

Bush Says Scandal Has Hurt Fundraising

By Lou Cannon

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Republican National Committee chairman George Bush said yesterday the Watergate disclosures have damaged GOP fundraising efforts and that he hopes the party can obtain most of the surplus \$4.8 million collected by the Committee for the Re-Election of the President.

But Bush said that no effort will be made to obtain any of the surplus for the GOP until all pending civil suits against the committee are settled.

"Otherwise, we'd become a defendant in the lawsuits," Bush said.

Bush said the Republican National Committee had hoped to raise \$6.5 million during calendar 1973 but would fall "substantially" short of this goal because of a decline in contributions from big givers.

According to figures supplied by Robert Rousek, a spokesman for the committee, the RNC had raised \$3.6 million through the end of June, with 90 per cent of the money coming in contributions of \$100 or less.

This is more than the party raised in small contributions in the last off-year period, but there has been a precipitous

decline in large contributions. The \$1,000-a-plate GOP fundraising dinner at which President Nixon spoke this year raised \$750,000—half of the amount the same event raised two years ago.

"The large donors are holding back because of Watergate," Bush said.

Bush said the small contributions were desirable from the standpoint of building valid lists of committed Republicans for 1974. But he said also that these small contributions are "expensive money" because they require costly repeat mailing campaigns.

If the large contributors continue to hold back, this will mean that the RNC will have a smaller net income to spend on registration and other party programs.

Bush believes that the national committee is entitled to the re-election committee surplus on the basis of precedent.

Traditionally, the national committee has made up re-election committee deficits when these existed," Bush said. "We ought to be entitled to a surplus when there is one."

When Bush first took over as chairman on Jan. 23 he was faced with requests from a number of state chairmen to actively seek allocation of the CRP surplus to the Republican Party.

These demands slackened after the Watergate disclosures. Rep. Bob Michel of Illinois, chairman of the Republican Congressional Campaign Committee, said late in May that "a lot of our candidates would be squeamish about taking it. I'm afraid the press would label it tainted money."

Now, the comparative shortage of GOP contributions from big donors has apparently revived party interest in the surplus.

Last week, Bennett Webster Jr., chairman of the Republican Organization in Polk County, Iowa, said that a group of GOP lawyers in Iowa was considering a lawsuit to force the CRP to distribute its leftover funds to national, state and local GOP organizations.

Webster said that "not one dime" of the \$450,000 raised by the CRP last year in Iowa had gone to the state party organization.

Any such legal action probably would be followed by similar moves in other states. Michigan Republican officials, for instance have noted that the state party organization is in debt despite the fact that CRP raised more than \$2 million in Michigan.

Bush said he had no knowledge of the suggested Iowa lawsuit.

But he added that he would immediately seek transfer of any leftover CRP money to the national committee if the lawsuits are settled.