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OA/ID Number: 25867
Folder ID Number: 25867-006

Folder Title:
[Public Mail about Watergate] [1]

Stack:	Row:	Section:	Shelf:	Position:
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Iherall, Arthur
Watergate

May 15, 1973

Mr. Arthur S. Iherall, President
General Technical Services, Inc.
8794 West Chester Pike
Upper Darby, Pennsylvania 19082

Dear Mr. Iherall:

Your letter dated April 7th but postmarked May 7th was just received. Hopefully, the April date was merely a mistake in the letter rather than an indication of a month's delay in delivery and over a month's tardiness in the reply.

Since we share the same feeling about the Republican Party's non-involvement in the whole affair, let me address the other points of your letter. I believe, firstly, that the criminal justice system will work in this country and in this case. Further, I feel that the President was ill-served by those men who allegedly have participated in some kind of coverup and violated a high trust. And here I must tell you what a disappointment it was to have you hint at condemning the President without any evidence. There will be full disclosure in this case, and I can see no good that comes of conclusions poorly drawn on anything other than facts. That sort of thing, I believe, threatens to destroy the greatness of our American system and the government of the people which we all treasure.

In the coming months, and I hope we can count on your support, we will be directing all our efforts here towards building and strengthening the Party and electing a Republican majority to Congress in 1974. To mislead you would be to undermine our own efforts. Our concern is the strength of the Party, but also the strength and quality of the American system. We will need your help.

Thank you so much for writing. Your views are always welcome.

Yours very truly,

George Bush

Bush Library Photocopy

General Technical Services, Inc.

"Science is our business"

8794 West Chester Pike
Upper Darby, Penna. 19082

215: HI 9-2333
JA 8-6093

April 7, 1973

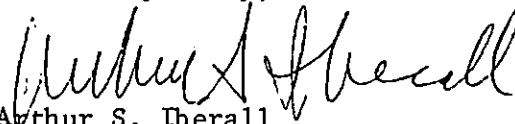
Republican National Committee
310 - First Street, S.E.
Washington, D.C. 20003

Gentlemen:

Intelligent people like myself know damn well that the Republican Party is not responsible for Watergate. But, on the other hand, the Republican Party is responsible for having permitted the present incumbent and the type that he attracts to take over the reins of government. It should be clear to you that we will not tolerate those kinds of "fat cats"! Our greatness is a government of the people. We consider fair contestants to be an Eisenhower, a Wilkie, a Rockefeller, a Landon, a Dewey; yes also a Johnson, a Kennedy, a Muskie, a McGovern. Please never, never, never attempt to mislead us again. Ideological difference, yes, but not things destructive to our heritage.

Please acknowledge--your future depends on how you acknowledge sentiments like mine.

Yours very truly,


Arthur S. Iberall
President

ASI:smt

Bush Library Photocopy

Irwin, Mrs D H
8 Watergate
Re Media & re
Dean, John

September 13, 1973

Mrs. D. H. Irwin
4497 Dorset Circle
Decatur, Georgia 30032

Dear Mrs. Irwin:

This will acknowledge your letter with your comments concerning the Senate Watergate Committee, as well as the media, and statements made by Mr. John Dean.

I note, with interest, you have been in touch with your representatives in Congress urging them to support the President in his great efforts to curb inflation and give to our nation a stable economy. We are deeply grateful for your support.

Yours very truly,

George Bush

GB:ABH:jd

Bush Library Photocopy

0

Mrs. D. H. Irwin
~~10010 Ensbrock~~
Houston****77072

ABH.

DEAR MR. BUSH,

SEP 12 REC'D

I SURE WISH THE PRESS AND THE SENATE COMMITTEE COULD SEE
HOW THEY WERE LED DOWN THE GARDEN PATH BY THAT 'JUDAS' DEAN.
HE INJECTED JUST ENOUGH GOSSIP TO TANTALIZE CERTAIN OF THE
SENATORS, HE SUR^EHAD THEM FIGURED OUT AHEAD OF TIME.

MY REAL REASON FOR WRITING WAS TO ASK IF SENATORS ARE ABOVE
THE LAW. DR. ELLSBERG ON NATIONAL TV, AFTER HIS CASE WAS
DROPPED, SAID THAT HE HAD OFFERED THE PENTAGON PAPERS TO
SENATORS MUSKIE, HUMPHRY AND MCGOVERN. THEN, LATER SENATOR
WEICKER SAID HE HAD LEAKED THE GRAY STORY TO THE PRESS. MY
QUESTION IS WHY THEY DIDN'T GO TO THE JUSTICE DEPARTMENT?
I HAVE WRITTEN ASKING SENATOR WEICKER THIS QUESTION BUT AS
YET AHVE NOT HAD AN ANSWER.

I AM WRITING TO THE MEN FROM THIS STATE ASKING THEM TO HELP
THE PRESIDENT CURB INFLATION. SURE HOPE THEY LISTEN.

SINCERELY YOURS,

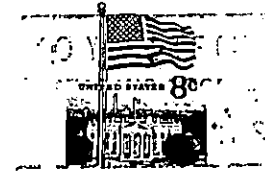
Dan Irwin

Bush Library Photocopy

Mrs. D. H. Irwin
10919 ENSLEY
Houston, Texas 77012

MR. GEORGE BUSH
310 FIRST STREET S.E.
WASHINGTON, D. C.

20003



JEAN IRWIN
4497 LORSET CIRCLE
DECATUR, GEORGIA
30032

Irwin, David.
8
Watergate

June 18, 1973

Mr. David A. Irwin
5304 Manorfield Road
Rockville, Maryland 20853

Dear Mr. Irwin:

Thank you for your very thoughtful letter of June 1. I am very appreciative of your kind remarks about me, but I'm a bit sad that you are still determined to leave the Republican Party.

I think we're in basic agreement about the Watergate mess, so I won't even go into that again except to say that I do have confidence that the President was not involved. I think the men around him who seem to be deeply involved did not serve him well, but it is entirely understandable to me that with all the pressing affairs of state he was concerned with he placed total trust in those who had served him well in the past and whom he had no reason to doubt.

I think the President has a fine record domestically, ~~too~~. Certainly his hands have been tied somewhat by an uncooperative Congress, but there has been some significant progress. I've enclosed a summary booklet on the first four years which was compiled last year. It's not as comprehensive as it could be, but it does contain brief summaries on a variety of subjects.

I don't know whether I've changed your mind or whether it can be changed. We want your support and your input, and I hope you'll at least wait until all the facts are in on this Watergate mess before you make your final decision to leave the Party.

Thanks again for writing.

Yours very truly,

George Bush

Enclosure

GB/EO/br

Bush Library Photocopy

JUN 5 1973

~~JUN 2 1973~~

5304 Manorfield Road
Rockville, Maryland 20853
June 1, 1973

Mr. George Bush, Chairman
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003

Dear Mr. Bush:

I thank you for your letter to me dated May 22, regarding my decision to change party affiliation. Because I am impressed with your sincerity I think it worth the time to clarify my views. It is also because you have established a reputation of integrity and excellence that I think it worthwhile to spell out how I feel in hope that you will use the imprimatur of your office to help extricate the country from its greatest leadership and moral crisis in modern times.

Of course I agree with you that a "handful" (relatively speaking, of course) of men have blackened the reputations of many. It is most unfortunate that the Percy's, the Gude's, the Mathias' and the like are suffering the stigma of Watergate.

I do not fully agree with you about the accomplishments of the administration. Clearly the recognition and opening of relations with China is the high watermark of the Nixon administration and other aspects of the Kissinger-Nixon foreign policy are laudable. Domestically though, the administration's record in my opinion is deplorable. It is here that the secret deals and funds; gross misrepresentations of fact to the public; the inability to cope with inflation, energy and environmental problems; the failure to meet the challenges of minorities and the underdogs, to name only a few, haunt and plague the administration.

But the foregoing are not my chief concern right now. Despite their paramount importance they must be put aside in the shadow of Watergate. To begin with, I don't share your confidence that Mr. Nixon, who I openly supported and voted for in 1968 "is free of any culpability."

Bush Library Photocopy

Mr. Bush
June 1, 1973
Page 2.

As a lawyer I construe the evidence against Mr. Nixon from his own statements and those from his aides as sufficient to warrant sanctions at this time. Even assuming, arguendo, that he did not know the scope of the Gestapo-type operations that were being conducted in his name and from his offices, he should have known and therefore, at least in my mind, he would be equally as culpable.

No purpose would be served by a rehash of the facts and evidence. They are well known and documentable. What outrages me and large numbers of my peers, professional associates and, business colleagues is that had Watergate not blown the lid off the crimes being perpetrated in the name of the President, our constitutional form of government would have changed. If a McGovern or any candidate or political philosophy does not win the mandate of the populace in a fair and honest contest, so be it. But it is an outrage that the office of the President could become campaign headquarters for a conspiracy the result of which is an alteration of free democratic form of government and the substitution therefor of what smacks of facism. This the President would defend in the name of "zeal."

In short, I think Mr. Nixon's position indefensible. He should resign or you and the other party leaders, the one's who must take the GOP into the future must foment impeachment. The GOP leadership would be recreant in its responsibility to America -- the land of the free -- if you do not do so.

I speak out solely from the greatest concern for this nation which I hope provides my two small children as well as all Americans what I thought we were moving toward -- a government of the people, for the people and by the people.

Very truly yours,

David A. Irwin

David A. Irwin

Irwin, David A.
8
Watergate

May 22, 1973

Mr. David A. Irwin
5304 Manorfield Road
Rockville, Maryland 20853

Dear Mr. Irwin:

I appreciate your taking the time to write me your May 3 letter, even though its contents distress me very much. You are condemning the entire Republican Party for the acts of a handful of men who were totally lacking in judgment. Even before I became National Chairman, I spoke out loudly and clearly - at every opportunity - about Watergate. It was a sordid event, and I strongly support all efforts to get at the truth and punish those who are guilty and exonerate those who are innocent. I sincerely believe the President is free of any culpability in this affair.

