

A Report of

Humphrey's
Stock Fund

Washington

The Senate Watergate committee staff says Senator Hubert H. Humphrey's 1972 campaign organization used a mysterious blind trust and an apparent money-laundering operation in financing his bid for the presidency.

It also says the Minnesota Democrat concealed from the public that he donated \$112,000 of his own assets to the campaign in early 1972, before it became illegal for presidential candidates to contribute more than \$50,000 to their own campaigns.

Humphrey's campaign received \$89,000 worth of stock and \$23,000 in cash from a blind trust managed for him by one of his biggest campaign contributors, Dwayne O. Andreas of Minneapolis. Andreas was quoted as saying he transferred the money and stock at Humphrey's request.

(In a blind trust, a per-

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son's funds are managed for him without his knowing how the money is invested. It is intended to avoid a conflict of interests between an official's actions and whatever effect these actions might have on his own finances.)

Humphrey's stock was in the Minneapolis soybean company headed by Andreas, Archer-Daniels Midland Co.

The staff report said Humphrey declined requests to submit to an interview, that his campaign manager Jack Chestnut destroyed records of early campaign finances, and that Andreas submitted an affidavit that left several questions unanswered.

Humphrey issued a statement late yesterday saying the report was "simply a working draft . . . on which changes may yet be made."

He said it "is filled with innuendoes and inaccuracies" and contains "unsubstantiated charges." He said he based this opinion on news reports of the report and that he had not seen the report itself.

He said that the blind trust administered by Andreas was set up in 1965

when Humphrey was vice president.

Andreas has been accused in a federal indictment of prompting an illegal donation to Humphrey's 1968 campaign of \$100,000 in corporate money belonging to a subsidiary of the Archer-Daniels company. He has pleaded innocent.

New details of Humphrey's 1972 finances are contained in a report circulated to member of the Watergate committee this week. A copy was leaked to the Associated Press.

The report said that about the same time Andreas transferred Humphrey's Archer-Daniels stock into Humphrey's campaign, Andreas, his daughter and a friend made other large gifts of the company's stock, totaling another \$276,000.

Thus, in January and February of 1972 Humphrey's campaign received a total of about \$362,000 in Archer-Daniels stock through Andreas and people connected to him, the report said.

All the 1972 donations of Archer-Daniels stock apparently violated the old federal law making it a felony to make individual donations or more than \$5000, the report said.

The report said there appeared to be no effort to break down the gifts into installments of \$5000 or less, which was then the common practice used to circumvent the law.

Andreas transferred \$112,000 in stock and money from Humphrey's trust into his campaign in January and February, 1972. Two months later, on April 7, 1972, it became illegal for a presidential candidate to use more than \$50,000 of his own assets in his campaign.

In March, 1972, Humphrey made a voluntary disclosure of his campaign finances as did most other contenders for the Democratic nomination. However, this disclosure omitted any mention of the \$112,000 in Humphrey's own money, the Watergate staff report noted. Humphrey also understated the amount he received from Andreas and others, the report said.

All the Archer-Daniels stock that went into the campaign in early 1972 was funneled through a firm called Jackson and Co., which was set up by the campaign organization as a limited partnership, the report said.

Associated Press