

Nixon Got Quarter-Million From a Democratic Donor

NYTimes

By BEN A. FRANKLIN SEP 25 1972

Special to The New York Times

WASHINGTON, Sept. 24—The most generous Democratic contributor during the primary campaign gave \$257,000 to President Nixon's re-election effort in three weeks last month, according to public financial disclosures required under the Federal Election Campaign Act.

The donor, W. T. Duncan of Bryan, Tex., along with 11 other wealthy contributors, gave a total of more than \$1-million to the Nixon campaign in that period, about one-fifth of the Republicans' August receipts. It appeared that Mr. Nixon's budget might total \$47-million.

The campaign finance reports also disclosed that Senator George McGovern, the Democratic nominee, has borrowed more than \$2-million loans that are being repaid—and that since April he has spent about \$2.5-million less than Mr. Nixon, although the President avoided costly spring primary fights and has barely begun his fall campaign.

The McGovern loans, used as

early financing for both normal campaign expenses and further fund-raising expenditures are mostly large amounts from a few wealthy men.

However, not counting the loans, it appears that Mr. McGovern's campaign is ultimately being financed chiefly by small contributions of \$100 or less, as his spokesmen contend. The small contributors outnumber by about 5 to 1 those who gave more than \$100 each.

The Nixon financial statements show three large contributors for every two small donors.

The list of top Nixon donors between Aug. 10 and 31 — the latest Republican reporting period under the disclosure law — includes Mr. Duncan, whose \$300,000 contribution to Senator Hubert H. Humphrey was the largest received by any Democrat before the convention. Mr. Duncan, 45-year-old real estate developer and

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investor, was unknown in political money circles until this year.

In a switch last month, Mr. Duncan, who declared that McGovern goes to far," gave various Nixon finance committees \$257,000 in three weeks.

Including Mr. Duncan, 12 contributors gave Mr. Nixon \$1,026,477. They were Ray A. Kroc of Chicago, founder and board chairman of the McDonald's hamburger chain (\$255,000); Foster G. McGaw of Evanston, Ill., founder and chairman of the American Hospital Supply Corporation (\$129,838); Joseph Segal of Merion Pa., president of the Franklin Mint (\$110,650); Evan P. Hlefaer of Milwaukee, a major stockholder in the Colgate-Palmolive Company, (\$101,447); M. B. Sertean, a Chattanooga carpet manufacturer (\$94,580); John H. Perry Jr. of Riviera Beach, Fla., president of Perry Oceanographics, Inc., (\$88,000).

Also, Anthony T. Rossi of Bradenton, Fla., president of Tropicana Products, Inc. (\$59,633); A. E. Johnson, a retired Denver oilman (\$53,000); Mrs. Maude L. McKnight of St. Paul, wife of the honorary chairman of the 3-M Corporation, (\$50,000); Watson W. Wise, a retired Tyler, Tex., industrialist, (\$42,000), and John J. Louis Jr. of Chicago, chair-

man of Combined Communications, Inc. \$43,329).

\$500,000 in '68

The President's published lists of major donors did not include W. Clement Stone, a Chicago insurance millionaire who has said he gave Mr. Nixon \$500,000 in 1968 and expects to match that this year. Mr. Stone and many other large contributors may have their gifts before the April 7 effective date of the new financial reporting act.

Although Mr. Nixon, in signing it earlier this year, praised the new law for its mandatory disclosure provisions—the President said this would restore public confidence in the electoral system—his fund-raising committees made aggressive appeals during the pre-April 7 period for early Republican gifts from donors who wished the anonymity of the old Federal Corrupt Practices Act.

When the Nixon finance committees—an array of more than 60 national, state and local groups designed to divide up large contributions in parcels of \$3,000 for the donors' tax benefit — made their first reports last June, they reported more than \$10-million in "cash on hand" from unidentified pre-April 7 donors.

Although Senator McGovern's new group of lenders contains some new names, his reports

have continued to show Stewart R. Mott of New York, the 34-year-old General Motors heir and liberal philanthropist, as his most steadfast contributor.

Some heavy contributors during the South Dakotan's primary election struggle to win the nomination have deserted him but he has picked up a major new one. He is Dr. Alejandro Zaffaroni of Atherton, Calif., developer of a synthetic birth control drug, who gave him outright stock in his Alza Corporation valued at \$77,850.

The Zaffaroni stock transaction involved a transfer in units of 100 shares each (worth about \$2,765) to 29 separate McGovern finance committees and thus avoided the Federal gift tax on donations of \$3,000 or more.

Mr. Mott and some other McGovern contributors have also enjoyed the so-called "donative sale" of stock, a practice common in nonpolitical philanthropic giving. According to Mr. Mott, who says he consulted Mr. Nixon's former New York law firm, the use of this system saves him the payment of the Federal capital gains tax on donated stocks that have gained in value since he bought them.

For example, Mr. Mott is shown in Mr. McGovern's July and August disclosure reports — they cover a 9-week period

that than Mr. Nixon's 3-week statements — as having given some 30 separate stock gifts of, for example, \$14,380, \$9,744 or \$5,130. But these are only the gross figures — the value of the stock when sold by the McGovern headquarters here.

Balance Returned

The net, the difference between Mr. Mott's original purchase price and the higher McGovern sale price, is the actual contribution. The balance is returned to Mr. Mott and shown in the McGovern financial records as an "expenditure."

Although it is not readily discernible to a nonaccountant in the McGovern statements, Mr. Mott said in an interview that his net gifts during July and August had totaled \$98,882, or about 50 per cent of the \$159,700 he has given Mr. McGovern outright since April 7. His total net contributions to Mr. McGovern, including those before April 7, may be several times that figure.

In addition, since April, Mr. Mott has loaned Mr. McGovern \$282,500, of which \$50,000 has been repaid. Of the outstanding loan balance of \$237,000, Mr. Mott said, \$137,000 is to be converted into outright contributions. The \$100,000 remainder is to be called a "hard loan," to be repaid if possible.