

# Fears Watergate use

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# Stone bares \$7 million campaign gifts, loans

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Multimillionaire insurance tycoon W. Clement Stone revealed Thursday that he has made total campaign contributions and loans of nearly \$7 million since 1968 — and said he wants to trace use of the 1972 gifts to deter-

mine whether they may have been used in Watergate.

Stone disclosed he has made contributions of \$5,680,503.45 and political loans of \$1,234,203.70 in the five-year period since he added arge scale political contributions to his philanthropic activities.

Stone's disclosure came after years of badgering by the national press corps to determine the extent of his financial involvement in politics. The vast majority of his contributions were made in the period before a federal disclosure law took effect in April, 1972. Stone's gifts generally had been pegged substantially below the levels revealed Thursday. His 1968 contribution to the Nixon campaign had been estimated to be as low as \$500,000 — less than one-fifth the \$2.8 million he actually gave.

His precise disclosures may establish him as the single largest political contributor in history — as well as the No. 1 financial angel of President Nixon.

And Mr. Nixon apparently was grateful, Stone recalled, "On two occasions he (the President) has privately said, 'If not for you I wouldn't be here,' and that was a reference to

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both the philosophy and the money." Stone was referring to several discussions he said he had with the President on Stone's theory of maintaining a positive attitude in the face of adversity.

Stone's disclosures came in a lengthy, exclusive interview at his posh Winnetka villa,

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conducted in connection with a Sun-Times probe of campaign financing.

Stone, dressed in bathing trunks, was sunning himself after a dip in Lake Michigan when reporters arrived. He talked with them at length — frequently plugging his "Positive Mental Attitude" philosophy — at a patio table, then continued the interview in his study.

The supersalesman and philanthropist — he has "given away" \$73 million since 1953 — conceded for the first time that he now has "some doubts" as to whether all his 1972 political contributions were used for legitimate political purposes.

Specifically, Stone said he contributed:

—\$2,813,699 to Mr. Nixon in 1968, when he did not want money to be "any obstacle" to his victory.

—\$810,659 to a long list of candidates in 1970, and another \$1,234,203.70 in loans. Stone said about "a quarter of a million dollars" was loaned or contributed to the Illinois Republican State Central Committee. Stone said \$709,000 in loans—including a substantial sum given to the Illinois GOP — is still outstanding. (Former Gov. Richard B. Ogilvie argued and other Republicans have that the disputed money was a contribution and not a loan.)

—\$2,056,145.05 to President Nixon in 1972, including more than \$1 million in December, 1971, and another \$940,000 in March, 1972.

Stone said he also has given what he described as "tiny sums" to a number of candidates in recent years, but had not included those in the financial accounting made Thursday.

Stone's unexpected financial revelations during the interview may have been promoted by allegations linking some of his contributions to possible political sabotage efforts. His decision to attempt to trace use of his contributions also marked a reversal of an earlier statement that his funds "definitely" had not been involved in Watergate.

"You give under the assumption that people handling the funds are decent," Stone said as he puffed on a cigar. "But I guess after the checks are cashed, it's hard to trace exactly how all the funds are spent. (But) I plan to try to see how our money was spent and where.

"If money was put into a bank and drawn

out for an illegal purpose that would be a very bad situation," he added.

In response to questions about the possible sabotage uses of his contributions in 1972, Stone said, "You've raised a doubt in my mind — but when you give to a committee, the assumption is you're giving it with confidence it will be used properly."

Stone, obviously upset by charges by critics of Mr. Nixon that some of Stone's funds may have been funneled into sabotage efforts, explained that like many large contributors, "I made all my contributions to the President in checks of \$3,000 or \$6,000" sent to various committees.

By using this technique, Stone and other contributors are able to avoid federal gift taxes, which are applicable to all gifts over \$3,000 by an individual or \$6,000 by a husband and wife. "My wife wasn't included on all our contributions. That's why some were only for \$3,000," he said, chuckling. Stone did not explain which committees or candidates his wife may have objected to.

Using the individual \$3,000 and \$6,000 check technique, Stone said, he contributed to hundreds of committees.

"With all those checks and doing things that way it can be hard to trace every dollar," Stone conceded, adding, "But that's the way the political contribution game is played."

Stone vigorously defended the need for large individual contributors like himself on the ground that they can balance contributions by other institutions. He said:

"Large labor unions make big contributions to candidates some of their members may not individually support. And, under the threat of losing their jobs, patronage workers in some political organizations are forced to give what amounts to large contributions."

Stone explained he first ventured into political philanthropy "when I met President Nixon when we both served on the board of directors on the Boys Clubs of America. I was convinced that through him I could make a meaningful contribution to the world."

Stone said he resolved to help Mr. Nixon when it appeared the presidential hopeful had absorbed Stone's ideas about maintaining a positive outlook on life and held views that made him a hope for the world.

Stone criticized Mr. Nixon's reaction to his loss in the 1962 gubernatorial race in California when the defeated candidate said the

press wouldn't have him to "kick around any more." But Stone said Mr. Nixon's outlook improved in "later years, apparently after his exposure to Stone's philosophy.

He said he had decided in 1968 to give Mr. Nixon all the money necessary to prevent him from incurring deficits in his primary battles and in the general election. This resulted in the '68 gifts totaling nearly \$3 million.

Stone insisted that he did not want anything in return for his generosity, noting his widespread philanthropic activities in other areas. He specifically denied reports that he had hoped to win appointment as ambassador to Great Britain by giving large sums to Mr. Nixon.

Returning to the subject of political sabotage, Stone condemned the Watergate affair, but reminded interviewers, "We haven't yet heard all the sides. I don't really want to pass judgment until I do."

Yet, the philanthropist added he was not surprised "by lying under oath" and other tactics employed by former CIA agents connected with the probe. "They're taught from their early years to lie no matter what, so why should we be surprised when they do it for political purposes?" Stone said.

With "occurrences" like the "leaks of the Pentagon papers and other important material "you begin to see that the rules of the political game include espionage. If we were at war, those leaks would be treason," he declared.

Regarding some of his local political undertakings, Stone claimed "Ogilvie should have

won" in his race against Gov. Walker last year, but that the late Illinois Sen. Ralph T. Smith "should have lost" in his race against Democratic Sen. Adlai E. Stevenson III in 1970, as he did.

"Those commercails Smith ran against Stevenson were all wrong," said Stone, who financed many of them. "I learned something (politically) in that campaign — you do things positively.

"He should have been saying why he was good, not why the other guy was bad," he asserted.

Regarding Ogilvie, Stone said the incumbent governor suffered from the partys failure to have a Downstater on the 1972 ticket. "He should have slated John Henry Alford (the Peoria industrialist) for secretary of state. Instead, he insisted on slating his friend, Edmund Kucharski (who is from Chicago). Kucharski lost to Democrat Michael J. Howlett.

Stone added, "Ogilvie was just a little drunk with his power, but over all I thought he was a fine governor."