign Bank Secrecy Act, sufficient to monitor such transactions and to prevent the domestic U. S. banking system from being improperly used to conceal and facilitate transfers of funds to further criminal activities?

The Ridgedale National Bank Charter

Aside from the questions already raised concerning the $25,000, other serious questions remain about the possible motivation behind this particular contribution.

While the revelations about the $114,000 -- including the $25,000 contribution -- were filling the newspapers, the Comptroller of the Currency granted a national bank charter on August 22 to a group which included Kenneth Dahlberg, the Minnesota Finance Chairman for the Re-Election of the President, and Dwayne Andreas, who had contributed the $25,000 now involved in the controversy over the Watergate case.

The press immediately raised the issue, linking the charter and the $25,000 contribution. The Comptroller denied a connection between the two and described the charter as "one of the cleanest cases I've seen."

But these facts stand out in the Ridgedale National Bank charter:

1. The charter was granted in 88 days -- a time span described by Minnesota banking officials as "unusually fast." In his press conference, the Comptroller himself conceded that the decision was quick. He contended that the average time for such charters is 90 to 100 days, but he provided

no documentation. Chairman Patman has asked for a detailed report from the Comptroller on this point, but the information has not been supplied.

2. The charter was granted while at least two other competing groups were seeking charters in the same area.

3. The charter was pushed through in 88 days although the shopping center in which the bank will be located is not to be completed until 1974 or 1975. There appears no public interest reason -- no banking purpose -- to hurry the application.

4. One of the applicants, Kenneth Dahlberg, had been linked in early August -- well prior to the Comptroller's action -- to a campaign contribution which ended up in the bank account of one of the Watergate suspects. Under these circumstances, it would have appeared reasonable for the Comptroller to investigate this development or to await final determinations of investigations already underway.

5. The questions of bank competition are extremely important in this case, particularly since the two dominant holding companies control

about 80 per cent of the banking assets in the county. The questions of bank competition and density of banking services in the Ridgedale area appear of sufficient magnitude to warrant lengthy and detailed study before the granting of a new national charter.

Given these circumstances, it would appear that all interests would have been better protected through a full-scale hearing on any bank charter which might be granted in this area so that the agencies involved could weigh the advantages and disadvantages among these competing groups. In connection with this, many of the substantive issues raised in respect to bank concentration and bank competition could have been resolved or at least given a public airing. Yet, this approach was not taken.

In fact, the Comptroller did exactly what it appears he should not have done in this case -- he speeded up the granting of this charter. Sources close to the Minnesota banking situation have reported to this Committee that in their efforts to present their viewpoints to the Comptroller in respect to the Ridgedale application and another application for a national bank charter, they at one point asked their Washington attorney to make inquiry at the Comptroller's office as to the status of the Ridgedale National Bank charter.

The lawyer was told that when another application has been filed requesting a charter in the same area as another pending application, that approval is held in abeyance until all applications have been thoroughly reviewed. Then, the normal procedure of the Comptroller is to view all of the applications in their complete form with complete investigations and hearings, if necessary, to weigh the merits of the competing groups, and only then is a charter granted.

In this instance, this procedure was completely ignored. The Comptroller granted the Ridgedale National Bank charter on August 22, 1972, while at the same time a hearing had been set on a second national bank charter application for four days later -- August 24 -- and which was yet to have been heard.

Faced with all of these circumstances, it would appear that this is one charter which would have had a "go slow" sign on it. Despite this, the application appears to have advanced with unusual speed.

Under this situation, it is well within the jurisdiction of the Banking Committee to inquire "Why?" In asking this question, it is impossible to ignore the $25,000 contribution to the President's campaign.

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING AND CURRENCY

NINETY-SECOND CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, D.C. 20515

August 26, 1972

Honorable William B. Camp
Comptroller of the Currency
Department of the Treasury
Washington, D. C.

