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Memo To All Lawyers

By James Reston

WASHINGTON, June 19—Before long the prosecutors in the Watergate case will start investigating the big financial contributions to the Nixon re-election committee, and this is likely to open up a whole new chapter in the current political scandals.

The factual situation, which the big corporations and their lawyers will be wise to look into on an urgent basis, is as follows: The names of the big contributors were compiled by former Commerce Secretary Maurice Stans, the principal Republican fund-raiser, but the list was shredded when the burglars were caught in Democratic headquarters.

However, when the lawyers for John Gardner's Common Cause were taking a deposition from Hugh W. Sloan Jr., former treasurer of the Finance Committee to Re-elect the President, he told them that another copy of the list was sent to President Nixon and that he understood it was in the possession of Rose Mary Woods, the President's secretary.

On investigation, this proved to be true, and on request to the White House, the copy was turned over to the Common Cause lawyers and subsequently to the Justice Department prosecutors and the Senate Watergate investigating committee.

This almost certainly assures that the names and contributions will be published eventually if not soon. Accordingly, anyone who fails to come forward now and report voluntarily any improper or illegal contributions runs the risk of seeming to be a party to the conspiracy that was financed with contributed funds.

The understanding here is that the Internal Revenue Service has an unpublished rule that anyone who comes forward voluntarily and lists previously undisclosed contributions, before audit and before the facts are disclosed from other sources, is likely to escape criminal penalties, though not interest charges or civil penalties.

Thus, well-informed lawyers in Washington, who know about the list in the hands of the prosecutors, are

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urging their clients to check on whether their gifts to the Committee to Re-elect the President were accurately reported, and if not, to report the gifts accurately and voluntarily at once, not only in their own interests, but to help the prosecutors and get rid of a corrupt system.

Disclosures can be made either di-

rectly to the Watergate prosecutors, or to the Office of Federal Elections, General Accounting Office, Washington, D. C. Otherwise, once the list is published, it is likely to be the object of intense investigation, not only by the Watergate prosecutors and the Ervin committee, but by various other committees planning new campaign-financing legislation.

Particular attention is likely to be paid in these investigations to contributions made in the name of corporation officials with funds actually made available indirectly by the corporations themselves. In the short run, these investigations could be troublesome to some big corporations and labor unions, but in the end, campaign financing reform could relieve the corporations of a shakedown system that has become increasingly expensive and embarrassing to them in recent years.

Usually the pressure is on the big companies from the political fund-raisers to contribute large sums, often in violation or evasion of the election laws. Some of them contribute to as many as a hundred different campaigns, sometimes voluntarily, sometimes in the hope of future favors to be received, but usually because, like the politicians, they are caught in a system they don't like and contribute because they are told their competitors are doing it.

For the moment, the prosecutors are concentrating on what was done with the money, but phase two will be where the money came from, and under what circumstances, and this will obviously involve a much larger cast of characters and some of the biggest names and corporations in the country.

John Gardner at Common Cause suggests that voluntary disclosure should apply now not only to the big companies and unions but to every donor of unreported gifts over \$100.

"In the heat of the campaign fund-raising," he told The New York Times, "a good many business and labor interests and individuals made very substantial contributions to C.R.E.P. (Committee for the Re-election of the President) in an atmosphere of intense pressure. Many believed that they were simply giving conventional campaign gifts in the tradition of American politics.

"It is now apparent, from the Watergate revelations to date, that a considerable amount of the money collected was in fact used for highly untraditional purposes. Some of the money was used to finance criminal activity. Some of it was used for purposes that were not technically criminal, but highly unethical and repugnant to the American people.

"A considerable proportion of the money given to C.R.E.P. has never been publicly reported, much because it was given before April 7, 1972 (when the new campaign financing law went into effect). Whether given before or after April 7, 1972, every unreported gift should now be voluntarily disclosed by the donors."