I wish very much that you would reconsider your decision to change your party affiliation. Please look at the facts and note the difference between Republican Party principles and the actions of a few individuals. Too, the Administration has a proud record of accomplishments, both in foreign affairs and at home.

I am pledged to do my level best to work here at the RNC to improve the image of the Party and to try to run things on a fair and principled basis. I hope you will reconsider and give us your support. We need you.

Yours very truly,

George Bush

GB:RZ:jj

RZ

5304 Manorfield Rd.
Rockville, Maryland 20853
May 3, 1973

Mr. George Bush
Chairman, Republican
National Committee
310 First Street, S.E.
Washington, D.C. 20003

MAY 4 1973

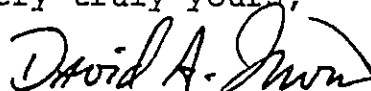
Dear Mr. Bush:

As you can see from the enclosed copy of letter to the Montgomery County, Maryland Supervisor of Elections, I have effected a change in my registration from Republican to Democrat.

I think you, as Chairman of the Republican Committee, should know my reasons. I am deeply concerned with the continuing deteriorating moral responsibility of the present administration culminating in the painful, and all too long delayed, release to the public of the distasteful facts of the Watergate and surrounding incidents. Moreover, the financial practices and total lack of responsibility of the Committee to Reelect the President are not only totally offensive to me, but patently "UNAMERICAN." In short, it appears that the White House and the Republican party condones "gestopo" tactics. I don't! Therefore, I have changed my party affiliation.

For your information, although I have been giving thought to a change of party affiliation for some time, I awaited a statement from the President with the hope he could allay my fears. In my opinion he waited much too long and his statement, when finally forth coming simply lacked credibility; the President either knew or, at least should have known what was going on. In either event I no longer consider Mr. Nixon fit for the office he holds -- the highest and most honorable in the world.

Very truly yours,



David A. Irwin

Bush Library Photocopy

5304 Manorfield Rd.
Rockville, Maryland 20853
May 3, 1973

Supervisor of Elections
Box 333
Rockville, Maryland 20850

Dear Supervisor:

I understand as a result of a telephone call to your office that through the vehicle of this letter I may change my registered party affiliation. Accordingly I would appreciate your deleting my name from the lists of registered Republicans and the stead thereof enter my name on the registration list of the Democratic party.

Your attention to this matter is appreciated.

Very truly yours,

David A. Irwin

David A. Irwin

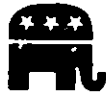
cc: Mr. George Bush



From the desk of
GEORGE BUSH

10/9/73

June - This guy
called Monday.
Wanted to talk
to G.H. - offered
to meet him in
NY etc - Had
Tom call back but
he wasn't there. GB
should not have to
bother with him. RJ



Spencer

From the desk of
GEORGE BUSH

David
Mr. James =

8

S. Z. H.

Syracuse *→*
Interview

315- 422-7762

Return

Call & he will be out
tom, wed, Oct 8

*James David
&
Watergate
Tapes*

August 24, 1973

Dear Mr. James:

I promise not to become your number one "pen pal" but I read your thoughtful letter of August 8 with a great deal of interest.

Thanks for your suggestion. You've made an excellent point and I hope you will continue to give us the benefit of your advice and counsel. It's most helpful.

With best wishes, I am

Very truly yours,

George Bush

Mr. David James
317 State Tower Building
Syracuse, New York 13202

Bush Library Photocopy

C

B

DAVID JAMES
ATTORNEY AND COUNSELOR AT LAW
317 STATE TOWER BUILDING
SYRACUSE, NEW YORK 13202

AUG 10 REC'D

August 8, 1973

George Bush, Chairman,
Republican National Committee,
310 First Street, S. E.,
Washington, D. C. 20003

Dear Chairman:

Upon reading the arguments of President Nixon's lawyers reported in the fourth column of the Syracuse Post-Standard for today on page 3, it is quite convincing for highly intelligent people, but almost totally lacking in any public appeal to the masses of our average voting citizens. The arguments are good as far as they go, but could be greatly improved by the addition of just a few phrases.

For instance, in his refusal to honor the subpoena of Cox for the tapes of private presidential conversations, the article states "if Nixon were compelled to produce the material, "from that moment it would be simply impossible for any president of the United States to function. The issue in this case is nothing less than the continued existence of the presidency as a functioning institution." Personally, I would add it would even cripple the function of the defense of the country and its essential interests, which can only succeed under one single authority.

Something like I have outlined would draw strong support from the some 18,000,000 World War II veterans, besides those of the Korean and Vietnam Wars.

In other words all such arguments should, carefully, consider the two aspects thereof, namely, appeal to the favorable decision of the judge or judges presiding in addition to the winning of the favor of the general public, or a major portion of it.

I trust this suggestion may prove of some help in the situation.

Sincerely,

David James

Bush Library Photocopy

Post-Standard Editorial by
Charges Abuses

Of Free Speech

To the Editor:

The letter, published in the morning's mail column on May 26, over the name of DAVID JAMES, regarding Watergate referring to your editorial of May 23, was NOT written by me even though I bear that same name.

I am the DAVID JAMES who wrote the "Lawyer's Tribute To Will Rogers" published in that same column shortly after he was killed in the airplane crash in 1935. My compositions were published in said column up until 1938, when I discontinued.

Since then I have avoided taking part in public debate and would still continue to do so, if it were not for the misimpression said published letter makes that I wrote it.

In my estimation the whole Watergate affair arose because of seditious remarks and statements made during the last national campaign some of them even on enemy territory, while our country was at war. To me such sayings were borderline disloyal and traitorous to the United States while we were at war. Therefore, this whole episode in our political history was brought on by abuses of free speech. In this connection it is observed that the Congress of the United States has outlawed visits to enemy territory, while we are at war.

Regardless of all of the innuendoes from hearsay evidence adduced in the Senate committee investigation of Watergate, our President is presumed innocent and he is duty-bound to maintain executive privilege.

This will make clear my thoughts about this situation.

DAVID JAMES
317 State Tower Bldg.
Syracuse

For Standard Editorial by
Charges Abuses

Of Free Speech

To the Editor:

The letter, published in the morning's mail column on May 26, over the name of DAVID JAMES regarding Watergate referring to your editorial of May 23, was NOT written by me even though I bear that same name.

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This will make clear my thoughts about this situation.

DAVID JAMES

317 State Tower Bldg.
Syracuse

James, David
28
Pro Pres on
Watergate

June 12, 1973

David James, Esq.
317 State Tower Building
Syracuse, New York 13202

Dear Mr. James:

Thank you for your letter of June 1 and the accompanying editorial. I think you were wise to clarify this matter with your local newspaper.

Your loyalty to the President is heartening, and I thoroughly agree with you that a person is innocent until proved guilty.

I thought you might be interested in the enclosed brief outline of the President's recent statement on Watergate. I, too, agree we must have full disclosure with the guilty paying the price. Hopefully, this will be accompanied by innocent people being ~~proved~~ *shown* innocent.

Again, thanks for taking the time to write and for sending your excellent article.

Yours very truly,

George Bush

Enclosure

GB:JJ



Bush Library Photocopy

DAVID JAMES
ATTORNEY AND COUNSELOR AT LAW
317 STATE TOWER BUILDING
SYRACUSE, NEW YORK 13202

June 1, 1973

George Bush, Chairman
Republican National Committee
310 First Street, S. E.
Washington, D. C. 20003

JUN 4 REC'D

Dear Sir:

Somebody by my same name forced my hand in expressing myself on watergate. Because of the prestige gained in the past by publications of mine broadcast through the Associated Press, it seemed advisable to bring same to your attention with the thought in mind that the broader the writing is circulated through the news media, in addition to being expanded upon and used in speeches of administration spokesmen the more it can be of help to our President in his present predicament. Of course, the timing of its use is entirely up to you, gentlemen, in the leadership positions of the Republican Party.

Kindly, acknowledge receipt of the news clipping enclosed, which I trust will be of some help.

Sincerely yours,

David James
DAVID JAMES

Encl. 1

*James, Walter Joe
Watergate*

September 13, 1973

Walter Joe James, Jr., Esq.
James & Lowe
Traders & Farmers Bank Bldg.
P. O. Box 576
Haleyville, Alabama 35565

Dear Mr. James:

Thank you very much for your recent letter giving me the benefit of your frank views concerning this Watergate mess.

While I have never condoned the wrongdoings of the few involved in the Watergate matter, I do agree that the issue has been overplayed and have strongly expressed my confidence and support in the President at every opportunity.

Enclosed for your information are some statements issued from the Republican National Committee concerning Watergate, and a copy of a statement by Senator Bob Dole, former Chairman of the Republican National Committee - and certainly one of our outstanding Republican leaders. I hope these items will be of interest to you.

Thank you again, Mr. James, for your loyalty and support. Your views and opinions are always welcome.

Yours very truly,

George Bush

Enclosures

GB:RZ:jj

Bush Library Photocopy

LAW OFFICES OF
JAMES & LOWE

TRADERS & FARMERS BANK BLDG.

P. O. BOX 576

HALEYVILLE, ALABAMA 35565

A.C. 205-486-5296

WALTER JOE JAMES, JR.

JOHN W LOWE

AUG 27 REC'D

August 23, 1973

Mr. George Bush
Chairman of Republican National Committee
Washington, D. C.