Dear Mr. Camp:

As you know, the House Committee on Banking and Currency has complete House jurisdiction over the Department of the Treasury and the Bureau of the Comptroller of the Currency in banking matters.

As Chairman of the House Committee on Banking and Currency I am requesting the following information from you as head of this Bureau. The Saturday, August 26, issue of the Washington Post indicated that a Mr. Dwayne Andreas has recently received a Federal bank charter for the Ridgedale National Bank in the Minnetonka shopping center near Minneapolis. The article indicates that your office under your signature granted this charter this week.

Further, the article indicates that this branch is part of a bank holding company complex called the First Interoceanic Corp. headquartered apparently in Minneapolis. Several Minnesota State officials are mentioned in the newspaper article. They indicate that unusual speed was evidenced in processing this application which ultimately led to the granting of a charter.

This letter is to request all the books, documents, records, internal memoranda, telephone conversation memoranda, and any other data concerning itself with this charter application and the granting thereof.

It would be appreciated if these documents would be delivered to the House Committee on Banking and Currency, Room 2129 Rayburn Building, by no later than 10:00 a.m. Tuesday, August 29.

Sincerely yours,

Wright Patman
Chairman

THE ADMINISTRATOR OF NATIONAL BANKS

WASHINGTON, D.C. 20220

Office of the
Comptroller of the Currency

August 28, 1972

Dear Mr. Patman:

This is in response to your letter of August 26, 1972 concerning the preliminary approval I recently gave to the chartering of Ridgedale National Bank, Minnetonka, Minnesota. Your letter requests all documents concerning this application.

As your letter indicates, there has recently been much publicity concerning this application. Some of the publicity has implied that the approval of the charter application was related to political contributions by one of the applicants, a Mr. Dwayne Andreas. Such an implication is without any foundation and wholly unwarranted.

Because of the interest this application seems to have generated, we have prepared the enclosed summary of our file. We have also made copies of the file available to the press. I am enclosing in accordance with your request, a copy of the same file we have made available to the press. This file is the same that we would make available to the court if our decision was to be challenged in litigation.

Because you released your letter to the press, I feel free to release copies of this response.

Sincerely,

William B. Camp
Comptroller of the Currency

Honorable Wright Patman
Chairman, Committee on Banking and Currency
U. S. House of Representatives
2129 Rayburn House Office Building
Washington, D. C. 20515

Enclosures

THE ADMINISTRATOR OF NATIONAL BANKS

WASHINGTON, D.C. 20220

Office of the
Comptroller of the Currency

SUMMARY

New Bank Application at Ridgedale Shopping Center, Minnetonka, Minnesota. Agent--Frederick L. Deming

The following individuals appear as applicants on the subject application:

Frederick L. Deming
C. Bernard Jacobs
Kenneth H. Dahlberg
Dwayne O. Andreas
Eugene T. Montgomery

The application was filed on May 26, 1972.

In keeping with requirements of this office notice of the application was published in the Minneapolis Star and Tribune on June 9, 1972. Subsequently, the field investigation was conducted by a national bank examiner commencing on July 5, 1972. Upon completion of the field investigation the entire record was forwarded to this office for review. Upon completion of a review by the staff of the office, the application was approved by the Comptroller on August 22, 1972.

The new bank is proposed to be an affiliate of National City Bank of Minneapolis. With the exception of Directors' qualifying shares, all of the stock of the new bank will be owned by Independent Bancorporation, a bank holding company which now controls National City Bank. Each of the five applicants for the Ridgedale National Bank is now a Director of National City Bank of Minneapolis. In addition, the holding company will require statutory approval from the Federal Reserve Board prior to opening the new bank.

The proposed new bank will serve a new regional shopping center now in progress. The nearest competing bank will be more than two miles away. The Comptroller's professional staff unanimously recommended approval of the new bank application.

The Comptroller's office attempts to process all new bank proposals within 90 days after receiving a fully documented application.

