

SFChronicle JAN 1 1976

Gulf Oil Payoffs -- Congress Unexcited

Washington

There apparently is little sentiment on Capitol Hill to probe illegal campaign contributions to members of Congress by the Gulf Oil Co.

House and Senate committees that have jurisdiction over campaign spending do not have slush fund matters on their calendars, spokesmen said yesterday.

"There is no sentiment for any hearings. There is no hue and cry," one Senate aide said.

Gulf is among 42 corporations that have been convicted, charged or connected with \$400 million in legal and illegal contributions to domestic and foreign politicians over the past 15 years.

Gulf did not dispute Securities and Exchange Commission charges in March that it had illegally diverted at least \$10.3 million for political contributions and foreign payments. It is a violation of U.S. law for a corporation to donate to federal campaigns.

But the Watergate Special Prosecution Force began another investigation last summer into Gulf's political contributions to members of Congress.

As part of the settlement with the SEC, Gulf agreed to an investigation of its slush fund. The nine-month investigation was headed by former assistant defense secretary James J. McCloy.

In his report filed in U.S. District Court Tuesday, McCloy said he "was able to trace only a relatively small portion of the \$5.4 million (in domestic contributions) and only a small percentage of these payments has been confirmed by alleged recipients."

McCloy said Senate Republican leader Hugh Scott of Pennsylvania allegedly asked for money from a Gulf lobbyist even after the Watergate scandal had erupted in 1973, but was told "his pipeline had been cut off."

But McCloy said most of the congressmen named by Gulf officials during the internal investigation were not publicly identified in the report. He also said many of the congressmen who were alleged recipients would not cooperate with his investigation.

"Hopefully, when the Watergate prosecution and the SEC have concluded their investigations into the manner in which Gulf corporate funds were distributed, a more complete account can be presented," McCloy said.

Spokesmen for the Senate Rules Committee and the House Administration Committee said the 1974 Campaign Finance Law, by stiffening reporting requirements concerning campaign contributions, makes it less likely for corporations to make illegal gifts to politicians.

"We set up the Federal Elections Commission to try to prevent these abuses and the commission is writing its regulations now," a House administration spokesman said.

United Press