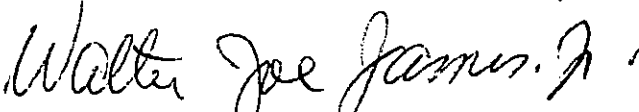
Dear Mr. Bush:

As a small contributor to the Republican Party on a sustaining basis for the past several years, I would like to see more support of our President out of the Republican leaders. I support the President and I believe that he has been harassed far too long concerning the "Watergate Matter."

I would also like to mention my personal opinion that our Republican Senators generally inspire about as much enthusiasm as a sack of manure.

Very truly yours,

JAMES & LOWE



Walter Joe James, Jr.

WJJJr/lac

Bush Library Photocopy

Jeffries, Thomas M.
8
Watergate

April 24, 1973

Mr. Thomas M. Jeffries
904 East Court Street
Janesville, Wisconsin

Dear Mr. Jeffries:

Thank you very much for your very thoughtful letter. It was good of you to write, and I thank you too for that great pen.

I am convinced that the President is doing and will do everything he can to clear up this Watergate incident just as quickly as possible. Incidents of this nature, no matter on what side they occur, downgrade the political process. The best way to contribute to morality in government is to set the proper example. Unfortunately the good examples set by the majority of our public servants are often overlooked or overshadowed by a few very bad examples.

Thanks again, Mr. Jeffries for your kind words. I appreciate hearing from you.

Yours very truly,

George Bush

Bush Library Photocopy

THOMAS M. JEFFRIS II
904 EAST COURT STREET, JANESVILLE, WIS. 53545

16 April 1973

APR 1 1973

RZ

Dear Mr. Bush,

Thank you very much for your letter of April 12.
I agree with you 100%, and I do think you are doing
a very good job in your new position.

I don't speak as a neophyte; I have been extremely
active in Wisconsin Republican politics, just fin-
ishing up a term as County Chairman of our 5th
largest county (Rock). Nor am I some kind of
idealistic nut; but I really think the Nixon cam-
paign...besides the fact he didn't do anything to
help anyone other than himself...was probably a
campaign that hit an all-time low in morality.
This "executive privilege" has gone to the ludicrous
in my estimation.

Speaking as a very pragmatic person, the reason it
should be cleaned up is it is just going to absolutely
murder us in 1974. Believe me, the nobility you speak
of is becoming very strained. The attitude of the
grass roots Republican at the local level is just total
disgust.

I have been following your career with great interest.
I still think it's amazing you came as close as you
did against Bentsen when you carried so few counties.

Please accept the enclosed pen with my compliments. 1

Respectfully yours,



Thomas M. Jeffris
rt

Mr. George Bush, Chairman
Republican National Committee
310 First Street, S.E.
Washington, D. C. 20003

Bush Library Photocopy

April 12, 1973

Mr. Tom Jeffris
The Parker Pen Company
Janesville, Wisconsin

Dear Mr. Jeffris:

Your comments in response to our plea for support of our Sustaining Membership Program have been brought to my attention. I very much appreciate your sharing your views with us.

No one would like to see Watergate cleared up more than I. I don't like it, and I have spoken out openly and publicly against it. I want to see the matter cleaned up and cleaned up promptly. I am glad to know of your concern on this matter. Believe me, I share it.

I am convinced that the President has nothing personally to hide. He has said that his people would answer all written inquiries from the Ervin Committee; he has ordered his people to appear before the Grand Jury; and he is trying to work out some ground rules under which White House people can appear before the Committee. This certainly shows cooperation, but, again, I agree the whole matter must be cleared up.

Please don't lose faith in our political system or the Republican Party. Having served in politics many years in a number of different capacities, I look upon it as a noble profession. Politics is, after all, basic to our free system of government, and my experience at the United Nations, where I worked with representatives of 131 different governmental systems, reinforced my belief that ours is the best by far.

We do not condone incidents of this type, I can assure you. All our efforts at the RNC are geared toward building and strengthening the party and electing a Republican Majority to Congress in '74. We cannot succeed without your help. I would be pleased if you would reconsider and support the Sustaining Membership Program. I'll do my level best to merit that support.

Yours very truly,

George Bush

Bush Library Photocopy



THE
PARKER
PEN
COMPANY

JANESVILLE - WISCONSIN - U.S.A.

Mr. Wilson,

Am so disheartened
about G. O. P. in this state,
things go from bad to
worse (I just ended road
county chairman of 5th
largest county) \$500,000
in debt and Baylors
Melson & Co. is again coming
up this Watergate caper
at Burlington - why can't
we clean it up now, take
our beating & get on with
it — Tom Jeffris

TOM JEFFRIS

*Johnson, Albert S.
Watergate*

June 11, 1973

Mr. Albert S. Johnson
Oracle Drilling Company, Inc.
Box 449
Oracle, Arizona 85623

Dear Mr. Johnson:

Thank you for your thoughtful letter of June 6.

I am glad that you agree with some of my points, even though you have some reservations. I am sorry you feel that all government officials are unrealistic. I simply don't think this is so. I gave up a successful business career because I believe in the system, I believe in politics, and I want to do my part in making them work.

I agree with you wholeheartedly when you say the true strength of our great country stems from the rank and file of the American people.

Once again, Mr. Johnson, I ask for your support. I am working night and day to merit such support.

Yours very truly,

George Bush

GB:JJ



Oracle Drilling Company, Inc.

BOX 449
ORACLE, ARIZONA 85623

June 6, 1973

AREA CODE 602
896-2394

Mr. George Bush, Chairman
310 First Street Southeast
Washington, D.C. 20003

Dear Mr. Bush:

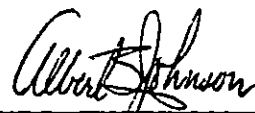
Thank you for your recent correspondence encouraging me to retain my faith in the Republican Party and to continue my support. I agree with the important points you have made and I'm not losing sight of the good works of this administration. It's basic goals are those I believe to be best for the future of this great country.

Even so, I plan to bide my time and watch for further developments. The revelations of recent weeks have left me with a feeling of uneasiness. It is evident that all of you in top government live in an atmosphere far removed from the realities of everyday life experienced by people such as myself. ~~You are preoccupied with ambitions of wealth and power so far removed from that of the average American citizen that we cannot relate to you in any way whatsoever.~~ In your endless requests for money through taxes and contributions, you are asking us to support a standard of living for you we cannot even provide for our own families.

I am a successful small contractor, 41 years old, have a family, and feel that life has treated me well. I love this country because I believe that no other country at any time in history could have given me such an opportunity for so fulfilling a life. But I believe that you and yours would view with scorn the life that I'm so content with. And I believe that the true strength of this country lies in the people out here working and living lives similar to mine rather than with you fat cats in Washington, D.C.

And so, for the time being at least, I think I'll sit on the sidelines and watch.

Sincerely yours,


Albert S. Johnson

Bush Library Photocopy

Johnson, Charles -
8
Pro Chm. re Watergate

July 3, 1973

Mr. Charles R. Johnson
Johnson Investment Company
367 East Sunset Avenue
Raymondville, Texas 78580

Dear Mr. Johnson:

I want to thank you most sincerely for your words of encouragement. I appreciate your gracious comments.

These are not easy days, but we're doing our best. I am convinced the Party will not suffer unduly, in the long run.

Again, many thanks for your expression of friendship.

Yours very truly,

George Bush

GB:JJ

Johnson Investment Company

PHONE 689-3332 OR 689-3385
367 EAST SUNSET AVE.
RAYMONDVILLE, TEXAS 78580

JJ - thank

June 29, 1973

JUL 2 REC.

Honorable George Bush
Chairman, Republican National Committee
310 First Street, S. E.
Washington, D. C. 20003

Dear Mr. Bush:

I want to compliment you on your speech in reference to Watergate and your stand on it. I think you are doing the right thing.

I have the greatest respect for you and I think you are an extremely capable man.

With best regards.

Your friend,

Charles R. Johnson
CHARLES R. JOHNSON

CRJ:rm

Bush Library Photocopy

*Johnson, Mrs. J.C.
8
Watergate*

June 4, 1973

Mrs. J. C. Johnston
Box 926
Aspen, Colorado 81611

Dear Mrs. Johnston:

I wanted you to know how much your recent letter was appreciated.

This is a very troubled time for our country. The Watergate, an ugly mess which I in no way condone, was the product of a few misguided, very irresponsible individuals who violated a high trust and who served neither our President nor our country well. And those men were dead wrong.

I firmly believe that the criminal justice system will work in this country and that the truth will be revealed. The guilty will be punished and the innocent exonerated. I deeply believe in the political process, and I don't want to see it sullied by the handiwork of a few who apparently were totally lacking in judgment. And, I believe that our American system is a good system; it works and has long served us well.

In a difficult time, however, sometimes it is all too easy to lose faith and even to lose sight of some of the basic principles of our system -- one, for example, that a man is innocent until proven guilty. I would urge you not to lose sight of that treasured principle.

You asked what we can do. Out of this can come a strengthening of our American system and its political process. We can and should be doing what Americans have done for almost two hundred years to jealously protect a system in which they believe -- working hard within that system to strengthen and improve it, but never violating any of its basic principles in the process. Although our system is a good system, it is only as good as we make it and as strong as our faith in it.

Mrs. J. C. Johnston

-2-

June 4, 1973

Know that I will be doing all I can here to continue to build and strengthen a good, clean, decent Republican Party, a party in which you, whatever your political persuasion, will have continued confidence.

Thank you very much for writing.

Yours very truly,

George Bush

gb/mj

Box 926 - 81611

Aspen, Colorado

Dear Mr. Bush

The United States of North America of recent months is gone — Our "Beloved Country"! The "Mide" of nations there "he lies" — and "we have met the enemy and he is us" — we all are at fault — The barbaric destruction of our unholy war — and now this disclosure of our national cancer — we have condoned hypocrites and liars — men living and dead — Foster Dulles — Henry Kissinger — The men around Johnson — but worst of all — our acceptance of this man without honor or honesty — Richard Nixon — (the printer voices in his debut campaign — The telephone rings — "Do you know Helen Sabaghe Douglas is a Communist and her husband is a Jew?" — and we didn't even blush!)

