

James Reston Reports:

Next, a Look at the Donors

Washington

BEFORE LONG the prosecutors in the Watergate case will start investigating the big financial contributions of the Nixon re-election committee, and this is likely to open up a whole new chapter in the current political scandals.

The factual situation, which the big corporations and their lawyers will be wise to look into on an urgent basis, is as follows: the names of big contributors were compiled by former Commerce Secretary Maurice Stans, the principal Republican fund raiser, but were shredded when the burglars were caught in Democratic headquarters.

However, when the lawyers for John Gardner's Common Cause were taking a deposition from Hugh W. Sloan Jr., former treasurer of the Finance Committee to Re-Elect the President, he told them that another copy of the list was sent to President Nixon and that he understood it was in the possession of Rosemary Woods, the President's secretary.

On investigation, this proved to be true, and on request to the White House, the copy was turned

Fuller column, NYTimes 20 Jun 73, filed Watergate.

over to the Common Cause lawyers and subsequently to the Justice Department prosecutors and the Senate Watergate investigating committee.

This almost certainly assures that the names and contributions will be published eventually if not soon.

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ACCORDINGLY, anyone who fails to come forward now and report voluntarily any improper or illegal contributions runs the risk of seeming to be a party to the conspiracy that was financed with contributed funds.

The understanding here is that the Internal Revenue Service has an unpublished rule that anyone who comes forward voluntarily and lists previously undisclosed contributions, before audit and before the facts are disclosed from other sources, is likely to escape criminal penalties, though not interest charges or civil penalties.

Thus, well-informed lawyers in Washington who know about the list in the hands of the prosecutors, are urging their clients to check on whether their gifts to the Committee to Re-Elect the President were accurately reported, and if not, to report the gifts accurately and voluntarily at once, not only in their own interests, but to help the prosecutors and get rid of a corrupt system.

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ONCE THE list is published, it is likely to be the object of intense investigation, not only by the Watergate prosecutors and the Ervin committee but by various other communities planning new campaign financing legislation.

Particular attention is likely to be paid in these investigations to contributions made in the name of corporation officials with funds actually made available indirectly by the corporations themselves.

In the short run, these investigations could be troublesome to some big corporations and labor unions, but in the end, campaign financing reform could relieve the corporations of a shake-down system that has become increasingly expensive and embarrassing to them in recent years.

Usually the pressure is on the big companies from the political fund raisers to contribute large sums, often in violation or evasion of the election laws. Some of them contribute to as many as 100 different campaigns, sometimes voluntarily, sometimes in the hope of future favors to be received but usually because, like the politicians, they are caught in the system they don't like and contribute because they are told their competitors are doing it.

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FOR THE MOMENT, the prosecutors are concentrating on what was done with the money, but Phase 2 will be where the money came from, and under what circumstances, and this will obviously involve a much larger cast of characters and some of the biggest names and corporations in the country.

New York Times

