

DEMOCRATS PAY MOST OF '72 DEBT

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Campaign Aide Says Drive
Was Helped by Scandal

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By LINDA CHARLTON

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WASHINGTON, June 11—In the last year, the Democratic party, despite losing a Presidential election, has managed to pay off more than half of its long-term indebtedness with some help from the Watergate scandal, according to reports filed with the General Accounting Office and made public today.

Still another report filed with the G.A.O. showed that the party's 1972 Presidential candidate, Senator George McGovern, ended his campaign solvent, if defeated. The report of McGovern for President, Inc., the election committee, showed cash on hand totaling \$291,416 and obligations of \$61,290.

This healthy balance was the partial result of "forgiveness of indebtedness" by three persons who made loans to the McGovern campaign.

According to the report, Lynn Williams of Winnetka, Ill., a Democratic State Committeeman, forgave a debt of \$8,000, and Dr. and Mrs. Martin Peretz, of Cambridge, Mass., a debt of \$151,300. Dr Peretz, who is a professor at Harvard University, and his wife were also heavy contributors to the 1968 campaign of former Senator Eugene J. McCarthy for the Democratic Presidential nomination.

\$4.Million Still Owed

As for the national committee, whose announced debt was about \$9-million just before the start of last year's Presidential campaign in July, 1972, the report filed last night with the G.A.O. showed its long-term indebtedness to be \$4-million, according to Marlan Lang, the deputy finance chairman.

Mr. Lang said that a "large portion" of the money came in as a result of the party's fund-raising telethon last July, while the rest was a response to continuing efforts such as direct-mail campaigns.

In response to a question about the possibility that the unfolding Watergate scandal might be prompting Democrats—and, perhaps, others as well—to open their wallets, Mr. Lang said, "The reasons are obvious. We have letters here—people are quite disturbed and want to express their interest." Some money was being allocated expressly to the Watergate lawsuits filed by the committee, he said.

He went on to say, "May was a very big month—bigger than last year, during the campaign." He said that the May receipts totaled "roughly \$280,000."

Another telethon, which the committee hopes may wipe out the remaining debt of \$4-million or so, is planned for September, he said. As for its operating budget, the committee reported \$261,533 on hand and \$78,710 in outstanding obligations.