

More Lessons in Campaign Finance

Part 2/1/74

THE SENATE WATERGATE Committee's mandate is not just to probe apparent crimes and abuses of power by President Nixon and his men; it is to investigate irregularities in the 1972 presidential campaign. That, properly construed, involves looking into some matters which—for your average member of Congress—come pretty close to home. Thus it was small wonder that the committee's zest for the cameras faded fast when last year's hearings turned to the subject of campaign finance. A similar diffidence has been noted in the House when anyone brings up the milk lobby's role in American politics. Now the Watergate committee staff, in the committee's final days, has drafted some reports on Democratic presidential campaign financing—reports which show, if anybody still needs to be shown, that nobody has a monopoly on suspect and illegal campaign financing practices.

The staff learned some interesting things about the handling of money in the presidential drives of Sen. Hubert H. Humphrey and Rep. Wilbur Mills. For one thing, both candidates got substantial sums from the same dairy lobbies involved in the Nixon administration's 1971 milk-price-supports deal. The reports do not argue in this case that the gifts to the Democrats were bribes in the legal sense—although obviously such donations do not exactly come under the heading of charity. But the point in this case is that some of the money came illegally from corporate funds. For instance, Associated Milk Producers Inc. (AMPI) invested \$137,000 in computerized campaign services in Midwestern states, with \$25,000 of this corporate largesse directly helping Sen. Humphrey. According to the report, the senator's campaign manager was a central figure in this deal. Meanwhile, the dairymen gave Rep. Mills a total of \$187,000, or 43 per cent of his entire presidential war chest. Some \$90,000 of this came from corporate funds, including about \$50,000 used to bankroll a farmers' rally in Ames, Iowa, which Rep. Mills addressed in October 1971.

The committee staff noted other problems too. Both the Humphrey and Mills campaigns received illegal contributions from corporations and individuals later convicted of violating federal campaign laws. The report also raised questions about the funneling of more than \$360,000 in stock revenues into Sen. Humphrey's campaign. Finally, the staff said that many details remain unresolved because both Sen. Humphrey and Rep. Mills have rejected committee requests for interviews; key records on AMPI's operations and the early Humphrey campaign have been destroyed; and the managers of

both campaigns invoked the Fifth Amendment when called to testify under oath.

Sen. Humphrey has convincingly responded on one point. The conversion of stock from a blind trust into campaign funds was entirely proper because the money was his own and at the time there was no statutory limit on a candidate's contributions to his own campaign. Beyond that important point, however, both Sen. Humphrey and Rep. Mills have responded in all-too-familiar ways by criticizing leaked reports and professing total ignorance of any misdeeds which may have been committed by their over-zealous friends. In truth they may have known little or nothing of what was going on; many candidates have a self-protective habit of not inquiring too deeply into the operations of their money men. But that does not alter the fact that some apparently illegal things were done—any more than the strong-arm money-raising of the Nixon men can be excused because President Nixon may have been unaware of it.

These new reports provide further examples of the intricate, devious ways that money moves among people of power, ambition and political designs. It is a system which fosters manipulation, covertness and a casual attitude toward the details of the law. It is a system in which all too many politicians are bound, often quite unwillingly, to rich friends and special interests by what one AMPI official called "a long history of understanding, awareness and support."

And so we get the rationale that everybody does it and therefore it is all right. But the point, the heart of the problem, is just the opposite: so many people do it, in so many campaigns, that rooting out and punishing individual violators is not enough. The whole system of funding politics ought to be changed—and that can be accomplished, if at all, by the same legislators who have let the old, corrosive methods continue for so long. The Senate has already approved sweeping revisions of the rules governing all federal elections. Within the next few weeks, the House is likely finally to have the chance to vote on some important changes, such as strict limits on giving and spending, the creation of a tough enforcement agency—and even a modest step toward partial public underwriting of congressional campaigns. The outcome of those votes will show how many representatives have grasped the real, nonpartisan lesson to be learned from the campaign financing practiced to some degree by both parties in the 1972 elections: that the price of that kind of gross abuse of the use of money in politics, in terms of the collapse of public confidence, is too high.