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING AND CURRENCY

NINETY-SECOND CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

September 5, 1972

Honorable William B. Camp
Comptroller of the Currency
Department of the Treasury
Washington, D.C.

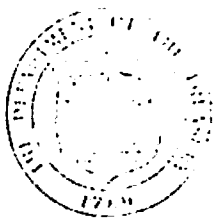
Dear Mr. Camp:

The Committee is conducting an investigation of the manner in which financial institutions are operated. In this regard, it would be helpful to have the name of all who have applied for a national bank charter within the past five years, the area each application was in, the date the application was approved and a charter granted, the date the application was denied, if such be the case, and whether a hearing was held regarding each application.

It is very important to have this information as quickly as possible. Therefore, this information should be sent to the Committee not later than Friday, September 8.

Sincerely,

Wright Patman
Chairman



Office of the
Comptroller of the Currency

THE ADMINISTRATOR OF NATIONAL BANKS

WASHINGTON, D.C. 20220

September 6, 1972

Dear Mr. Chairman:

This is in response to your letter dated September 5, 1972, requesting certain data on each application for a new national bank charter filed with this office within the past five years. You have requested six items of information with respect to each application, including the names of all applicants. You ask that the information be sent to the Committee by September 8. While we shall be glad to supply the information, the volume of data involved is so great as to make it impossible to comply by the day after tomorrow as requested.

As you know this office publishes a complete summary of actions each month. In addition, all applications for national bank charters are required to be published in a paper of general circulation in the area where the bank would be located. This publication includes the names of applicants, the proposed location and the proposed capital structure. When requested by the applicants or any other party at interest, a public hearing is held. In view of the foregoing, I think you would agree there is nothing surreptitious in the filing or processing of a national bank application.

While most of the data you have requested is available without extensive research, determining the number of hearings held will necessitate a physical examination of each case file. We shall therefore probably be able to supply the requested data, other than the hearings information, within a few weeks.

Since you state in your letter that the "Committee is conducting an investigation of the manner in which new bank charters are granted," the Committee may wish to consider making a similar request for information from the various state chartering authorities. In this connection, as I stated to the Banking, Housing and Urban Affairs Committee of the Senate at the time of my confirmation, in reply to a question posed by Senator Proxmire, this office, for the years 1967 through 1971 chartered 126 new national banks while the states, during the same period, chartered 584.

Our staff is in the process of compiling the data and will forward it to you as soon as possible.

Sincerely,

William B. Camp
Comptroller of the Currency

The Honorable
Wright Patman, Chairman
Committee on Banking and Currency
House of Representatives
Washington, D. C. 20515

August 17, 1972

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

Dear Mr. Patman and Mr. Gonzalez:

Undoubtedly, you have been following the strange revelations of the Watergate affair and the ever-growing number of Republican campaign checks which seem to be turning up in the pockets of those charged with the bugging of the Democratic headquarters. As more and more facts emerge, it appears that both U.S. and foreign banking institutions were essential elements in the transactions.

I am particularly concerned about the report that $114,000 passed through the Committee to Re-Elect the President into the bank account of Bernard Barker, one of the prime suspects in the break-in of the Democratic National Committee headquarters. The latest published reports indicate that $89,000 of this money had been transferred to Barker's account at the Republic National Bank of Miami in the name of a prominent Mexican businessman, Manuel Daguerre Ogarrio.

The news stories do not reveal how the money reached the hands of this Mexican national, and we do not know by what means those funds were transferred from the United States to Mexico, and then apparently returned to a bank account in this country. All we have to go on at this point are the news stories, and they are certainly far from complete accounts.

Despite this, it is obvious that these various transactions have moved through the banking system, and have possibly involved foreign banking institutions as well. If the banking system has in any way been used improperly to conceal the transfer of illegal funds, then this is certainly a matter about which this Committee should be concerned.

