WXPost JUL 4 1975

Prosecutor Probing $300,000 Donation

By Lawrence Meyer
Washington Post Staff Writer

Despite the dismissal of the last Watergate federal grand jury, the Watergate special prosecutor is still investigating a $300,000 1972 Nixon campaign contribution arranged by Louis C. Wyman, the Republican contender for the disputed New Hampshire Senate seat, a source close to the case said yesterday.

The contribution was made by Ruth Lewis Farkas before her appointment as U.S. ambassador to Luxembourg.

Senate proceedings are under way to determine whether Wyman or Democrat John Durkin is entitled to the disputed seat.

Although the special prosecutor wrote a letter to several members of Congress during the 1974 campaign saying that "the investigation has not uncovered evidence which would support the bringing of any criminal charges against Congressman Wyman," a spokesman for Special Prosecutor Henry S. Ruth Jr. declined yesterday to say whether that statement was still valid.

Ruth's aide declined to comment despite a reporter's pointing out that a failure to respond would be widely interpreted as an indication that the situation had changed since that letter was written. The aide also declined to say whether the investigation into the contribution was continuing.

Another source, however, said that he had authoritatively "been told pretty much" that Mrs. Farkas' husband, George, would be recalled as witness by the special prosecutor this month. George Farkas is the millionaire founder of Alexander's department store in New York.

Milton S. Gould, the Farkas' lawyer, said in a telephone interview yeserday that "I have no indication that this matter is over. To the contrary, I have substantial indications that it's not terminated."

Farkas, reached at the U.S. embassy in Luxembourg, declined to comment. "I'm not answering any questions," he told a reporter.

A source familiar with the Farkas' testimony confirmed a report in The New York Times that Mrs. Farkas told a federal grand jury here that she had given $300,000 to Richard M. Nixon's re-election campaign in 1972 with the explicit understanding that she would receive a diplomatic post in return.

Mrs. Farkas, according to a source quoted by the Times, testified that Wyman had "tricked" and "seduced" her and her husband into the contribution, leading them to believe that it was legal.

Wyman has denied any explicit understanding that an ambassadorship would be given in return for the contribution. "I suspect political motivation in this," Wyman said in New Hampshire. "I don't know how this happens to come out, but we are very likely to have a runoff election up here," Wyman said.

Mrs. Farkas' reported testimony to the federal grand jury appears to conflict with her earlier testimony before the Senate Foreign Relations Committee, which she told on March 13, 1973, that her contribution "had nothing to do with getting an ambassadorship or not."

A source close to Wyman, a former prosecutor, said yesterday that Wyman's "prosecutorial sense would never have allowed such a quid pro quo to occur." This source said that Mrs. Farkas "knew that she wanted an ambassadorial post and that she was expected to contribute."

At a meeting Wyman arranged with chief Nixon fundraiser Maurice H. Stans on May 23, 1972, this source said, Mrs. Farkas offered to give a "substantial amount" of money to the Nixon campaign, citing a $250,000 contribution to a New York hospital as her idea of substantial. Wyman, this source said, returned from the meeting "amazed," commenting, " 'This woman talks of a quarter of a million dollars as though it were a contribution to the United Givers Fund.' "

A source familiar with the Farkas' testimony, however, said that that story was "a lot of c——." According to this source, the agreed-upon figure was always $300,000.

"There was never talk of any money except $300,000," the source said.