

(Mis)Handling the Donor

The long, long trail winding out of Watergate has no foreseeable end. Along the way are prosecutions so numerous and time consuming the Special Prosecutor Archibald Cox will have to come back for more than the \$2.8 million he is requesting.

One guide to the road ahead is the still secret list of contributors to the Nixon campaign prior to April 7 when the law required public disclosure. The list is starred with the names of big corporations and counsel to those corporations have taken due note of the criminal penalties that can be levied against officers and directors. Shudders of apprehension are running through respectable board rooms.

On the list are more than 2,000 individual and corporate names. Four copies are known to exist as provided by Rose Mary Woods, who was promoted from personal secretary to executive assistant to the President a few days before it became known that she was the keeper of the list. One copy is in Cox's possession. Another is sealed in the court action brought by Common Cause with John Gardner and other participants enjoined against any disclosure. Samuel Dash, chief

counsel to the Watergate investigating committee, has a copy. Still another copy is in the United States District Attorney's office in New York anticipating criminal proceedings in some cases.

Those who have seen the list say there are literally dozens of corporate contributors with some resemblance to American Airlines. George A. Spater, chairman of American, realizing the bind the company was in, came forward to admit contributions to the Nixon re-election campaign of \$75,000. The money had been solicited by Herbert W. Kalmbach, then President Nixon's personal attorney, at a time when American was seeking approval of a merger with Western Airlines.

Of the \$75,000, \$20,000 came out of what Spater called "non-corporate" funds. The balance, however, was corporate money and in direct violation of the law. Under the law any officer or director can be made liable for criminal penalties.

Many of the corporate contributors, it is believed by those who have studied the list, skirted the law. They did this by what has been aptly called

List

"home laundering" of the money given to campaign solicitors. Company officers including those fairly far down the line are tapped for contributions which they give allegedly as individuals. Then the company reimburses the individuals through Christmas bonuses or temporary wage increases covering the income tax on the added compensation as well as the principal contributed to a political campaign. Both political parties have in the past sanctioned this practice. It is one of the most corrupting forms of business hook-in to government favors.

Cox is said to be studying the possibility of ferreting out this kind of evasion of the present law. Even though the shredders are probably already at work destroying records that might be available to prosecutors following the American Airlines confession, action against corporations on the list—however carefully they may have laundered their contributions—is not ruled out.

Confession is not only good for the soul but, as Cox noted, also encouragement to others to step up to the mourners' bench and thereby hope for

more lenient treatment. The airlines case has similarities to that of high flying financier Robert L. Vesco, who has now fled the country, is charged with having made a secret contribution of \$200,000 in cash to the Nixon campaign. Former Nixon campaign director John N. Mitchell and finance chairman Maurice Stans have been indicted on three counts of conspiring to obstruct justice and six counts of perjury in the case.

The way in which the secret list has been handled—or mishandled—is of a piece with the backing and filling, the denial and counter-denial, of the White House through the whole ghastly Watergate mess. Putting out the entire list would have made it a three or four day story. And the White House could have done this, since the court injunction on secrecy applies only to those involved in the case.

As it is, new sensations will dribble out like the American Airlines confession. Each one will produce new headlines and start the whole business up again. These are some of the sign boards on the cluttered trail out of the sorry past.

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