This Committee originated the Foreign Bank Secrecy Act in an attempt to give the Treasury Department the power to investigate and prosecute cases involving the transfer of illegal funds out of the country. As you noted at the time, this was regarded as a major weapon against organized crime. It would appear from the news accounts that funds were possibly transferred to Mexico. If this is the case, our jurisdiction over the Foreign Bank Secrecy Act would give this Committee ample justification for investigation.

You are also aware that the Federal Reserve System maintains a program to limit the export of U.S. capital. Here again, it would appear that the Committee has good grounds to investigate the transfer of the $89,000 to Mexico, and whether this transaction violated any part of this program.

Therefore, I urge you to investigate all aspects of these transactions and to determine the degree to which our banking system has been involved. This could well be carried on by the Subcommittee on International Finance.

Sincerely,

Henry S. Reuss
Member of Congress

bcc: Henry Gonzalez
PN/HSR/cmp

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING AND CURRENCY
NINETY-SECOND CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

August 31, 1972

Mr. Maurice Stans
Chairman
Finance Committee for the
Re-election of the President
1701 Pennsylvania Avenue, N.W.
Washington, D.C.

Dear Mr. Stans:

As you know from our earlier conversations, I am very interested in seeing that all of your positions are fairly presented in any possible report on the issues involved in the campaign financing question. It may be necessary to discuss these questions with the full Committee or a subcommittee in the near future, and it will be important that you present any additional information you might have to include in a preliminary document. It is my understanding that you indicated to the staff yesterday that such material would be forthcoming.

I have reviewed some of the notes from your informal session with the staff members yesterday and I am still unclear about the exact status of the $89,000 which has been mentioned so often in the press. To clear this question up fully and so that I do not at any time misrepresent your position, I would like a clear statement from you as to whether you had any knowledge about this $89,000 going to Mexico or being collected in Texas or Mexico and whether or not you participated in any way in the plans for the collection and transfer of these particular funds. In short, do you have any knowledge of these transactions or of transactions involving the $89,000 before the money either went to Mexico or was collected in Mexico.

Of course I know you are aware of the continuing reports, such as those which have appeared in the Washington Post, that there was more than $89,000 involved in the money which either went from Texas to Mexico or was collected in Mexico. It is my understanding from the staff that you have completely and emphatically denied that the $750,000 reported by the Washington Post is a correct figure, but I am unclear as to whether you are saying that the exact amount is

$89,000 or whether there is some sum above this figure of which you have knowledge. I would like this point cleared up so that nothing that I might report to other members of the Committee will be misleading.

Since these general areas have already been raised with you, I feel that it should not take too long to respond to these inquiries. If at all possible, I wish we could have an answer back today, and in any event, I would need your answer by Monday morning.

It is my understanding that your position is that you cannot reveal the names of the donors of the money collected in Texas and apparently associated with the $89,000. If this understanding is correct, I would appreciate knowing the conditions under which you would reveal that information so that this can be reported to the Committee.

Thank you very much for your cooperation.

Sincerely,

Wright Patman
Chairman

FINANCE COMMITTEE TO RE-ELECT THE PRESIDENT
1701 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D. C. 20006 • (202) 333-0920

September 5, 1972

MAURICE H. STANS
CHAIRMAN

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

Dear Mr. Chairman:

I now have your letter of August thirty-first which follows on my meeting with your representatives on August thirtieth.

Although my statements to your representatives were, in my opinion, clear and unequivocal, I am pleased to give you again their substance as they relate to the items on which you seek confirmation:

1. On or about April third, I was informed by our Texas chairman of a possible contribution of $100,000 in U.S. funds in Mexico. I did not participate in any way in plans for the collection and transfer of that amount or any part of it. Several weeks later I learned that $89,000 had been received by our Committee's Treasurer in checks from Mexico on April fifth from contributors. I do not have any knowledge of whether the money actually originated in Mexico or in Texas for the purpose of this transaction.

