

Giving the American Way

Though at first denying its existence, President Nixon's campaign fund-raising officials kept a secret list of some of their most generous 1972 contributors. The list, which apparently includes the names of some large corporations, was kept in the office of Nixon's secretary, Rose Mary Woods. Under court pressure from a civil suit, it was surrendered by the White House and later turned over to the staff of Special Watergate Prosecutor Archibald Cox (*see THE LAW*). Last week "Rosemary's baby," as Cox investigators call the list, bit the first of the many hands that had fed it. American Airlines voluntarily announced that it had illegally contributed \$55,000 to the Nixon re-election campaign.

However confusing the campaign-contribution laws may be, both the old and the new have plainly outlawed donations from corporations. Nevertheless, American Airlines Chairman George A. Spater claimed that Herbert Kalmbach, Nixon's ubiquitous former personal attorney, had asked the company for \$100,000. Adding insult, Kalmbach at the time also represented American's major rival, United Air Lines. Moreover, American urgently needed friends in Washington. It was trying to merge with Western Airlines—a move that required both White House and Civil Aeronautics Board ap-

proval. Despite the donation, the CAB later rejected the merger and President Nixon agreed with the decision.

Explained Spater: "I knew Mr. Kalmbach to be both the President's personal counsel and counsel for our major competitor. I concluded that a substantial response was called for." Kalmbach's attorney promptly denied any wrongdoing in his solicitation of American. With considerable justification, Spater, assailing the campaign laws, claimed: "A large part of the money raised from the business community for political purposes is given in fear of what would happen if it were not given." He said corporate giving is so common as to constitute "a national problem."

Shrewdly, Prosecutor Cox sent tremors through U.S. board rooms by suggesting that other corporations might want to admit giving similar illegal contributions before his staff digs out all of the details. American's voluntary action, he said, is "a mitigating circumstance in deciding what charges to bring" against the company. Officers of corporations found in "willful" violation of the law can be fined up to \$10,000 and imprisoned for two years. Cox added that he means business: "Whether [the corporations] come forward or not, we intend to get to the bottom of illegal funding practices."