What can we do to be saved? Not much — and only you and Mr. Strauss can do it — Will you?

Sincerely yours —

(Mrs. J. C.) Mary Johnson

6th May, 1972

*Johnston, Mrs J. C.
Watergate*

October 15, 1973

Mrs. J. C. Johnston
Box 926
Aspen, Colorado

Dear Mrs. Johnston:

Thank you very much for your thoughtful letter. At times it seems that our problems are insurmountable, but then I look at our overall system and I see much more strength than I do weakness.

My two years as U. S. Ambassador to the United Nations were very helpful to me. They gave me a chance to look at other systems and to see others take a look at us and, believe me, with all our obvious problems we've got something unique and worth participating in.

So don't despair. I believe long after the cast of characters of Watergate have been forgotten it's going to be proved and proved definitively that our system works and works well. I will be fighting for change and for improvement, but I have that fundamental conviction that we've got something pretty special. Your letter meant a lot to me.

Yours very truly,

George Bush

GB/hc



Box 926 - 81611

Aspen, Colorado

Dear Mr. Bush

The only heartening happening in this saga of the degradation of every facet of democracy, capitalism, of our country by the men in the White House was the appearance of you and your friend, Mr. Strauss, Chairman of the Democratic National Committee at the Democratic National Selection. It was like a Star in the East. Please make it last — our only hope!

What has happened to the indispensable called common sense? and honor and decency and enlightened self interest?

We have lost so much in standards and good taste! only the strong advice of men like you can start us on our way back.

Yours sincerely,

(Mrs. L. O.) Mary Johnston

1st October, 1973

Johnston, Mildred
'8
Watergate

September 4, 1973

Dear Miss Johnston:

Thank you very much for your recent letter giving me the benefit of your frank views of the sordid Watergate mess.

In this business, like all others, there are a few who believe the laws of the land and of good taste do not apply to them---but they are very, very few and they are in no way typical of the many honorable men and women of both parties who have chosen politics as their means of service to their country and her people.

I can't recall anyone saying that the alleged participants in the Watergate were not Republicans; however, I hope you will not blame the entire Party for the actions of a handful of people. Do you blame the entire Democratic Party when a former Democratic Governor, a seated Federal Judge, was convicted in Illinois? I don't think you do. You and most of the American people are fair. In Texas last year there was a major scandal called Sharpstown. The party was not the loser, but the Democrat officeholders involved for the most part were defeated at the polls, while many of those who defeated them went on to win against Republicans. The loser is the system, not the party. The Watergate case is in the hands of our criminal justice system. As you know, under the American system, a person is innocent until proven guilty in our courts of law. Part of our system is the safeguarding of those who may prove to be innocent.

The Watergate was the product of the actions of a few misguided, very irresponsible individuals who violated a high trust and who served neither the President nor their country well. I don't believe the President was involved in the sordid Watergate mess. During that period the man was ending the Vietnam War, the man was coming to grips with some of the toughest economic problems this country has faced; and I just don't think anyone can expect that he'd know every detail of the case. The President has promised the American people that the guilty parties will be brought to justice no matter who is involved. I am confident that our criminal justice system will punish the guilty and will exonerate the innocent. This is up to the Courts, now. As the President said recently, we must get on with the urgent business of the nation.

We at the Republican National Committee in no way condone what happened, and I am convinced that ~~the~~ RNC was in no way involved in Watergate. Further I am convinced that only a handful of Committee for the Re-election of the President (CRP) people were involved. Please know that I will not tolerate any unethical, immoral or illegal actions at the RNC.

Miss Johnston

2

September 4, 1973

Thank you again for sharing your thoughts with me. Your frankness and directness are appreciated and will always be welcome.

Yours very truly,

George Bush

Miss Mildred E. Johnston
3705 Roanoke
Toledo, Ohio 43613

Bush Library Photocopy

GB/dr

August 18-1973

R2

AUG 22 RECD

Mr. George Bush, Chairman
Republican National Committee
Washington D.C.
Dear Mr. Bush:

I have lectured with great interest to the veterans
testifying before the Evans committee. I am just one of those
last Americans mentioned by Senator Graham. I seldom write
a letter such as this, but for a long time the Republicans have
been making a nonsense out of me as I feel compelled to write.
(1) Just saying that Shattucks was allied activities with
not done by Republicans. The events took place to me that
Mr. Tyson in spite of the odds in his favor. He calls himself
a Republican. As he or isn't he? He does the man around
him. What happened to Republican leadership? And why
wait necessary to have a committee to decide the President
when there were Republican national committee? I have
heard the so-called news.

(2) I can see Mr. Tyson say, "At that time there was a
Shattucks" when young men were great and were a
murdered loyalty to him which led them into illegal
acts for which they and not he are paying dearly? What
happened to Mr. Tyson's statement that he accepted the
responsibility? There is he doing that?
(3) I can see he say, "At that time there was a
Shattucks" when young men were great and were a
murdered loyalty to him which led them into illegal
acts for which they and not he are paying dearly? What
happened to Mr. Tyson's statement that he accepted the
responsibility? There is he doing that?
involvement, and two former Orthodox also into the process.

learned the first public servants he had ever known, & heard their instance before the American public? & always thought the President was the President of all the people. I never thought the losing party was to be considered an enemy to be eliminated. Now in the bringing the American people together?

(4) Just saying the entire committee is not to get Mr. Tupper. There who appeared before the committee will meet again meet with more considerable investigators, not making how tough they seemed to be. It that had done a great deal as Mr. Tupper was denied by saying, he said, Mr. Eisenhower would have had to answer questions by "yes" or "no" and not by the division method he used to elicit and impel the

recess. (5) Just saying, "The Government did it." That sounds as though the Republicans endorse the thing and illegal facts. It the Democrats have their own "strategy": suggested that you, Mr. Tupper, have spoken out against some of the questionable comparisons.

(6) Just saying that animals wealthy contributions to political campaigns as just all right. It makes me feel that Republican endorse all the funny money business "which seems in the Committee to be. elect the President, not to mention the illegal and - or questionable contributions which are coming to light now: they have elected Mr. Tupper all right but what happened to the Republicans with regard to the people?

(7) How can the Republican Party go along with Mr. Tupper saying the mistakes were made in the interests of national security when the men he has attempted to indict the very agencies charged with national security?

(8) Also know the Republican Party quit trying to take the Democratic Party, the Party of the poor, and got on with attacks and discussion of new political issues. But all of us are directed to total ignorance. Nobody no have money

know that Reagan. How can we have faith in Mr. Nixon when he has from him to him, made contradictory statements? How can we trust him when the chief effort of his administration has been directed toward building power in the executive branch of the government at the expense of the other two - by fair means or foul - mainly foul. How has his supposedly leadership been more needed. I would like to see the Republican Party directly serve.

Very truly yours,

Michael E. Johnson
3705 Reservoir
Folsom, CA 95613

This letter was composed before Mr. Nixon's so-called reply to "Nativist" August 15, 1973. Nothing he said has made any difference. In fact his reply was no reply at all. The several questions he still un-answered. "Nativist" is more than illegal breaking and entering and trespassing. His pathetic effort to shift the blame from his administration and his effort to get the public to not know he is all off the beam implies only one thing: the status still further. I repeat, not all of us are directed to total ignorance.



**Republican
National
Committee**

George Bush, Chairman

*ans. by hand
4/17*

Joly

April 16, 1973

MEMORANDUM

To: George Bush

From: AB Hermann

I talked with Cy Joly who, in addition to being an RNC Committeeman, is a former State Chairman and was a field representative for the RNC in '59 and '60.

He was especially concerned relative to the fall-out as a result of Watergate. He called to my attention what happened in the '58 Congressional campaign due to the Sherman Adams problem.

This fall-out, as I recall it, lost 13 U.S. Senators, approximately 45 Members of the House of Representatives, and six or seven Governors for the Party.

Cy suggested that we do everything possible to expedite action - even if certain heads have to be hung.

Cy's reaction to your visit to Maine was enthusiastic. He thought you did a splendid job and were well received by the rank and file of those present.

ABH:jj

ABH 1-6
AB Hermann

Bush Library Photocopy

July 8
Interstate

August 7, 1973

Jones, Gaston C
Watergate
Funds

Mr. Gaston C. Jones
1550 First City National
Bank Building
Houston, Texas 77002

Dear Gaston:

I would be extremely interested in seeing what you receive from Archibald Cox. Those clippings dug out by the research library were right on target, and really that whole question of forgiving debts is clearly a form of corporate contribution. It will be interesting to see whether Cox expends some of his great energy on this question.

Warm regards,

George Bush

GB/hc

C

Bush Library Photocopy

pc att

GASTON C. JONES
1550 First City National Bank Building
Houston, Texas 77002

August 1, 1973

AUG 23 REG

*F. W.
I dictated
on this over
weekend!*

The Honorable George H. W. Bush
Chairman, The Republican National Committee
310 1st Street, S. E.
Washington, D. C.

Dear George:

An addendum to my July 31 covering letter.

The July 31 interrogation of H. R. Haldeman by the Inquisition Committee covered, in depth, the use and disposition of \$350,000 in Nixon Committee campaign funds left over from the 1968 campaign. This should supply the precedent for inclusion of the subject of corporate writeoffs of 1968 Democrat campaign debts in the forthcoming Cox investigation.