2. I have no knowledge of any transaction involving a Mexican bank beyond the $89,000 which is the subject of your inquiry. I have denied emphatically to the Washington Post that there was any operation within my knowledge for the purpose of deliberately sending contributions to Mexico and having them returned to the United States.

I do not know the names of the donors of the $89,000. That being the case, I cannot of course reveal their names to your Committee.

I have asked counsel for our Committee, Kenneth Parkinson, to discuss with your staff the matter of whether any additional information is available for submission to your Committee on other topics covered in my meetings with the staff.

Very truly yours,

Maurice H. Stans

Maurice H. Stans

[illegible]

*ADMITTED IN MARYLAND

LAW OFFICES
JACKSON, GRAY & LASKEY
1025 [illegible] STREET, N.W.
WASHINGTON, D. C. 20036

TELEPHONE [illegible]
AREA CODE 202

[illegible]
ROCKVILLE, MARYLAND [illegible]
[illegible]

September 11, 1972

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

Dear Mr. Chairman:

As you know we represent Maurice H. Stans, Chairman of the Finance Committee to Re-elect the President. You have announced that Mr. Stans will appear at a hearing before your committee at 10:00 a.m. on Thursday, September 14, 1972.

On the morning of August 30, 1972, at the request of your staff, Mr. Stans and I met with Messrs. Couch, Prints and Lewis. During the course of our discussion the question arose with respect to the purpose of the proposed interview with Mr. Stans. Your staff pointed out that while your committee had passed no resolution authorizing an investigation, that nevertheless your staff wished to make general inquiries with respect to campaign funding activities before and after the effective date of the new Federal Campaign Election Act of 1971. Furthermore, your staff wished to make such inquiries of Mr. Stans notwithstanding the fact that the General Accounting Office had made a detailed inquiry into various matters, and had published its report on August 26, 1972, which was transmitted to the Department of Justice, and Mr. Stans had issued on August 27 a public statement on that report. Your staff furthermore wished to proceed with an inquiry notwithstanding the fact that matters into which they wished to inquire were under intense investigation by the Federal Bureau of Investigation, the United States Attorney's Office here in Washington, and the Justice Department, and was the subject of a civil action known as O'Brien v. McCord, et al., C.A. No. 1233 in the United States District Court for the District of Columbia.

Following this preliminary meeting with your staff Mr. Stans agreed to meet with your staff again in the afternoon, with the under-

standing, which he reached with you, that a minority staff member would be present and that Mr. Stans would be given an opportunity to examine any report you intended to make public so that he might be in a position to comment upon it when it was made public.

On the afternoon of August 30, 1972, Mr. Stans and I appeared in the hearing room of your committee, and Mr. Stans answered numerous questions put to him by your staff. He has fully cooperated in every reasonable respect.

Because of the pendency of the charges against those individuals who were arrested at the Watergate on June 17, 1972, the appearance of Mr. Stans before your committee, and the publicity attendant thereon, may impair the constitutional and civil rights of these individuals. Furthermore, on August 11, 1972 United States District Court Judge Charles R. Richey issued a comprehensive order which, among other things, provided that to protect the rights of the accused discovery in the civil case would proceed under seal of court, and would not be made public. On August 23, 1972 Mr. Stans gave his deposition in this case under seal of the court.

We now understand that your report is to be issued to the full committee no later than 10:00 a.m. on Tuesday, September 12, 1972, and that only thereafter will Mr. Stans be given an opportunity to examine it. If the report is to be made public by your committee or any member this would appear to be contrary to the understanding between you and Mr. Stans.

Therefore, under these circumstances I believe that it would be inappropriate for Mr. Stans to appear before your committee, and I have advised him not to do so.

