

GOP Paid Unlisted \$5 Million

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Government investigators said yesterday that President Nixon's re-election committee prepaid \$5.5 million last year for future campaign services in an apparent attempt to avoid reporting the expenditures under a new campaign finance disclosure law.

The payments in checks went to about 10 firms, including direct mail and polling companies and were written just before April 7, 1972, when the new law went into effect.

Philip S. Hughes, head of the federal elections office in the General Accounting Office, previously said that such prepayments for anticipated services was a violation of the law. However, because of the discussion in Congress at the time of the enactment of the new cam-

paign finance disclosure law, the GAO has concluded that such advance payments were legal.

When the disclosure law took effect, the Nixon re-election committee reported that it had more than \$10 million on hand.

"But it was really more than \$15 million," one government source said yesterday, "and the committee wrote the \$5.5 million in checks to avoid reporting the money—they didn't want to appear too fat."

Republican sources said yesterday that the Nixon committee wanted to reduce the amount of cash on hand so that fund-raisers could make a convincing case in soliciting more contributions for the President's re-election.

Meanwhile, Clark MacGregor, the former manager of the Nixon campaign, said in an interview yesterday that the Presi-

dent's principal campaign deputies—H. R. Haldeman, former Attorney General John Mitchell, John Ehrlichman and former Commerce Secretary Maurice Stans—pushed for a delay in late 1971 in enacting the new campaign spending law.

The purpose of such a delay, MacGregor said, was to enable the Nixon forces to fill their coffers before the new law took effect.

Although the President at the time was publicly urging swift enactment of the new law, MacGregor said, Stans argued that "we had to slow down the legislative progress so they could have more time . . . to raise funds anonymously."

During a meeting in the fall of 1971, MacGregor said, Stans said "the money has to be raised on a one-to-one basis and the fund-raisers needed more time to give under the old law"—which

permitted anonymous contributions. MacGregor, who at the time was in charge of congressional liaison for the White House, said Stans' position was supported by Haldeman, Mitchell, and Ehrlichman.

Hugh W. Sloan Jr., the former treasurer of the Nixon committee, confirmed in a telephone interview yesterday that the committee had written the \$5.5 million in checks as prepayments. He declined to discuss the details.

Government investigators also said yesterday that the Nixon committee had spent an additional \$5 million prior to the April 7, 1972, date when the new reporting law took effect.

The law does not require a report of these expenditures. However, this means that the President's re-election committee raised about \$20 million before April 7—the \$10 million that was reported on hand, the \$5.5 million in prepayments and the \$5 million that was spent.

Government investigators said yesterday that they have records and statements from campaign officials to document the figures.

The prepayments of \$5.5 million were made after the finance arm of the Nixon committee received a legal opinion saying that such expenditures would not have to be reported, the investigators said.

One source said that convicted Watergate conspirator G. Gordon Liddy, then the finance counsel to the Nixon committee, was instrumental in drafting that opinion.

More than \$1 million of the money went to the November Group, the advertising agency set up in New York City to handle media work for the Nixon campaign. The Reuben H. Donnelley Corp. also received some of the money, the sources said.

The Nixon committee ended up raising at least \$45 million and has nearly \$5 million left. It was the largest amount of money ever raised by a single political candidate.