

INVESTIGATIONS

Democratic Violations

The trouble lies in the nature of men, rather than in the nature of the Republicans.

So concluded the staff of the Senate Watergate committee last week after probing illegal contributions made to the 1972 campaigns of Democrats running for President. In its draft report, written by the Republican counsel, the staff said the investigation of Democrats was made to "rectify any misapprehensions that the work of the staff was myopic or that miscreants were found only among those endeavoring to re-elect President Nixon." But far more examples of Republican skulduggery were uncovered. Indeed, the report cited only two instances of questionable practices by Democratic Nominee George McGovern's campaign: neglecting so far to pay a total of \$35,322 owed to 37 corporations for various goods and services, and transferring \$340,417 in leftover funds to his current campaign for re-election to the Senate.

The committee staff, whose Republican members did most of the investigating of Democrats, uncovered several apparent violations of laws in the 1972 presidential campaigns of Minnesota Senator Hubert Humphrey and Arkansas Representative Wilbur Mills. The staff found that among the illegal

contributors to the Democrats were the milk cooperatives that had pledged \$2 million to Nixon's campaign in what seemed to be a direct exchange for an increase in federal milk-price supports in 1971. Humphrey and Mills also backed an increase. According to the staff report, Associated Milk Producers, Inc., illegally gave \$25,000 in corporate funds to pay for computer services for the Humphrey campaign on top of a legal donation of \$17,225 that it made through its political action committees.

Milk Money. The report said that the same dairy organization gave \$75,000 in apparently illegal contributions and \$55,600 in legal gifts to the Mills campaign, while its employees kicked in a legal \$40,000. Another cooperative, Mid-American Dairymen, Inc., illegally donated \$15,000 to the Mills campaign.

The committee staff noted that the two candidates also received illegal corporate contributions that had been previously disclosed. The 3M Co. gave \$1,000 to each, and Gulf Oil donated \$15,000 to Mills. Humphrey received an illegal \$50,000 donation from Manhattan Investment Banker John L. Loeb. In comparison, Nixon is known to have received about \$750,000 in illegal donations from corporations.

The staff report accused the Humphrey campaign of other violations:

▶ Three Humphrey backers—Minnesota Grain Millionaire Dwayne O. Andreas, his daughter and a friend—formed a limited partnership called Jackson & Co. and pumped \$276,000 into it. The "predominant portion" of the money came from the sale of shares in a firm headed by Andreas. All of the funds then went to the Humphrey campaign, exceeding the legal limit of \$5,000 for individual contributions that was in effect until April 7, 1972. Andreas also made a \$25,000 donation to the Nixon campaign—and the cash turned up in the Miami bank account of Convicted Watergate Burglar Bernard L. Barker.

▶ A bank account, which was maintained by the law firm of Campaign Manager Jack Chestnut, received a "purported personal loan" of \$100,000 from Paul Thatcher, treasurer of an organization called "Backers for Humphrey." At the time, federal law also limited campaign loans to \$5,000.

Both Chestnut and Joseph Johnson, an official of the Mills campaign, refused to testify under oath before the committee, invoking the Fifth Amendment against self-incrimination. Mills declared that the draft report was "distorted" and leaked "to smear me." Humphrey said the report on his campaign was "filed with innuendoes and inaccuracies" and pointed out that it had not yet been considered by the seven Senators who make up the committee. But they could scarcely dispute the staff's conclusion: "It is not the Republican Party which is in need of remedy but rather the process by which we nominate and elect our President."

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