

Businessman Is Stunned To Find Name in Hearing

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WASHINGTON, June 20—Walter L. Scott was a little stunned at the news from last week's Watergate hearings.

He said his heart had already been broken when his efforts to produce an "Exposition of the American Economy" for the 1972 Democratic and Republican national convention had failed.

Now he has found his own name in the chronicles of the Watergate affair, much, he maintains, like a pedestrian splashed by a passing car.

Mr. Scott heads a small concern called the Financial Marketing Services Company in Stamford, Conn., and another called the Columbia Exposition Company in New York. He is a newcomer to the world of holding trade shows.

Report by Magruder

Last Thursday, Jeb Stuart Magruder told the Senate Watergate committee that the break-in at the Democratic national headquarters at the Watergate complex had been aimed at finding evidence of some sort of kickback scheme connected to Mr. Scott's proposal.

Mr. Magruder had been second in command at the Committee for the Re-election of the President. He said the burglars had been hoping to

find evidence to tie such a kickback scheme to the Democrats or to Lawrence F. O'Brien, former Democratic national chairman.

"Never in my wildest dreams did I ever imagine that my exposition was a basic reason for the Watergate break-in," Mr. Scott said.

"They could have gone to their own headquarters and found out the same thing," he added.

What Proposal Was

Officials of both parties have confirmed that Mr. Scott approached them openly. His proposal was to put on a business trade show—on the convention floor if possible—to make money for the political parties and for himself.

Mr. Scott said in a telephone interview that his proposal had been to sell booths at the trade show at \$5,000 apiece. A sell-out would bring in \$1.8-million.

The proposal was that \$1-million go to each political party, \$400,000 for the expenses of each show and \$400 to Columbia Exposition as gross profit before salaries and taxes from each show.

The basic selling point, included in brochures sent to 150 companies, was that it would be "your opportunity to meet and motivate the decision-makers of the biggest market in the world."

Brochure Is Quoted

His brochure said \$200-billion "in goods, services and systems will be bought next year by town, city, county, state and Federal governments."

The brochure for the Democratic convention continued: "Literally tens of thousands of elected and appointed officials who will be allocating these budgets will be attending the Democratic national convention—and—the Exposition of the American Economy."

"At one time—and in one place—you will be able to demonstrate your product. . . ."

Both political parties currently use convention program books to raise money. The Republican program book for 1972 was 290 pages thick, printed on glossy paper and jammed with advertisements. Such ads usually sell for \$10,000 a page and are taken by major corporations.

Federal law prohibits corporations from giving money directly to political campaigns. However, promotion expenses such as purchasing advertising or setting up exhibits are allowed.

Richard J. Murphy, the Democrats' convention manager, said half of that party's convention cost had been paid for by advertisements in the program book.

Mr. Scott said that both political parties had been interested in the exhibition and that he had tentatively lined up a number of companies to take part when the International Telephone and Telegraph Corporation investigations began. These involved a reported

pledge of up to \$400,000 to the Republican national convention in San Diego by a subsidiary of I.T.T., the Sheraton Hotels Corporation.