Sincerely,

Gaston
Gaston C. Jones

G CJ/mp

Bush Library Photocopy

*Jones, Gaston C.
8 Watergate
Write to Mr. Cox re
bad debt cancellation*

July 16, 1973

Mr. Gaston C. Jones
1550 First City National Bank Building
Houston, Texas 77002

Dear Gaston:

Thanks for your letter. I would strongly encourage you to write a letter to Mr. Cox, giving him as much information as you have available on the cancellation of bad debts. If you do write such a letter, please send me a copy.

You are absolutely right on this. I will follow up.

Best regards.

Yours very truly,

George Bush

GB:jj

2

GASTON C. JONES

July 13, 1973

JUL 16 1973

Mr. George H. W. Bush
Republican National Committee
310 First Street Southeast
Washington, D. C. 20003

Dear George:

On February 8, 1972, I wrote John Tower with respect to the Democrats' increasing use of corporate and Federal government money for financing their political campaigns through the expedient of not paying for goods and services furnished in connection with their campaigns. A copy of my letter is enclosed.

I have been shocked at the statements American Airlines officials have been making about Republican fund raising practices, and I am virtually sure that American was one of those which has voluntarily written off Democratic campaign debts on one or more occasions during the past six years. I would certainly imagine that American has claimed deductions for these "bad debts" for income tax purposes. Perhaps while Mr. Cox is investigating the Republican fund raising practices in connection with American Airlines, he should also investigate American's contributions to the Democratic campaigns through write offs of debts incurred.

Sincerely,


Gaston C. Jones

rh

Enclosure

cc: John Tower

Bush Library Photocopy

GASTON C. JONES

February 8, 1972

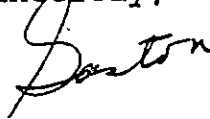
Dear John:

I am very unhappy to watch the increasing use of federal government money by the Democrats for financing their political campaigns. This is the result of their running up bills for services, etc. and then requiring the corporations or others to write off the accounts as bad debts. In turn, the taxpayers suffering the losses claim them as deductions against taxable income for federal income tax purposes, thus sharing the loss with the federal government. As you know, publicized losses in this category, including those from the Bobby Kennedy campaign, amounted to millions of dollars.

This violates two principles. First, it allows corporations to make political contributions, and second, by allowing tax deductions for the write offs, it requires the government to pick up fifty percent or more of the cost.

Perhaps the Party Platform should contain a proposal that (1) no bad debt deduction would be allowed with respect to charges made for goods or services furnished to a political campaign and (2) no such loss could be used by the corporation (or individual) in determining regulated profits, etc. The proposed law would not prohibit the granting of credit, but under its provisions it would be quite difficult for a political campaign to receive credit unless the vendor were reasonably certain of payment.

Sincerely,



GCJ/cm

Senator John G. Tower
Old Senate Office Building
Washington, D. C. 20510

GASTON C. JONES

1550 First City National Bank Building
Houston, Texas 77002

July 31, 1973

AUG 2 1973

The Honorable George H. W. Bush
Chairman, The Republican National Committee
310 1st Street, S. E.
Washington, D. C.

*Dictate
very good*

Dear George:

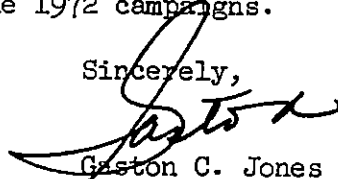
Here is a copy of my letter to Mr. Archibald Cox. The thicker set of clippings was sent to him. As indicated on the tabs, the thinner set is not particularly applicable and was not furnished to him. These clippings were furnished by the Harris County Republican library which you started when you were County Chairman.

I have shown your copy of the Cox letter on the original as I think in that way it is less likely to be ignored.

I'm surprised that no stockholder class action suit has been brought against the officers and directors of American Airlines with respect to this reckless disregard for company assets. I would think management would be quite vulnerable.

In the Watergate Hearing on July 30, 1973, a line of questioning relative to the 1968 campaign was stopped and I expect Mr. Cox to decline to pursue this matter on the same grounds, but there are several distinctions. First, some of the forgiven indebtedness reported in the attached news stories arose in the 1972 primary campaigns or in preparation for them and much more importantly, there is some indication that several million dollars of 1968 debt was forgiven or compromised in 1971 and 1972, and this action could certainly be construed as having possible association with the 1972 campaigns.

Sincerely,



Gaston C. Jones

GCJ:hs

Encl.

cc: Senator John G. Tower (with enclosures)
Mrs. Nancy Palm (with enclosures)

Bush Library Photocopy

GASTON C. JONES

1550 First City National Bank Building
Houston, Texas 77002

July 31, 1973

Mr. Archibald Cox, Esq.
The White House
Washington, D. C.

Dear Mr. Cox:

The thrust of the news media is that your investigation of the financing of presidential elections will be confined to the 1972 campaigns and will be principally an investigation of Republican practices. I trust your investigation will be more unbiased than indicated by the news media.

Contributions to political campaigns may be either in cash or in goods and services. They may be either direct or indirect, but contributions of any of the four types still constitute contributions and still provide the same advantages to the recipients.

Widespread publicity, presumably through your office, was recently given to a \$55,000 cash contribution made to the Nixon campaign committee in 1972 by several individuals, this contribution now being alleged to have actually been an indirect contribution of American Airlines. Reportedly, American claims coercion and has asked for a return of the money. The Reelect the President Committee has already been tried and convicted of a crime by the news media even though to my knowledge no proof exists that the Committee was aware that the funds were being contributed by the corporation rather than by its officers. This \$55,000 contribution, if in fact made by American Airlines, was an indirect cash contribution by a corporation to a political campaign and was an illegal act by the corporation even though the recipients might have received the money innocent of any wrongdoing.

If your investigation of this American Airlines incident is to be meaningful, you should also make a full investigation into the indirect contribution by American Airlines of approximately \$1,000,000 to the Democrat presidential campaigns of 1968 and 1972. To ignore this fact would be truly discriminatory against the Nixon campaign and the Republican Party.

Mr. Archibald Cox, Esq., 7/31/73
Page 2

According to a UPI dispatch (a copy of which is attached), this dispatch having appeared in the Houston Post on September 27, 1972, the Democrat National Committee still owed American Airlines a debt of \$980,000 from the 1968 campaigns and was again delinquent in its 1972 travel payments. Presumably a debt of approximately \$1,000,000 still remains unpaid. The theme threading through the several other attached news dispatches is that the Democrats consider it to be usual practice to either ignore or compromise for part payment the debts remaining after the close of a campaign.

If it were not because of political pressure, a seeking of future favors, a payment for past political favors, or a genuine desire to make an illegal corporate contribution, would the management of American Airlines have allowed a buildup of approximately \$1,000,000 of presumably unsecured credit under such risky circumstances? It is particularly inconceivable that this granting of credit was made in the normal course of business when the law prohibits the deduction of any resulting loss. Thus a "bad debt loss" of \$1,000,000 as the result of a "bad debt" by a political party would have the same after-tax consequences to American Airlines and to its shareholders as would a loss of approximately \$2,000,000 in the normal course of business.

The premise that the write-off or compromise of a political bad debt is tantamount to a political contribution is amply supported by Section 271 of the Internal Revenue Code which prohibits the deduction of losses resulting therefrom even if ostensibly incurred in the normal course of business.

In a news release which appeared in the Houston Chronicle on December 10, 1972 (copy attached), it was stated that the Democrat National Committee still owed about \$5 million. Four years earlier the amount had been \$9 million and although some payments were made during the interim, various published items indicate that a substantial part of the reduction resulted from debt forgiveness and compromise settlements. An attached item dated May 17, 1969 indicates the Robert Kennedy campaign creditors forgave or compromised debts for a loss of \$2 million. Additional compromises were negotiated by the McCarthy campaign.

It seems reasonable to assume that most of the compromised liabilities of these presidential campaign committees represented debts to corporations and if this is the case, several million dollars of indirect corporate contributions have been given to the Democrat presidential campaign committees since 1968.

Bush Library Photocopy

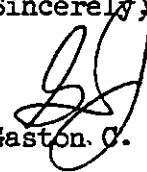
Mr. Archibald Cox, Esq., 7/31/73

Page 3

A comprehensive and unbiased investigation must include not only cash contributions, but also contributions through debt forgiveness. This investigation should also be sufficiently comprehensive to determine that in fact no corporation or individual claimed a bad debt or worthless security deduction for such indirect contributions.

The investigation of the American Airlines incident should also include an inquiry into whether American has included any losses from write-offs or compromises of Democrat political campaign obligations as costs or expenses in connection with applications for fare or rate increases or in support of fares or rates being currently charged. The inclusion of such losses as costs in determining allowable fare structures and rates for American Airlines would have the effect of shifting this cost over to American's customers and would not be in the public interest.

Sincerely,


Gaston C. Jones

GCJ:hs

Encl.

cc: The Honorable George Bush

Bush Library Photocopy

JULY 1973

American Airlines Asks Refund Of Cash Given Nixon Campaign

Washington Post Service

WASHINGTON — American Airlines formally has requested a refund of \$55,000 in corporate funds illegally contributed last year to President Nixon's reelection campaign, The Washington Post learned Saturday.

The company has acknowledged to the Finance Committee to Reelect the President that the Nixon organization did not know the money came from corporate coffers rather than legally from individuals, a source close to American Airlines confirmed in reply to a reporter's inquiry.

The financial committee is expected to grant the request, although a spokesman indicated the matter awaits a final decision. The spokesman pointedly cited a committee statement on Friday that it never authorized "anyone to solicit or knowingly accept contributions from corporations."

Special Watergate prosecutor Archibald Cox is considering impanelment of a special federal grand jury here to investigate the financing of last year's presidential elections, especially the Nixon campaign.

In announcing the illegal

contribution by American Airlines Friday, Cox vowed "to get to the bottom of illegal funding practices" and invited other corporate executives who might have been involved in them to come forward voluntarily.

