

POLITICS

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Democrat cash ploy revealed in records

Associated Press

WASHINGTON — A Democratic campaign committee was used to funnel contributions to a number of Senate candidates in 1972 in a pass-through arrangement that concealed the real sources of the money, court records and financial reports disclose.

The Democratic Senatorial Campaign Committee in one case secretly passed along labor union donations to Sen. Thomas McIntyre, D-N.H., despite a state law forbidding such contributions, the record shows.

A McIntyre spokesman conceded that union donations had been laundered through the senatorial committee to avoid bad publicity during the campaign, but said the arrangement was legal.

The evidence also indicates that the practice of secret earmarking of funds, the method used to relay McIntyre's money, was widespread and may have involved a second Democratic committee and two Republican committees as well.

The practice, now forbidden, effectively circumvented the federal campaign disclosure law that required identification of all major campaign donors after April 7, 1972.

Evidence of earmarking was gathered from court records, public reports of campaign finances, Watergate files and an independent Associated Press investigation.

The McIntyre case is the best documented so far. Up to \$41,000 from unions and other sources was passed through the senatorial committee.

Other examples:

- Sen. John Sparkman, chairman of the banking committee, appears to have received up to \$24,000 in donations from bankers, stockbrokers, and others including the chairman of Lockheed Corp., which benefitted from a government-guaranteed loan approved by Sparkman's committee. A spokesman said Spark-

How they funneled secret funds to Senate candidates

man could not recall receiving such secret donations.

- More thousands, mainly from wealthy Texans, went into the losing Senate campaign of Democrat Barefoot Sanders of Dallas, who acknowledged receiving some money in this manner. He said he didn't ask for the secrecy, but sees nothing wrong with it.

- Union money filtered through the Democratic senatorial committee for Sam Nunn, now a senator from Georgia, and former Rep. Ray Blanton of Tennessee, who was defeated in a try for the Senate.

Nunn said through a spokesman. "There was never any attempt in my campaign to hide labor union money." He said the Democratic senatorial committee didn't tell him the source of the donations it gave him.

Blanton could not immediately be reached.

- The nation's largest dairy-farmer cooperative, Associated Milk Producers Inc., wrote letters directing that \$7,000 be relayed to Sen. Walter Mondale, D-Minn. A campaign official said this request was refused.

- The milk producers also wrote Sen. Robert Dole of Kansas, who was then Republican national chairman, asking that \$2,500 be turned

over to Sen. Robert Griffin, R-Mich., the party's Senate whip. And in another letter, the milk producers directed that another \$2,500 be given by a Democratic committee to Rep. Neal Smith, D-Iowa. Smith and a Griffin spokesman said they had no knowledge of such transactions.

- The Senate Watergate committee concluded that two Republican committees disguised \$200,000 from the milk producers for former President Nixon's campaign.

Secret earmarking has been banned by the Clerk of the House and the Secretary of the Senate. The ban, however, came after they were sued last year by the self-styled citizens' lobby Common Cause.

The practice works this way: A donor earmarks money by giving it to a committee with instructions to pass it along to a specific candidate. The middleman committee reports to the public that it received money from a number of donors and supported a number of candidates. The earmarked gift shows up in these public reports as another donation from the middleman committee to the candidate.

The practice was legally questionable even before it was explicitly banned. The federal campaign law that took effect in 1972 forbids giving political donations in the name of anyone but the true donor.

A number of labor unions apparently believed that this law required them to report money which they earmarked for McIntyre.

In some other cases, the unions reported giving to McIntyre directly, but somebody routed the gifts through the senatorial committee. Other unions apparently gave through the committee entirely in secret. In all cases, neither McIntyre nor the Democratic committee reported that union money was going into his campaign.

A McIntyre spokesman said he did not believe the method used to hide the union donations was in violation of state or federal law.