

Watergate Panel After McGovern

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WASHINGTON (AP) — Sen. George McGovern enriched his South Dakota Senate campaign by \$340,416 in leftover funds raised for his 1972 presidential campaign, according to a staff report to the Senate Watergate committee.

At the same time, McGovern's presidential campaign committees have settled leftover bills from 37 corporations for a total of \$35,322 less than the full amounts, the report said.

It said this raises a question of whether the McGovern campaign violated at least the spirit of the federal law forbidding corporate donations to federal political campaigns.

A spokesman for McGovern said the leftover presidential money had been transferred on specific instructions from state and local McGovern campaign committees who left McGovern no choice in the matter.

He also said the presidential campaign committee had tried to settle some of its leftover bills for less than the full amount, because the Internal Revenue Service had told the committee it might owe hundreds of thousands of dollars in gift taxes on contributions.

The spokesman, John Holum, said McGovern would contest the Watergate staff's language and try to keep the senators from adopting it. He said that if in the end it is found there was something wrong with underpaying the corporation bills "We'll pay anything that has a cloud over it."

In another section of the same report, the committee's staff said the presidential cam-

paign of former New York City Mayor John V. Lindsay received \$10,000 in cash from two construction contractors who later had a city asphalt contract worth \$1.7 million.

The report said the \$10,000, in \$20 bills stuffed into an envelope, passed through the hands of Lindsay's top campaign aide, former deputy Mayor Richard Aurelio, and cannot be accounted for.

The report quotes Aurelio as saying the affair prompted a criminal investigation.