HOUSTON POST

9-27-72

Airline cuts off Democratic credit

9-27-72 POST

WASHINGTON (UPI) — American Airlines said Tuesday it cut off credit to the Democratic National Committee because of more than \$6,000 in past-due bills. But a committee spokesman said he threw an airlines agent out of his office in a dispute over returned plane tickets.

Under Civil Aeronautics Board regulations, the credit cutoff prevents any other airline from extending the committee credit until it pays American. Committee treasurer Donald Petrie, however, said committee members and staff were "continuing our operations on a pay-as-you-go basis."

In a telegram to the committee Friday, American said: "We regret that such action has become necessary, but your failure to pay according to the terms of the air travel plan leaves no alternative."

The committee owned the airline \$11,657.79 in current campaign debts, "which \$6,226.70 is now past due," the telegram said. In addition, the committee still owes the company \$980,000 from the 1968 campaign.

Petrie, a statement late Tuesday, said he learned July 14 that the committee owned American \$33,000 but that he

made payments on the account until it was reduced to \$6,700 on Sept. 8.

"On that date an American Airlines representative called on me and demanded payment immediately under threat of cancellation," said Petrie.

He added that he told the agent that two months earlier the committee had returned tickets worth "at least one-half of our bill and I requested credit for those tickets."

The airlines representative then told him, Petrie said, it would take the company's computers more than two

months to figure out the amount of credit.

"I did what any self-respecting businessman would do under the circumstances," said Petrie. "I threw him out of my office and told him not to come back."

A spokesman for American Airlines said the company "would pick up the air travel cards issued to 12 members of the national committee, including former Chairman Lawrence F. O'Brien," who is national director of George S. McGovern's Democratic presidential campaign.

Changes in the election law do not apply to immediate payment of the 1968 debt.

Amis... C...
1-9-69

\$3 Million Paid Anonymously on Dem Bil. C.H.P.C. 1-9-69

Washington — Democratic national party treasurer Robert Short has frankly acknowledged that at least \$3 million in Humphrey-Muskie 1968 campaign bills had been paid directly by individuals or "non-reporting committees" because "some of these people (who put up the money) obviously don't want to be known." The federal Corrupt Practices Act requires national political committees to report the names of all their contributors of \$100 or more and all expenditure exceeding \$10.

HUMAN EVENTS
5-17-69

Soviet Union...
ability in nuclear weapons.

✓ Campaign Funds

● Big Spender Department: Lawyers for the late Sen. Robert Kennedy have informed creditors that bills amassed in RFK's 1968 campaign will not be paid in full. A Beverly Hills law firm representing Kennedy is offering the creditors as little as 33-1/3 cents on the dollar, explaining that it has been able to raise only \$1 million of the \$3 million still outstanding. A Kennedy lawyer objected when a reporter suggested the late senator's family was "welshing" on the debt. "This is standard procedure," he said.

5-17-69
H. Everett

Reader Everett Dirksen

Bush Library Photocopy

\$1 Million Still Outstanding In RFK Campaign Debt

Chron
5-2-69

BY WILLIAM GREIDER

© 1969, Los Angeles Times-
Washington Post News Service

Washington — When Sen. Robert F. Kennedy began his fatal campaign for the presidency last year, he told his brother-in-law Stephen Smith, "I think I'm going to cost you a lot of money this year."

The Kennedy campaign was indeed expensive, and Smith, the business manager in the family, is still grappling with the debt left behind after the senator's assassination.

Even though the Democratic National Committee is expected to help, and the family held five fund-raising dinners across the country, the outstanding obligation will be about \$1 million, according to a rough calculation by a former Kennedy campaign aide.

This deficit is subject to the usual negotiations which follow losing political efforts, when managers try to pare down their bills before settling. In this case, the family's great wealth might make hotels or airlines

or print shops less eager to bargain.

In California, the comptroller for the Kennedy state organization, a separate campaign outfit set up by his supporters there, reportedly offered one creditor 33 cents on the dollar as a settlement. In other cases, bills are being repaid in full; still others will get half or three fourths, depending on the claim.

An aide to Sen. Eugene McCarthy, Kennedy's rival for

the Democratic nomination, reported that the McCarthy campaign debt has virtually been liquidated now, through the same process.

"The winners pay their bills, the losers negotiate," he said. "That's the way it is."

The McCarthy managers, he said, offered 50 cents on the dollar for many of the larger bills. But this often meant more than that, because the original deposit was included in the payment.

Dems Whittling Away at Massive Campaign Debts

OAKRIDGE

9-8-69

9-8-69

HOUSTON CHRONICLE

Washington (AP) — Democrats, with the help of understanding creditors and a new drive to recruit donors, are slowly whittling away at their massive 1968 campaign debt.

The debt total, a spokesman for the Democratic National Committee said, now is about \$7.7 million.

Although the deficit has been cut about \$500,000, this was more than offset when the party executive committee de-

cided to take over \$2 million in outstanding debts run up by candidates for the Democratic presidential nomination.

Hubert H. Humphrey's successful drive for the nomination still had about \$1 million in unpaid bills, about the same as the campaign of Robert F. Kennedy.

McGovern Debt

And Sen. George S. McGovern of South Dakota, who bid briefly for the nomination, had about \$27,000 in campaign debts.

Sen. Eugene J. McCarthy of Minnesota declined the national committee's offer. He told Democratic officials arrangements had been made to pay off part of his debt, and to settle some bills on a percentage basis.

Democratic governors, many of them far more conservative than the party's 1968 candidates, objected to the debt assumption.

But Sen. Fred R. Harris, the party chairman, told them the arrangement, which called for fund-raising appearances by the former candidates, was designed to produce a coordinated money raising effort with the active participation of the party's star performers.

Creditors 'Understand'

Furthermore, a spokesman said, creditors "understand our situation, and they understand that they're just going to have to wait a while."

In addition, some of the debt may be reduced by negotiation, a common practice in settling political campaign obligations.

Party officials said Humphrey is making nine fund-raising appearances for the committee this year, and Sen. Edmund S. Muskie of Maine, his vice-presidential partner in 1968, is making eight.

Sen. McGovern also has signed for nine fund-raising dates — although his debt is tiny compared with the others.

A New York City dinner at which Humphrey, Muskie and Sen. Edward M. Kennedy all appeared cleared about \$500,000.

But current plans are to have the party's big names appear separately, because of the difficulty of scheduling joint appearances — and also because of the potential political problem of presenting men who may be rivals for the next Democratic presidential nomination.

A new organization with a \$1000 membership pricetag, the Young Leadership Council, has pledged for more than \$94,000. This is a group of young Democrats who pledge their contributions, then discuss issues with party's leaders.

But Harris is putting new stress on the Democrats' efforts to enlist smaller contributors — in big numbers.

Constitution
3-30-70
June

Firms Fined For Political Contributions

Washington (UPI) — Since President Nixon took office, 14 corporations have been accused of violating the law which prohibits corporations and unions from making political contributions to candidates for federal office.

It is the first time in nearly 15 years the law is being vigorously enforced.

Although the Nixon administration can be credited with the current enforcement, the policy change is largely the work of Internal Revenue Service agents and Democratic U.S. attorneys who began investigations during the Johnson administration.

All but one of the 14 corporations pleaded no contest or guilty and have been fined as much as \$50,000. A corporation, if convicted, can be fined a maximum of \$10,000 for each count.

Dodd, Salinger Named

In at least one case, the contributions went to candidates of both parties. In no instance were the recipients named. Without a trial, there is no way of determining who got the money.

The law contains no prohibitions against recipients, only the contributors.

The only individual recipients known to have benefitted in the 14 cases were former White House press secretary Pierre Salinger and Sen. Thomas J. Dodd, D-Conn.

International Latex Co. was fined \$5000 for making an illegal contribution in the 1964 elections. The company president had been identified as a contributor to Dodd's campaign during Senate hearings on charges the senator misused campaign funds.

Highest Fines

The National Brewing Co. was accused of making a contribution in the California senatorial primary and the general election of 1964. The money reportedly went to Salinger, former aide to President John F. Kennedy. The company was fined \$7500.

The stiffest fines were levied against two of the nation's largest steamship companies — American President Lines, Ltd., and Pacific Far East Lines, Inc. — for contributions to both Republican and Democratic candidates for Congress in 10 states in 1966 and 1968. They were fined a total of \$50,000.

Other companies fined in the past year include: Rossmoor Corp., \$3500; M. A. Nickkian & Co., \$2500; Fluor Corp., \$10,000; Max Sobel Wholesale Liquors, Inc., \$10,000; Clougherty Packing Co. and Bernard J. Clougherty, \$6000. Home Savings and Loan Assn.; Galaxy, Inc.; Arrowhead Savings and Loan Assn. and Continental Savings and Loan Assn. together were fined a total of \$48,000.

3-30-70

HOUSTON COPY

BOTH PARTIES START CAMPAIGN —WITH A SEARCH FOR CASH

One prospect in this election year: A quarter of a billion dollars will flow. Republicans will find funds pouring in. For Democrats, it's another story.

The hunt for massive amounts of money to bankroll this year's political campaigning is under way—eight months in advance of the November 3 elections.

The reason for the early start:

At least 250 million dollars will be spent this year, according to one authority, to elect Governors, members of Congress, State legislatures, local officials down the line.

Republicans—in command of the White House for the first time since 1960—begin with some big advantages over their rivals.

They have surpluses in the treasuries of all national organizations of the party; a sustaining-membership drive that brings in 3 million dollars a year, and an enthusiastic public response to fund-raising dinners across the country.

Top drawing card. Vice President Spiro T. Agnew is becoming the star attraction at these affairs. At \$100-a-plate dinners arranged for February 20-21 in Minneapolis and Atlanta, it was calculated that the party would take in more than 1 million dollars.

