

Campaign Money Talked In Shouts and Whispers

11-10-72

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Money talked loudly but not always clearly in Tuesday's elections.

President Nixon's campaign organization may have spent \$50 million or more, as his opponent's money manager has suggested. But would George McGovern have won if he had had the \$50 million and if Richard Nixon had had the senator's \$26 million?

In the light of the Nixon landslide, the answer from many Democrats and Republicans alike would be "no."

But money did make a difference in some states.

In Virginia, chances are, it was a timely \$200,000 loan from a retired industrialist that enabled GOP Senate candidate William L. Scott to saturate the media with advertising, rescue himself from relative obscurity and thereby defeat incumbent Sen. William B. Spong (D).

In other states, the better-heeled candidates won. This was the case in Texas, where Sen. John Tower (R), had receipts exceeding \$1.7 million as of Oct. 16, and in Illinois, where Sen. Charles H. Percy (R) also had much more than \$1 million. But would Tower have won with-

out hanging onto the coat-tails of President Nixon? Might not the popular Percy have won in any case?

And in other states, losing candidates had more money than winners. In the Senate race in Colorado, for example, Floyd K. Haskell, a former Republican state representative, defeated the GOP

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incumbent, Sen. Gordon Allott, who had raised well over \$100,000 from undisclosed sources even before the election-financing disclosure law took effect on April 7.

Although its effects do not always lend themselves to easy generalizations, money in politics is likely to remain in the news for a long time, with an outcome few would venture to predict.

To take some cases in point:

- What would be the public reaction if, as has been rumored, President Nixon should name as ambassador to Britain the campaign contributor whose acknowledge gift exceeds \$1 million, Chicago insurance executive W. Clement Stone?

- Suppose the Agriculture Department should raise milk-support levels, further subsidizing the milk producers whose political committee gave \$50,000 to Democrats for Nixon? Or suppose the administration should give big new contracts to Ernst & Ernst, the firm of certified public accountants just discovered to have come up with \$39,375 in 158 separate contributions to Nixon in 1971?

Even without such actions, money in politics is sure to stay in the news.

Starting this month, as a result of a lawsuit brought by consumer groups, sworn statements will be taken from key figures in the milk producers' political commit-

tee which, in 1971, were first denied an increase in milk-price support levels by the Agriculture Department, then within a few days contributed more than \$300,000 to the President's re-election funds and met with Mr. Nixon at the White House, and, finally, saw the department reverse itself.

In a third lawsuit in U.S. District Court, closing arguments already have been heard on whether the Justice Department can be compelled to act against violations of the election laws. The issue currently is especially sensitive: Numerous "apparent violations" have been referred to Justice by the General Accounting Office, including that of a prominent stockbroker who has made large contributions to the Nixon campaign.

Probably early next year, as a result of a Common Cause lawsuit, the Finance Committee to Re-elect the President may be compelled to disclose the sources of an estimated \$10 million to \$15 million in pre-April 7 contri-

butions, apart from the \$5 million identified on Nov. 2.

On Capitol Hill—where the Democrats have kept control of the House as well as the Senate—hearings on the Watergate case are expected to deal with how the Finance Committee obtained hundreds of thousands of dollars in contributions from oil men and others that were "laundered" in Mexico before being delivered here before April 7.

Also on Capitol Hill, fundamental issues of campaign financing—what should be disclosed, and when, by contributors and recipients; whether limits should be set on contributions; whether there should be federal subsidies — will be the subject of hearings and maneuvering by those who advocate either tighter or looser

rules.

The Internal Revenue Service, meanwhile, is planning public hearings on controversial rulings that permit large contributors to avoid gift taxes by splitting their contributions into \$3,000 segments, each going to a theoretically "independent" committee. Moreover, a lawsuit questioning the process by which the IRS happened to make a key ruling in this area is pending in U.S. District Court.

And the General Accounting Office, among others, has been investigating the reported huge contribution to Nixon committees made by W. T. Duncan, a Texas entrepreneur, while he was in debt and the target of a \$2.2 million lawsuit in which one of the parties is the Federal Deposit Insurance Corp. One of the legal issues is that the Nixon units reported Duncan to have given \$305,000, although he had given them an IOU which they had previously had sold to a bank for \$10,201 less.

Finally, questions about big-money financing of the just-ended campaign are destined to be revived again with the filing, for a Jan. 31 deadline, of final reports for 1972, starting with the inception of the Federal Election Campaign Act on April 7.

These reports will tend to underscore once more the known disparity between the Nixon and McGovern drives, according to preliminary indications. The President, for example, already has been reported to have got \$4.1 million from a mere 10 donors, including the known pre-April 7 contributors. McGovern's principal committee got more than two-thirds of its contributions of \$14.5 million through Oct. 26 from persons who gave in amounts of under \$100 each.

In one sense, the outlook for the McGovern campaign (which says it expects to be out of debt by a week from today) and the Democratic National Committee (which since last July has reduced its \$9 million 1968 debt to about \$5 million) is brighter than for the Nixon fund-raising units. It is GOP committees, after all, that face the greater potential embarrassment in the pending lawsuits and upcoming hearings.