Nixon Fund-Raising Techniques Cited

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President Nixon's 1972 reelection effort employed a battery of techniques to raise money, including a White House dinner, talk of possible ambassadorships and a carefully planned effort to raise money from corporate employees and executives on an industry-by-industry basis, according to staff reports of the Senate select Watergate committee.

According to one of the committee staff reports on Nixon campaign efforts, "some of the solicitations were vigorous, bordering on extortion; some were low key, almost to the point where the contribution can be considered volunteered."

Although the report states that no evidence has been obtained showing that any Nixon fund-raiser directly solicited corporate contributions—which are illegal—"the evidence is unmistakable that a number of the fund raisers either were indifferent to the source of the money or, at the very least, made no effort whatsoever to see that the source of the funds was private rather than corporate.

"Certainly, there is no evidence that any fund-raiser who was involved in these contributions sought or obtained assurances that the contribution was legal at the time it was made," the report states.

More than 10 corporations and executives of those corporations have pleaded guilty to federal charges of making illegal campaign contributions to the Nixon reelection campaign in 1972.

Of all the Nixon fund-raisers, President Nixon's personal lawyer Herbert W. Kalmbach appears to have been the most productive, according to a staff report on Kalmbach.

In November, 1970, the report states, Kalmbach received pledges for $7 million in campaign contributions following a small White House dinner attended by Mr. Nixon. The report states that contributions were not

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discussed during the dinner or in Mr. Nixon's presence. Mr. Nixon said in a press conference last October that it has been his policy not to have discussions about campaign contributions.

After the dinner, the report states, "Kalmbach and the potential contributors discussed what they could be expected to contribute to the 1972 campaign." Among the persons at the dinner, besides Mr. Nixon, Kalmbach and Attorney Genreal John N. Mitchell, were W. Clement Stone, Richard Mellon Scaife and John Mulcahy.

Stone, a Chicago insurance executive, and Mulcahy, then present of the Quigley Co., a subsidiary of Pfizer, Inc., each pledged $3 million, the report states. Scaife, a Pittsburgh banker, pledged $1 million. Scaife met his pledge, but Stone gave $2 million and Mulcahy gave only $600,000, according to the report.

According to the report, Kalmbach raised some $10.6 million, or roughly one-fourth of President Nixon's re-election committee budget of $40 million, the largest amount spent of a presidential campaign in American history.

Of the $10.6 million, more than $8.8 million was given prior to April 7, 1972, when a new law requiring large campaign contributors to be identified went into effect.

Kalmbach was sentenced to six to 18 months in jail and fined $10,000 on June 17 after pleading guilty to operating an illegal 1970 White House campaign fund for congressional candidates. Kalmbach also pleaded guilty to a misdemeanor charge of promising an ambassadorship in Europe to Maryland Republican J. Fife Symington Jr. in return for a $100,000 campaign contribution.

In a separate report, the committee staff analyzed the Nixon re-election committee's "corporate group solicitation program," which had as its express aim to "generate substantial funds by encouraging individual corporations to stimulate their employes to contribute."

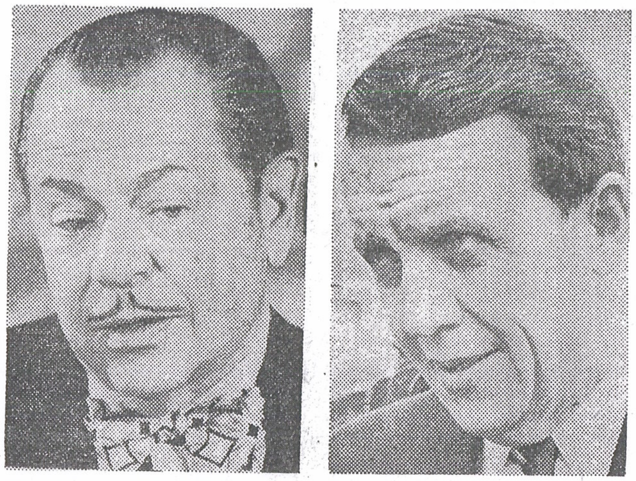
Under the program, corporate heads were encouraged to collect contributions from individual employees and send them togethter, the report states, so that the corporation itself could receive recognition for the effort even though the contributions came from individuals.

At the same time, the report says, the program circumvented the necessity of a corporation filing as a political committee by having the individual contributors write their checks directly to the Nixon re-election committee.

According to the report; "Following this procedure, there would be no public record of contributions classified by the company of the donor, while there would be such a record at (the Nixon re-election committee)."

This plan raised about $2.8 million and could have raised more had it been put into operation earlier in the campaign, according to the report.

At the same time, the report states the Nixon re-election committee sought funds on an "industry by industry" approach, using a



W. Clement Stone, left, a large contributor, and Herbert W. Kalmbach, right, an effective fund-raiser.

well-known and influential executive in an industry to raise money from his colleagues in that industry. This approach brought in between $5 million and $10 million to the Nixon campaign.

The staff report gives the following breakdown of how various industries contributed:

Pharmaceutical, $885,000; petroleum products, $809,000; investment banking, $690,000: trucking, $674,000; textile, $600,000; carpet, $375,000; automobile manufacturers, $354,000; home builders, $334,000 and insurance, $319,000.

In addition, the report states, oil-related corporation officers contributed about $5 million to the Nixon campaign that was not taken into account by the Nixon re-election committee's compilation of contributions by industries.

"While the committee has developed no specific evidence that the (Nixon re-election committee) industry by industry program influenced government action," the staff report states, "it apparently reviewed industry problems and forwarded the industry's concern to the interested officials."

The report quotes a memo written by Buckley M Byers, director of the re-election committee's industry program, that said: "We are also going to have to do what we can to help our industry chairman (corporate executives) with problems of their industry and see to it that they get proper attention from the administration. Only in this way will they become convinced that our relationship is not a one-way street."

The staff report quotes another memo that recounts a discussion between Byers and Alcoa vice president Frank Jones about having another Alcoa executive, John Harper, become Nixon fund-raising chairman for the nonferrous metals industry.

Byers said that Jones brought him one major problem that is facing the [illegible] industry. He [illegible] mark [illegible] this was not arguing [illegible] situation, but [illegible] [illegible] reasonable [illegible] that we would [illegible] assistance [illegible] the industry [illegible] absolutely no question [illegible] Harper accepting and [illegible] an outstanding job.

Both Jones and Harper, the staff report states, told the staff in interviews "that they never solicited, sought or received help from the Nixon re-election committee in connection with any of their industry problems."

Another staff report, dealing with campaign contributions and ambassadorial appointments, quotes President Nixon's statement in a Feb. 25, 1973 news conference that "ambassadorships have not been for sale and I would not approve an ambassadorship unless the man or woman was qualified [illegible] from his contribution."

[illegible] re-election, the [illegible] report states, Mr. Nixon [illegible] 13 noncareer ambassadors [illegible] of these [illegible] ambassadors each [illegible] minimum of $25,[illegible] and [illegible] the aggregate [illegible] contributed over $7[illegible],[illegible]00 to the Nixon campiagn, the report says.