Three Agnew appearances in the preceding week in the Midwest netted a half million dollars. By the time he completes 10 more fund-raisers scheduled through June, party officials say the Vice President will have added between 4 and 5 million to the Republican campaign chest.

President Nixon is to be the featured speaker at a \$1,000-a-head fund-raising affair for Republican congressional candidates—called the "Majority Dinner"—in Washington, D. C., on March 11. A national party leader reports:

"We expect to raise around 2 million dollars at this affair. Last year, we had an attendance of more than 3,000, and netted about 2½ million."

Deep trouble. The Democrats—in contrast—start from behind. The party is still divided, and deep in debt, from the disastrous 1968 presidential campaign. Without a President in the White House from their party, Democrats have found financial support is lagging.

A gala at Miami Beach, Fla., on February 5—planned originally as a 2-million-dollar fund-raising effort—netted only about \$350,000 for the Democratic National Committee.

But Democrats still control both houses of Congress. A \$500-a-head joint Senate-House campaign dinner in May to raise money for Democratic congressional candidates is expected to bring in about 1.5 million.

Brighter days ahead? Some Democrats look for things to pick up after the party installs a new Chairman at a March 5 meeting of the Democratic National Committee.

The new leader is expected to be Lawrence F. O'Brien. He managed the 1960 Kennedy-for-President campaign; served in the White House under both Presidents Kennedy and Johnson, and held the party chairmanship during the 1968 campaign of Hubert Humphrey and Edmund S. Muskie.

Events to raise funds for the party are being arranged by Democrats in Cleveland, New York and Washington, to provide money for State campaigns as well as operating expenses for the National Committee.

Featured speakers scheduled are to include former Vice President Humphrey; Senator Muskie, of Maine, and Senator Edward M. Kennedy, of Massachusetts.

Party officials insist that the 8-million-dollar debt hanging over from the last presidential election will not have any impact on the 1970 congressional campaign. One party leader adds, however:

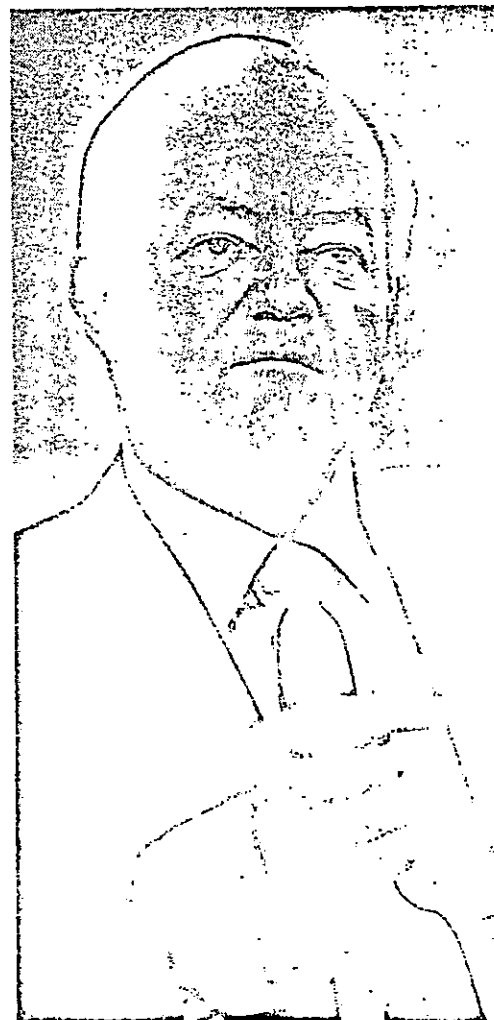
"It could have some effect on the 1972 presidential campaign, unless we are able to show good faith by keeping up our payments and in reducing the debt."

As a rule, Democratic senatorial and congressional campaign committees raise their own money separately for electing Senators and Representatives.

Also, each Democratic candidate has his own source of funds in various State and local party organizations. Many get financial aid from labor unions and "liberal" political-action groups.

Incumbents' advantage. Political strategists in both parties believe that, in the general pessimism over the plight of the Democratic Party today, this sig-

INTERVIEW WITH HUBERT HUMPHREY, FORMER VICE PRESIDENT



—USN&WR Photo

Bush Library Photocopy

nificant factor is being overlooked: A majority of the 35 U. S. Senators and 435 Representatives coming up for re-election in 1970 are Democrats. Incumbents usually enjoy an advantage in campaigning against lesser-known opponents.

The existing officeholders have developed a name identification with the voters; they have the benefits of free mailing privileges and cut-rate radio and television-production facilities on Capitol Hill, and many have established a record of service to constituents, over the years.

Field agents who have sampled public opinion in the States and congressional districts report that many incumbent Democrats personally are in good standing with the people back home. The agents note that the foregoing is a preliminary estimate, however. In many cases, Republican opponents have not

been selected, and the issues have not been joined.

This point is made in connection with local elections: In nonpresidential-election years, national issues tend to be more muted. Greater emphasis is placed on local issues and personalities.

Also favoring the Democrats: the historic precedent that in midterm elections the party in power at the White House tends to lose seats in Congress.

Hopes for the future. In coming months, Democrats believe, national conditions may arise to create public dissatisfaction close to home, which in turn may prove unfavorable for Republican candidates.

Seen as possible issues are inflation or recession in the economy; any reverses in the Vietnam war or the Mideast, and a possible upsurge of crime, racial conflict or student uprisings.

What Republicans count on is that Richard Nixon will be able to handle the major problems, or blunt their political effect by pointing out he is dealing with conditions inherited from eight years of rule by the Democrats in the White House.

Republican strategists also believe—or at least hope—that any failure to enact the Administration's legislative proposals for coping with problems will be blamed on an "obstructionist opposition Congress."

Republicans anticipate that the President, Vice President and most of the Nixon Cabinet will be out campaigning this year to elect Republicans to Congress and State offices.

This much seems certain: One of the most spectacular off-year political campaigns in modern times is coming up—and one of the most expensive.

Top Democrat Talks About Party's Debt

Q Mr. Humphrey, the Democrats are 8 million dollars in debt as a result of the 1968 presidential election. What is going to be done about that?

A Obviously, we have serious financial problems, but at this particular time this is not critical as to the 1970 elections.

The Democratic National Committee does not provide funds to candidates for Governor or for Congress. Those funds are raised in the States by their local parties and their local organizations.

The Democratic Senate Campaign Committee and the Democratic House Campaign Committee, while related to the Democratic National Committee, have traditionally raised their own funds.

Q Do you ever expect to get rid of that debt and accumulate funds for another presidential campaign in '72?

A This is, without a doubt, a major task and a very difficult one. At present, what's most important is that we have an amortization program—that is, paying interest on the loans and something on principal. Some of that, by the way, has been done.

But how will we pay it off? Let me put it this way: If we should lose the elections of 1970, it will be twice as difficult to raise funds as it is now. If we win in '70, the spirit of victory—the smell of victory—for 1972 will have a tremendous impact. There isn't any doubt about it: It will increase the interest of people around the country in participating in the Democratic Party and in supporting and helping it.

The methods that we use to raise funds will have to be greatly improved. One way is through a sustaining fund—that is, a sort of monthly individual contribution across the country—which is being worked on right now; then a whole series of fund-raising events, such as galas, dinners and solicitations across the country, including national appeals over radio and television, and direct mailing.

We think that if we can get a program that will take care of modest payments, and particularly interest payments, on loans—and if we can come up with a good record

in this election—then we'll be able to manage the finance problem. We've had debts before in the party that have gone as high as 5 to 6 million dollars, and they have been paid off. And we think that these can be paid off—in fact, we must do it.

Q There have been some suggestions that you might discount these debts—or even default on them. Is that a possibility?

A I hope we don't default. That would be most unfortunate, and I don't think it will be done. It surely won't be done with my concurrence. Hopefully we might get some discount on some of the bills.

Q Mr. Humphrey, you were the victim of great divisiveness and dissension within your party in 1968. Is the split still there?

A I think it has healed a great deal. I see this in the Democratic Policy Council, where we have more than 70 members who are representative of all shades of opinion—from the most liberal of the "liberals" to the "conservatives." While we've had some arguments, there's none of the emotional diatribe that we went through in '68. I think that we have come a long way in coming back together.

We are not trying to get even; we are getting together.

Q What is your own formula for rebuilding the party?

A The first thing the party has to do is to show up well in the elections of 1970. There's nothing quite so contagious in terms of strengthening a political party as success at the polls. Until we can show our capacity to win votes and to maintain our control in the Senate and the House, we're going to have less-than-enthusiastic reactions from many people throughout the country.

The main thing we've got to do is to concentrate our attentions upon these gubernatorial, congressional, senatorial, legislative elections of 1970. They are critical. If we can maintain reasonably good majorities in the House and the Senate and if we could pick up a Governor's seat or so, I think that we would be well on the road to a much healthier and a much more prosperous Democratic Party.

Democrats broke, still spending

By Charles Bartlett

THE DEMOCRATS' primacy as deficit spenders is challenged by the Nixon budget, but the Democrats running for President seem bent on reasserting their potential as red ink artists.

Despite the miserable record of 1968 when Democratic contenders for President left debts over the country, the new crop of candidates show surprising signs of a readiness to exceed their predecessors in extravagance.

The pace-setter is Sen. Edmund Muskie, who has budgeted a nomination campaign costing more than the combined cost of nominating Dwight Eisenhower and John F. Kennedy. Muskie spent \$300,000 on presidential politics in 1970, plans to spend \$1 million this year and \$5 million in 1972.

Some 13 months before the New Hampshire primary, there are ten high-salaried people on Muskie's private staff and about 20 clerical employees. The money transfusions, mostly out of Boston and New York, have already fallen short, and this winter the Muskie campaign slipped into deficit, reportedly between \$100,000 and \$200,000.

