

# Watergate Panel to Revise

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Sens. Hubert H. Humphrey and George McGovern have asked the Senate select Watergate committee to revise sections of its final report dealing with the financing of their 1972 presidential campaigns on the ground that a staff report contains unfair allegations.

Without indicating whether the committee was acting in response to the requests from Humphrey and McGovern, a member of the committee staff said yesterday that the staff is making "across-the-board changes" in draft committee reports to soften or delete languages in all instances, Democratic and Republican, where the draft reports

charged violation of federal law.

These changes are being made "in an effort to be fair," according to assistant chief counsel David Dorsen. The changes are being made to avoid charging or appearing to charge persons with criminal acts, Dorsen said. McGovern and Humphrey are "being treated like everyone else," he said.

Humphrey (D-Minn.) and McGovern (D-S.D.) both wrote to Sen. Sam J. Ervin Jr. (D-N.C.), committee chairman, after staff reports distributed to committee members were leaked to the news media. In McGovern's case, the staff report was critical of the McGovern campaign for diverting \$340,417 to his 1974 senatorial

campaign although creditors of McGovern's 1972 presidential campaign had been asked to settle debts for \$35,322 at 50 per cent of their value.

In addition, the report asserted that "the spirit" of a federal campaign finance law prohibiting corporate contributions had been violated by the McGovern campaign by asking corporations to compromise on less than full payment of the debts.

In Humphrey's case, a staff report suggested that Humphrey may have violated a federal law prohibiting contributions of more than \$5,000 to a single campaign committee when he used \$110,000 of his personal funds in his unsuccessful effort to secure the

1972 Democratic presidential nomination.

In a letter dated Tuesday, McGovern said that "campaigns over the years—not only for the presidency but for the Senate and the House—have routinely settled debts for less than the full amount. . . . The law prohibiting corporate contributions has been on the books for generations, yet no charge has ever been made that these transactions violated the law."

McGovern said inquiries by his staff to the committee staff showed "that other campaigns had not been scrutinized to determine whether any obligations to corporations had been settled for less than the full amount. This, too, suggests that the authors

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of this draft language were reaching to criticize the McGovern effort in particular, no matter how doubtful the grounds."

McGovern acknowledged that at the same time debts were being settled for less than their face value by his presidential campaign, funds were being transferred to his senatorial campaign committee for the 1974 election. "But in fact," McGovern said, "these funds were not available for use in paying off debts incurred by the national McGovern campaign."

The transferred funds, McGovern said, came from state and local McGovern committees that had surplus funds. "Those were funds raised on

their own by autonomous committees working on behalf of my campaign," McGovern said. "And the money was sent in to Washington after the election with the explicit understanding that it would be used in my 1974 campaign for re-election to the Senate."

"These groups had authority to dispose of their remaining funds in any way they saw fit, and they chose to support my South Dakota campaign. Application of their money to debts incurred by the national McGovern campaign—debts that were not the responsibility of those state and local groups—would have violated the choice they had every right to make in regard to the disposal of whatever balances they had on hand when the

campaign was over."

Humphrey, in a letter to Ervin dated June 27, said the contribution he made to his own campaign came from personal funds and that he had consulted his lawyer before making the contribution to make sure it was legal.

"To be doubly sure that all was proper and correct," Humphrey said, "I paid gift tax. At no time has this gift been questioned by the (Government Accounting Office) the (Internal Revenue Service) or any other authority."

Humphrey said he was never questioned by the committee staff about the transaction. Humphrey asked "that this section of the report be stricken because it is accusatory in nature, without con-

taining any facts to support the charge that the contributions made by me out of my own funds and resources were in violation of federal law."

Ervin replied in a letter the following day that he had suggested to the committee "that they change the statement in the leaked report to conform to what you set forth in the letter. . . ."

Dorsen, who is primarily responsible for the preparation of the committee report in the area of campaign financing, said yesterday that it was his understanding that the draft reports concerning Humphrey and McGovern would be revised for the final report but that the matters discussed in the drafts would not be stricken entirely.