

GOP Favors for Campaign Funds Cited

By Jack Anderson

Sources close to President Nixon's fund-raising effort last year say government favors were exchanged for campaign contributions. A donation over \$100,000 they say, would entitle a contributor to a quid pro quo.

We have turned our information over to Sen. Frank Moss (D-Utah), whose consumer subcommittee has started a quiet investigation into the impact of secret campaign deals upon the consumer.

Throughout the government alphabet—from CAB to SEC—contributors received economic benefits, which have helped to fuel inflation and to weaken the dollar.

From our files, here are highlights we have supplied to the Senate:

Dairy Dollars

President Nixon's personal lawyer, Herbert Kalmbach, was turned down by the milk industry when he couldn't promise a quid pro quo in return for campaign cash.

The dairymen made an end run around him to the White House, where a commitment was made to raise money for the Nixon campaign. The day after the first big contribution was delivered, dairy price supports were increased over the objection of the Agriculture Department. One source told

us Agriculture Secretary Earl Butz got his instructions at a meeting right in the President's oval office.

The increased supports brought the dairy farmers an extra estimated \$500 million from the taxpayers. Dairy tycoon William Powell, in a personal letter explaining the deal, noted: "Whether we like it or not, this is the way the system works."

Hamburger Handout

McDonald's hamburger king Arthur Kroc donated a whopping \$225,000 to re-elect President Nixon. This was 225 times more than the \$1,000 Kroc had contributed to Mr. Nixon's 1968 campaign. The Price Commission, just before the election, allowed Kroc a 10 per cent increase in the price of his cheeseburgers. The commission explained it had okayed the hike because Kroc was adding more cheese on his burgers.

Carpet manufacturers donated nearly \$200,000 that we can trace to Mr. Nixon's campaign. One major contributor, Coronet Industries President Martin Bud Sereteian, gave \$94,000 in 30 separate donations in mid-August.

The money poured into Republican coffers at the same time the carpet lobby was desperately trying to postpone the enforcement of new flammability regulations. Finance Committee Chairman Maurice

Stans arranged a White House meeting for the carpet men. Result: enforcement was delayed.

'In-house Union'

Of all the unions, the Teamsters raised the most money for the Nixon campaign. They got favored treatment, according to insiders, from the Cost of Living Council. "The Teamsters are considered the in-house union here," a council lawyer told us. The Teamster's key man is Don Cagle, a union representative on the wage stabilization appeals panel. "Cagle's opinions always get prompt attention," said our source.

Similarly, the money poured in from bankers, brokers, insurance tycoons, real estate operations and oilmen who responded to Maurice Stans' appeal that rich Republicans donate 1 per cent of their gross income.

What the senators want to know is whether the housewives are now paying back the big contributors tenfold in the form of higher prices.

Captive Audience

Transportation Secretary Claude Brinegar traveled to his native California last month to speak before a luncheon crowd of transportation experts and found himself addressing an unusually enthusiastic audience.

What Brinegar didn't know

was that many of his adoring listeners were federal employees who, in effect, were paid to attend with government funds. Here's how it worked:

When it was learned the Secretary would make an appearance at the Los Angeles luncheon, local Federal Aviation Administration officials, who come under Department of Transportation jurisdiction, apparently decided it would be good politics for the FAA to show up in force.

They, therefore, arranged for 85 of their employees to attend the affair. Two buses were rented, at a cost of \$50 each, to ferry the bureaucrats to the Los Angeles Convention Center, where Brinegar was to speak.

One of the major problems the FAA officials faced, however, was the \$10 price of the tickets. So they declared Brinegar's speech "an official government activity" and quietly returned to each participating employee \$8 of the "registration fee."

Final cost to the taxpayers: nearly \$800 for tickets and buses, not counting the hundreds of man-hours lost while the FAA bureaucrats paid court to their boss.

A spokesman for the FAA's western regional office insisted that the agency's employees did not attend the luncheon simply to hear Brinegar but to get a "total transportation perspective."