

# Early Contributors to Nixon Disclosed

## Gave Campaign \$19.9 Million

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The Finance Committee to Re-elect the President yesterday named early contributors who gave Mr. Nixon \$19.9 million, many of them believing they would never be publicly identified.

The contributions included \$1,470,000 in currency, about one-third of which was contributed illegally by corporations and which has been refunded.

The cash contributions also included \$76,000 from persons involved in natural gas deals with the Soviet Union, large sums from other oil men, substantial sums from persons whose interests are affected by federal actions and gifts from presumed Democrats.

The committee disclosed the early contributors to all of the financial affiliates of the Committee for the Re-election of the President in compliance with a court

order obtained by Common Cause, the citizens' lobby, in a bitterly contested court suit.

There were a few surprises insofar as top contributors were concerned. The leader, as expected, continues to be W. Clement Stone, the Chicago insurance tycoon who gave Mr. Nixon \$2 million before April 7, 1972, when a new election-financing disclosure law took effect.

The primary importance of the list could prove to be in its naming of corporate executives, if some of them turn out to have given corporate funds disguised as personal gifts.

Watergate Special Prosecutor Archibald Cox has been making an investigation of corporate contributions. Along with those by unions and banks, they are

See CAMPAIGN, A10, Col. 1

### CAMPAIGN, From A1

forbidden by the federal criminal code. Currency contributions have become suspect to the point that the Senate, in passing an election-financing reform bill in July, prohibited them in sums exceeding \$50.

The finance committee filed an audited statement of expenditures as well as income with the clerk of the House of Representatives, who administered the limited disclosure law in effect until April 7, 1972, the Corrupt Practices Act of 1925.

The clerk got the document 35 minutes before the court-ordered deadline of 5 p.m. The committee said preparation of the papers was so difficult that it could be completed on time only with extraordinary effort.

The papers included a single-spaced, 100-page list of contributors who gave \$17.7 million in checks and stocks. The list gives no summary by name of contributor, is not in alphabetical order and identifies no one by occupation or principal place of business.

Last night, however, Com-

mon Cause provided a preliminary analysis, supplementing one made by The Washington Post.

Common Cause Chairman John W. Gardner, in a press conference, said the information released yesterday should have been made public "as a routine matter well over a year ago. To withhold it from the American people was a violation of law".

The finance committee said the \$19,914,000 in pre-April 7 contributions made the grand total raised for Mr. Nixon's nomination and election to a second term to \$60.2 million, an alltime record and more than twice the sum raised by his Democratic opponent.

The \$60.2 million figure, which covers the years 1971 and 1972 and the first eight months of 1973, excludes funds raised by the "independent" Democrats for Nixon run by John B. Connally, the Republican National Committee's finance committee and the Convention Arrangements Committee.

Nixon finance committee disbursements were listed at \$56.1 million, leaving \$4.1 million in cash on hand as of Aug. 31.

In the pre-April 7 period, the contributions received by the committee included \$950,000, that had been in trust funds handled by Herbert W. Kalmbach, the President's personal lawyer. Most had been left over from the 1968 campaign.

The committee, headed by former Commerce Secretary Maurice H. Stans, insisted that pre-April 7 transactions were excluded from the Corrupt Practices Act, despite the court order that it file a consolidated report.

The committee, in a surprise disclosure of large refunds of pre-April 7 donations, said without explanation that it had returned \$200,000 to C.

Arnholz Smith, an old friend of Mr. Nixon, and \$250,000 to communications magnate Cornelius V. Whitney.

The Internal Revenue Service recently filed a \$22.8 million tax assessment against Smith, San Diego banker and entrepreneur who controls the Westgate-California Corp.

The Los Angeles Times re-

ported Tuesday that the IRS threatened Smith with criminal prosecution in June after he entered a bank vault the tax agency had sealed. The newspaper said the disclosure was made in a court proceeding.

The Smith gift was said to have been received and returned in March, 1972. Whitney's was made in June, 1971, and returned in December, 1971. Neither man could be reached for comment last night.

The finance committee has previously named contributors who gave before March 10, 1972, when the final report was due under the 1925 law. Various lawsuits and inquiries have identified other major contributions in the pre-April 7 period. Following is new and updated information, as compiled in preliminary analyses by Common Cause, the Associated Press and The Washington Post:

- Armand Hammer, chairman of Occidental Petroleum, gave \$46,000 in currency. Officials of Occidental and El Paso Natural Gas announced in Moscow on June 8 that they had signed a letter of intent to carry out a \$10 billion project to bring natural gas from Siberia to the West Coast of the United States.

- Several directors and officers of Texas Eastern Transmission Corp. gave \$30,000 in currency from "a common trust fund." The natural gas pipeline concern, along with two other Houston firms — Brown & Root, the construction concern, and Tenneco, Inc., a giant conglomerate—announced on June 29 a preliminary agreement to develop Soviet gas for delivery to the American East Coast. The Washington Post reported on July 1 that a federal grand jury in Houston was investigating the \$30,000 contribution, among others.

