

WALLACE GETTING DRIVE 'ROYALTIES'

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Campaign Reports Show He
Paid Himself for Use of
Likeness in Materials

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WASHINGTON, May 15—Gov. George C. Wallace of Alabama is paying himself personal "royalties" from his Presidential campaign treasury for the use of his own likeness in political materials.

The Wallace campaign's financial reports to the Federal monitoring authorities indicate that the Governor got \$14,999 in royalties in two payments last year.

According to Wallace headquarters in Montgomery, most of the 1974 total was paid for an impression of Mr. Wallace's face on silver medallions coined at the Franklin Mint, a commercial operation, and offered in a campaign mailing to contributors of \$25 or more.

Alton Dauphin, the Governor's brother-in-law and assistant campaign manager, said in a telephone interview that a continuing contract between Mr. Wallace and his campaign corporation entitles him to negotiate a fee for any use of his image.

"We have a contract on anything that uses his image," Mr. Dauphin said. In the case of the silver medallions, for which the campaign paid the mint \$75,000 last summer, Mr. Dauphin said, "we just arrived at a figure and wrote it into the contract."

Political Risk Seen

Mr. Wallace's conversion of political funds to private income, openly reported but heretofore unnoticed, is viewed as legally safe but politically risky.

Officials at the new Federal Election Commission commented today that none of the restrictions on campaign spending prevents a candidate from paying himself legal fees, consulting fees, copyright fees on his own speeches or even a salary.

But candidates have customarily refrained from using or reporting such devices, probably for fear of seeming to profiteer from politics or to waste contributors' money.

The letters promoting the Wallace medallions and asking further help from past contributors did not mention that Governor Wallace was benefiting personally from his campaign.

The letters, mailed in May,

1974, and signed by Charles S. Snider, the national director of the Wallace campaign, declared:

"Because he is independent of the scandals and splits which have hurt both major political parties, more and more Americans look to George Wallace for leadership. He needs your help today to remain a strong voice for America."

Mr. Snider's letter described the sterling silver medals, about the size of a silver dollar, as "a lasting tribute every patriotic American will be proud to own and display to friends for years to come."

Gold-Plated Medallions

Gold-plated versions of the same medallion were offered to each supporter who sent a new \$50 contribution before June 10, 1974.

Richard A. Viguerie, the mail fund-raising specialist who has dispatched 10 million letters in the last two years on behalf of the Wallace campaign, said he mailed the medallion offer but did not design it. "That was thir idea," he sud, referring to Wallace campaign headquarters. "It was suggested to us by them."

For years the Wallace campaign has offered wrist watches with a caricature of the Governor's face on the dial for retail sale. In the last three years, according to official reports to the General Accounting Office here, the campaign has spent \$20,000 to buy these watches at wholesale.

Whether Mr. Wallace has received a royalty payment on the sale of watches could not be determined today. Yet Mr. Dauphin's general comment on the royalty contract suggested that the arrangement between the Governor and his campaign was flexible enough to cover any use of Mr. Wallace's image whether or not it was sold for a profit.

Detailed examination of the Wallace campaign's expenditure reports disclosed that other members of the Governor's Y family have been paid for services.

Gerald O. Wallace, the Governor's brother, has been paid a total of \$6,000 for "legal services" since the start of 1973, according to the reports.

Mr. Dauphin, who is married to Mr. Wallace's sister, has the second-highest salary, about \$25,000 a year, on the full-time campaign staff. Mr. Dauphin's daughter, Catherine, has been on the campaign payroll intermittently since last summer.

Mr. Snider's daughter, Susan Marie, has been paid about \$400 a month for her help at headquarters from the spring of 1974 to the end of last February, the last month for which the Wallace campaign has filed complete reports.