Sincerely yours,

Kenneth Wells Parkinson

KWP/kkw

WRIGHT PATMAN
FIRST DISTRICT
STATE OF TEXAS

WASHINGTON ADDRESS
2329 RAYBURN HOUSE OFFICE BUILDING
20515

HOME ADDRESS
P.O. BOX 1517, TEXARKANA, TEXAS
75501

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

CHAIRMAN
JOINT ECONOMIC COMMITTEE
VICE CHAIRMAN
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION
CHAIRMAN
JOINT ECONOMIC COMMITTEE
VICE CHAIRMAN
SMALL BUSINESS OF THE HOUSE

FOR IMMEDIATE RELEASE:

WASHINGTON, D.C., Sept. 11 -- Chairman Wright Patman said today that Maurice Stans, Chairman of the Finance Committee to Re-Elect the President, has refused to appear before the Banking and Currency Committee to discuss the Watergate burglary.

The refusal to testify was communicated to Mr. Patman through Kenneth Parkinson, attorney for Mr. Stans. Mr. Parkinson said he had advised his client to refuse to appear because of pending civil and criminal cases.

"A high level decision has obviously been made to continue a massive cover-up and to do everything possible to hinder a full-scale public airing of the Watergate case," Mr. Patman said. "Mr. Stans' refusal to appear before the Committee is in direct contradiction to President Nixon's public assurances -- given in a nationally-televised press conference on August 29 -- that his Administration and campaign officials would cooperate in developing the facts about this case."

Mr. Patman noted that President Nixon had stood before the television cameras on August 29 and stated:

"I will say in that respect that anyone on the campaign committee, Mr. McGregor has

(more)

assured me, who does not cooperate with the investigation... will be discharged immediately."

President Nixon went on to say:

"I think under these circumstances we are doing everything we can to take this incident and to investigate it and not to cover it up.

"What really hurts in matters of this sort is not the fact that they occur, because overzealous people in campaigns do things that are wrong. What really hurts is if you try to cover it up... We have cooperated completely. We have indicated that we want all the facts brought out and that as far as any people who are guilty are concerned, they should be prosecuted.

"This kind of activity, as I have often indicated, has no place whatever in our political process. We want the air cleared. We want it cleared as soon as possible. "

Mr. Patman said that Mr. Stans' refusal to appear would require a cancellation of Thursday's scheduled meeting on the Watergate case.

"We will have to study this entire matter carefully to determine what steps should be taken to assure that all the facts are fully aired," Mr. Patman said.

(more)

Mr. Patman said that the staff, at his instructions, had conducted only a limited inquiry.

"The full investigation and detailed interrogation of Mr. Stans was to have been undertaken by the full Committee and now President Nixon's chief fund-raiser has refused to cooperate with this inquiry," Mr. Patman said.

Mr. Patman said that the decision of Mr. Stans and his attorney was highly regrettable and will only serve to "increase suspicions that there is a great deal to be covered up in this case."

"This is the first political espionage case in our history and it is something that cannot be allowed to be swept under the rug," Mr. Patman said. "In totalitarian countries, this type of espionage and harassment of opposition political parties is commonplace, but it has no place in our system of government."

Mr. Patman said that Mr. Stans had obviously "done everything possible to avoid discussing the case with me."

Mr. Patman said that he called Stans last Thursday before announcing the hearing into the Watergate affair and that in Stans' absence had dictated a detailed request

to the Finance Chairman's personal secretary. He said he repeated the call again on Friday morning and was told that Stans was on the other telephone and would call back immediately or within 30 minutes.

"Mr. Stans did not return any of these calls nor did he reply to the request I dictated to his secretary," Mr. Patman said. "Finally -- four days later -- his reply comes to me through his attorney and he has yet to return my calls."

# # # #

Cast of Characters

BERNARD BARKER: One of five people arrested inside Democratic headquarters at the Watergate in connection with the break-in and alleged bugging of Democratic Committee offices. Barker is a Miami real estate operate and a reported CIA operative. Barker is a long time associate of E. Howard Hunt, Jr., a staff member in the Nixon administration.

DWAYNE ANDREAS: A midwest grain dealer, banker and long time dabbler in political circles. Andreas contributed $25,000 to the Nixon campaign and is one of the applicants on a successful national bank charter.

