

Nixon Unit Sued to Disclose Contributors of \$10 Million

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By Morton Mintz

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Common Cause sued the fund-raising arms of the Committee for the Re-election of the President yesterday to compel them to disclose the names of contributors who gave more than \$10 million before the new elections-reporting law became effective on April 7.

"The way to dispel the aura of mystery and suspicion is to bring all the facts out in the open," John W. Gardner, chairman of the citizens' ac-

tion group, told a news conference.

But the Finance Committee to Re-elect the President said the Common Cause lawsuit "can only add confusion."

The suit, filed in U.S. District Court, asks for a speedy hearing on its charge that the Finance Committee, its branches and their chairmen and treasurers all violated the old elections reporting law, the Corrupt Practices Act of 1925, by not filing financial reports during 1971 and early 1972.

An apparent White House effort to delay or deter filing of the suit began Tuesday night, after Common Cause announced that Gardner would announce "a significant new development" at 11 o'clock in the morning.

As Common Cause reconstructed the effort, Leonard Garment, special consultant to the President, phoned Gardner and asked for details on the prospective lawsuit. He also said that a reply had been

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prepared to an Aug. 7 letter from Gardner to Clark MacGregor, national director of the Committee for the Re-election of the President.

In the letter of four weeks ago, Gardner had laid groundwork for the suit by inviting MacGregor to answer his charges of violations of the 1925 law. He wrote MacGregor that Mr. Nixon "has not only a moral but a legal obligation" to disclose "the full record" of his campaign finances.

Garment then made a second call to Gardner at his home in Chevy Chase to tell him a courier would be arriving with the reply; it was delivered 50 minutes later, at 10:35 p.m.

The reply, signed by Stanley Ebner, counsel to the Finance Committee, suggested a meeting between himself and Gardner's counsel. "It is entirely possible that such a meeting might clear the air," Ebner said.

Gardner rejected Ebner's arguments after discussing them on the phone with Common Cause lawyers Fred Wertheimer and Kenneth J. Guido Jr.

The 1925 law, which was repealed in April 7, required "political committees"—all organizations that accept contributions or make contributions to influence federal elections in two or more states—to file periodic disclosure reports "in each year."

Ebner contended to Gardner that the Committee for the Re-election of the President was not a "committee" under the law because its function "was solely to support his nomination and not his election."

Common Cause rejected this interpretation, saying that \$10 million wasn't needed to win the nomination for the President because he had it sewed up; that the fund-raising units raised and spent money in more than two states; that they registered with the General Accounting Office as committees seeking the "re-election"

of Mr. Nixon, and that in more than two states; that in some states they spent nothing at all in presidential primaries.

Ebner offered Gardner a fall-back argument: Even if the Committee for the Re-election of the President was legally a "committee," he said, "it did not have to report because it was organized and operating in the District of Columbia."

This was believed to have been the first formal invocation of a large and widely used loophole under the 1925 law under which committees claiming to operate only in the District, or in a single state, asserted that they were not required to file financial reports with the clerk of the House.

Common Cause, however, insisted that the Committee for the Re-election of the President and its affiliates could not go through this loophole because they operated nationally, having openly registered units in most states.

Gardner, at the news conference, said that the President and his advisers apparently "did not read the law very carefully."

Maurice H. Stans, chairman of the Finance Committee and an individual defendant in the Common Cause suit, raised some of the \$10 million in the reporting periods covered by the 1925 law. The last of these ended on Feb. 29.

Most of the money, however, is believed to have been contributed in the 5½ weeks between Feb. 29, when the law was still in effect but reporting was no longer required, and April 7, when reporting was required to be resumed under the new law.

Wertheimer, the Common Cause lawyer, said he believes that a judge finding a violation of the 1925 law is empowered by it to require disclosure not only for the 1971 and 1972 reporting periods, but for the 5½ weeks as well.

In addition to the Finance Committee, the suit names as defendants the Media, Television and Radio Committees to Re-elect the President, the Victory '72 Dinner Committee and 10 individuals. The parent Committee for the Re-election of the President is not a defendant because it has no direct role in fund-raising.