- Kingdon Gould, recently confirmed as ambassador to the Netherlands, and his wife, Mary, \$100,000. Gould told the Senate Foreign Relations Committee on Tuesday that he had given \$51,000, apparently omitting mention of his wife's gift although contributions by husbands and wives usually are treated as one. Gould, a partner in Parking Management, Inc., of Washington, was Ambassador to Luxembourg from 1969 to 1972. His succes-

sor, Ruth Farkas, gave \$300.

- Ambassador to Switzerland Shelby Davis, a former investment banker, \$100,000; former Ambassador to Jamaica Vincent de Roulet, \$22,000 in currency plus \$28,000.

- Oil tycoon J. Paul Getty, said to be the world's richest man, gave \$75,000, plus \$47,000 after April 7.

- Billionaire Howard Hughes gave \$50,000, plus \$100,000 after April 7.

Most candidates for the Democratic presidential nomination, starting with Sen. George McGovern, opened their contributor lists to the public. Sen. Henry M. Jackson and Rep. Wilbur D. Mills, like President Nixon, did not.

Common Cause chairman John Gardner began calling publicly for disclosure in February, 1972. The last day of that month was the end of the final reporting period of the Corrupt Practices Act of 1925.

The successor disclosure law now in effect, the Federal Elections Campaign Act of 1971, was not signed by President Nixon until the last day for doing so, Feb. 7, 1972. The effective date was 90 days later, April 7.

Consequently, there was a period of 5½ weeks—from the close of the final Corrupt Practices Act reporting period until the effective date of the current law—during which no contribution had to be reported, or so it was widely assumed.

It was during this period that finance committee chairman Maurice H. Stans and his aides made an all-out effort to raise funds. They assured prospective contributors that their identities need never be disclosed. Later, Stans would cite these assurances as a justification for resisting disclosure.

The Common Cause lawsuit was rooted in the 1925 law, which required committees seeking to influence an election in two or more states to file financial reports with the clerk of the House.

The finance committee never filed such reports, on the theory that until Mr. Nixon was nominated for a second term he was not a "candidate," and the committee was not a "committee," within the meaning of the law. Mr. Nixon was nominated at

the Republican National Convention in August, 1972—months after the 1925 law had expired.

But the leading authority on the law on Capitol Hill, James H. Duffy, counsel of the Senate Subcommittee on Privileges and Elections, said in an interview with The Washington Post in June, 1972, that the Nixon organization had violated the law.

The interview prompted Common Cause to have a legal analysis made, and the organization concluded Duffy was right.

Common Cause laid groundwork for the lawsuit by requesting the finance committee to release its pre-April 7 financial data. The committee rejected the request, and along with White House aides made last-minute efforts to head off the suit, which promised to be an embarrassment in the pre-election period.

Common Cause sued on Sept. 6. It hoped to achieve full disclosure of pre-April 7

finances before the election on Nov. 7. But it soon became apparent that there was no chance for the issue to go to trial until much later.

On Nov. 1, Common Cause and the committee signed a consent order under which the committee disclosed contributors of \$100 or more who gave a total of \$5.6 million between Jan. 1, 1971, and March 10, 1972—the deadline for filing a financial statement for the final reporting period under the 1925 law. These contributors were incorporated in the list filed yesterday.

The crucial period between March 10 and April 7 was left to be litigated.

In often acrimonious pre-trial proceedings, Common Cause lawyers Mitchell Rogovin and Kenneth J. Guido charged that the committee had failed to produce certain documents required under the consent order.

This charge, made in a motion filed with Judge Joseph C. Waddy, resulted in production by the White House of a list of pre-April 7 contributors that had been in the possession of Assistant to the President Rose Mary Woods. She used it to draw up invitations to White House functions.

Seven cash donors subsequently came forward to admit that they had given not from personal funds, but ille-

gally from the corporate treasuries of American Airlines, Braniff Airways, Ashland Oil, Gulf Oil, Phillips Petroleum Goodyear Tire & Rubber and Minnesota Mining and Manufacturing (3M).

The finance committee received a total of nearly \$500,000 in such contributions, all of which has either been returned or set aside for future return.

The finance committee says it never knowingly solicited or accepted illegal corporate gifts.

On July 25, Judge Waddy issued the order that resulted in the filing of yesterday's list. It directed the committee to file a full report with the House clerk within 60 days.

Until a transition point in February, 1972, the President's principal fund-raiser was his personal lawyer, Herbert Kalmbach. A Kalmbach associate disclosed last May that the lawyer destroyed his personal campaign-financing records for the period preceding April 7, 1972, in the belief that he had a legal right to do so.

Hugh W. Sloan Jr., treasurer of the finance committee, has testified that at the direction of Kalmbach's successor, Maurice Stans, he destroyed the working copy of a log kept of cash contributions. Sloan turned a summary sheet over to Stans. "I have been since led to understand that that has been destroyed," Sloan said in a deposition to Common Cause.

The destruction of records was cited by finance committee spokesmen to show that it was difficult to reconstruct a reliable record of contributions.