MANUEL OGARRIO DAGUERRE: A Mexican national lawyer who resides in Mexico City and represents a number of United States companies doing business in Mexico. Four checks totaling $89,000 which turned up in the account of Bernard Barker in a Miami bank were made out to Mr. Ogarrio and carried his typewritten endorsement.

HUGH W. SLOAN, JR.: Former treasurer of the Finance Committee to Re-Elect the President and a long time associate of Maurice Stans. Sloan resigned in the midst of the Watergate investigation on the grounds that his wife was expecting a baby. His wife, until some two weeks ago, was employed in the press office of Mrs. Pat Nixon, wife of the President. Sloan was an aide in the White House for approximately three years.

G. GORDON LIDDY: Until recently, counsel to the Finance Committee to Re-Elect the President. On June 28 he was fired for refusing to answer FBI questions about the Watergate break-in. Liddy formerly was a White House staffer working on an anti-marijuana campaign and was an associate of Howard Hunt as well as Hugh W. Sloan.

KENNETH H. DAHLBERG: Dahlberg is the midwest chairman of fundraising for President Nixon and was responsible for obtaining a $25,000 contribution from Dwayne Andreas. Dahlberg also is a director in a newly chartered bank in which Andreas was one of the organizers.

MAURICE STANS: Chairman of the Finance Committee to Re-Elect the President and former Secretary of Commerce, who resigned earlier this year to raise funds for President Nixon's re-election. Stans has been a certified public accountant for more than 40 years.

WILLIAM LIEDTKE: President of the Pennzoil Corporation of Houston, Texas, and the individual who contacted Maurice Stans concerning the possibility of raising United States money in Mexico. He has been a long time worker in the Republican Party in general capacities. In 1968 he was the head of Republican fundraising in Texas and after President Nixon was nominated he became the regional fundraiser for a seven state area and a member of the Republican National Finance Committee. In May of 1972 he became southwest regional co-chairman of the Finance Committee to Re-Elect the President.

ROY WINCHESTER: Vice President for Public Affairs of Pennzoil and also a co-chairman of the Southwest Regional Finance Committee to Re-Elect the President. He delivered the $700,000 to Washington.

DAVID SEARLS, ROBERT MOSBACHER, WILLIAM KILROY, PEDER MONSEN: Members of an ad hoc committee to raise funds in Houston for President Nixon's re-election. Included in the ad hoc committee were Liedtke, Winchester and Robert Allen.

ROBERT ALLEN: President of Gulf Resources and Chemical Company in Houston and presently chairman of the Texas Finance Committee to Re-Elect the President.

Allen was the individual who approached Liedtke with an offer to obtain United States contributions in Mexico for President Nixon's re-election. Allen's company is also represented in Mexico City by Senor Ogarrio.

PETER MARK: An employee of Pennzoil Corporation in Houston who accompanied Winchester to Houston in a Pennzoil Company plane when Winchester delivered some $700,000 in funds to the Finance Committee to Re-Elect the President. One of Mark's jobs on the trip was to "ride shotgun on the funds."

RICHARD HAYNES: A Houston attorney who represents Mr. Allen. Mr. Haynes has informed Committee staff that Mr. Allen is out of the country until September 13.

ECTORE REYNALDO: An official at the Republic National Bank of Miami who handled the conversion of $114,000 in checks to cash for Bernard Barker.

HONORABLE WILLIAM B. CAMP: Comptroller of the Currency, whose office granted the charter for the national bank to the group which, in part, was headed by Andreas and Dahlberg.

FREDERIC L. DEMING: Former President of the Minneapolis Federal Reserve Bank and a high official in the Treasury Department. Deming is listed as the agent and an applicant for the bank charter which was subsequently granted to the Andreas group. The other applicants include C. Bernard Jacobs, Kenneth H. Dahlberg and Eugene T. Montgomery.