It is hard to understand why any businessman would furnish credit to any Democrat running for President. All the Democrats who ran in 1968 ran out on their preconvention debts by dismissing unhappy creditors with fractions on the dollar. It was a disillusioning departure for men asserting their worthiness to lead the nation.

The \$9 million Democratic debt from the campaign itself is pushed further and further into the corner as attention turns to the next election. The engaging Texan who has assumed the party's finance burden, Robert Strauss, talks manfully of paying it off, but the circumstances in which this might be possible are made even more remote by the scale of the campaign that is getting under way.

The morality question aside, the practical effects of preconvention extravaganzas like 1968 will be disastrous for whomever is nominated. The Democrats have only limited access to significant political funds and they are excessively dependent on the Zionist lobby. If they exploit their sources before the convention, they will be strapped in September when they confront Richard Nixon, who will be sitting on a \$30 million war chest.

The Muskie pace plus the expanding number of state primaries plus the rising cost of politics add up to a plain warning that the Democratic contest can spin off into madness. Robert Kennedy spent \$1 million a week on his quest for the nomination — this is a game without a ceiling.

The one rational precaution would

be an agreement by those who strive for the Democratic prize to erect a ceiling. This could be done by agreeing to limit the number of contested state primaries, to restrict the use of television and billboards in those contests, and to tighten the splurge at the convention itself.

This initiative can only begin with Muskie, who enjoys the money-raising leverage largely because a wealthy old man, a movie mogul named Arnold Picker, has adopted him as a crusade. Picker, friends say, has the purest motives, but he is having trouble with the big West Coast money, which was chilled by Muskie's evenhandedness on his visit to the Middle East.

Muskie can make character for himself as a political leader by moving hard to keep his party off the auction block. The public has begun to question the sources and purposes of political money, and candidates will be judged more than ever by the way they handle their finances.

When Muskie finished his first race for governor in 1954, he was flat broke. He will not have won much if he emerges in similar shape from the coming Democratic convention.

Bartlett, a 1956 winner of the Pulitzer Prize for national reporting, is a former Washington correspondent for the Chattanooga Times who writes a syndicated political column from Washington.

2-5-71

HOUSTON CHRONICLE

Dems' Financing Fizzle, The Veto That Got Away

BY WALTER R. MEARS

AP Political Writer

Washington (AP) — On the drawing board of the Democratic National Committee is the outlines of a fund-raising campaign that isn't going to happen. It would have been an appeal for money, prefaced by a protest against President Nixon's veto of legislation for public financing of the 1972 White House campaign.

But there isn't going to be any such veto, there isn't going to be any such legislation, and the Democrats are desperate.

"What do we do now?" said Lawrence F. O'Brien, chairman of a party still \$9.3 million in debt from the 1968 campaign. "Frankly, I don't know."

Done in by Demo

Ironically, it was a Democrat, with presidential aspirations, who scuttled the measure that might have helped rescue the party from the prospect of a woefully underfinanced 1972 campaign.

O'Brien and Democratic congressional leaders thought they had from Rep. Wilbur Mills, D-Ark., chairman of the House Ways and Means Committee, a commitment that the public finance measure would be part of the final version to be sent to House and Senate for a last vote, and then, presumably, on to President Nixon. Nixon had said he would veto it.

Thursday a House-Senate conference committee approved a \$15.8-billion tax-cut bill with the campaign finance feature put off at least until the 1976 election.

Checkoff Option

Had that provision survived for 1972, each major party would have been eligible for up to \$20.4 million in public funds, the proceeds of a dollar-a-taxpayer checkoff option.

The Democrats were anticipating a veto figuring they would gain either way, with the campaign money, or with an opportunity to accuse Nixon of preferring well-heeled private donors to small public contributions.

On the assumption that the provision would survive in a Democratic-controlled Congress, O'Brien and his advisers already had sketched their follow-up fund raising campaign.

Opportunity Lost

They planned an advertising drive built around the argument that a veto had cost taxpayers the opportunity to put a dollar apiece from their returns into the 1972 campaign, but that they should do so anyhow, by sending small contributions to the Democrats.

O'Brien said he had no warning. He had talked with Mills Wednesday, and had what he thought was an assurance the campaign finance plan would be approved as it passed the Senate.

He heard rumors Mills might be waverings. He checked with other congressional Democrats, got only re-

Whips and Lobbyists

Democratic whips were counting votes in the House. Labor lobbyists, at least 15 of them, were at work on the same project.

At the same time, Mills was on the telephone to Sen. John O. Pastore, D-R.I., the man drafted to guide the campaign finance amendment through the Senate, telling him there was trouble ahead.

Mills was saying the measure would have to wait. There would be no campaign-finance amendment for 1972, only a framework to be used later, beginning no sooner than 1976.

And with that, one Democrat said, nearly five months of back-room preparation went down the drain.

\$20 Million Needed

"There's no limit to the amount of money that will be available to Nixon," O'Brien said. And to the Democrats? He shrugged.

He said the Democrats could put on a sound 1972 campaign if they had \$20 million early.

The Democratic chairman

said the Republicans will spend at least three times that much on the campaign to re-elect Nixon.

Looming ahead of the Democrats is a costly campaign for 1972 nomination, one that could cost well over \$10 million, even with a candidate agreement to limit spending. That is money that will be drained away from regular Democratic party financiers.

Pay Up Now

At the same time, there is increasing pressure to pay off leftover 1968 debts. The telephone company has demanded that the party post bond to guarantee payment of 1972 telephone bills. O'Brien won't be surprised if a similar demand comes soon from airlines the party still owes money.

Senate Democratic Leader Mike Mansfield of Montana said Saturday that as far as he is concerned "election financing is here to stay," even though it won't happen in 1972.

"The issue is larger than 1972," he told the Senate. "It is larger than any party as well."

Mansfield noted that the tax bill still includes provision for tax credits or deductions for political contributions.

He said it is most unfortunate that the public financing of presidential campaigns was put off until after next year. He said the checkoff plan is essential if democracy is to endure.

It is tragic that this matter was viewed by some in such political and partisan terms," Mansfield said.

12-5-71

MARCH 15, 1972

HOUSTON CHRONICLE

Section 2, Page 1

HHH Reports

\$838,715 For

His Campaign

Washington (UPI)—Sen. Hubert H. Humphrey, D-Minn., has reported contributions of \$838,715.29 to his campaign that came from 2428 persons.

In a report issued Tuesday, Humphrey said \$763,741.34 came from 121 persons who contributed \$1000 or more. The largest amount, \$100,000, came from Dwayne O. Andreas and his brother, Lowell, whom Humphrey identified as Minnesota financiers.

Other large contributions were made by Patrick J. O'Connor, former Democratic national committee treasurer, \$30,000, and John (Jake the Barber) Factor, a millionaire Los Angeles realtor, \$35,000.

Factor was a central figure in the kidnaping in 1934 of Chicago bootleg king Roger Tuohy. Factor was sentenced to 10 years in prison for mail fraud but was pardoned by President John F. Kennedy in 1962. He claims to have contributed to both major political parties.

3-15-72

HOUSTON POST MARCH 15 1972

Humphrey lists contributors

3-15-72 Post

WASHINGTON (AP) — Sen. Hubert H. Humphrey released a list of contributors to his current presidential campaign Tuesday including \$35,000 from John "Jake the Barber" Factor.

Factor's contribution was included in a list of 121 contributions of \$1,000 or more raised since last fall. The list included \$5,000 from a dairy industry organization,

The largest contribution on the list was \$75,000 from financier and grain executive Dwayne O. Andreas of Minneapolis and Miami and \$25,000 from his brother, Low-

ell W. Andreas, of Decatur, Ill.

Other big givers included S. Harrison Dogole, Philadelphia businessman, and Mr. and Mrs. Leonard Davis of New York City with donations of \$50,000.

Jeno F. Paulucci, Duluth, Minn., frozen pizza tycoon, gave \$42,000, according to the list.

The major contributors gave a total \$763,741. Another 2,307 donors of less than \$1,000 each gave a collective \$71,973 for a grand total of \$838,715 received through last Friday.

Smaller but well known

contributors on the list included San Francisco Mayor Joseph Alioto, who gave \$1,000 and actor Lorne Green and his wife, who donated \$2,500.

Humphrey also got \$5,000 from the Trust for Agricultural Political Education, a dairy industry political fund with headquarters in San Antonio, which has emerged recently as a major lobby.

Factor, was pardoned of a mail fraud conviction in 1962 by President John F. Kennedy. He now lives in Beverly Hills, Calif., where he is described as a prosperous real estate man and philanthropist.

Bush Library Photocopy

\$5000 Here, \$5000 There *HOUSTON CHRONICLE*
MARCH 19, 1972

Campaign Contributors Get Around Fund Limits

CHRON. 3-19-72
BY RICHARD BERGHOLZ
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Washington Post News Service

In a burst of candor, Sen. George McGovern, D-S.D., recently identified his campaign contributors in the race for the democratic presidential nominations.

Foremost was the name of Max Palevsky of Los Angeles, identified as giving \$25,000 to the McGovern cause and granting personal, unsecured loans amounting to \$30,000 to the campaign.

Federal law says it's illegal to give a candidate more than \$5000.

Was McGovern inadvertently blowing the whistle on one of his financial angels?

Not at all.

Doesn't Prosecute

For one thing, the past record of the U.S. Justice Department, whether under Democratic or Republican control, indicates it doesn't prosecute big-money campaign contributors.

For another thing, Palevsky's cash contribution of \$25,000 was distributed among five different McGovern campaign committees. So were the loans.

The theory is that Palevsky really didn't give McGovern \$25,000 in cash, as the McGovern staff said he did. The industrialist only gave \$5000—five times. And in the official view, that doesn't violate the law.

Palevsky is only one of many big-money contributors who consistently exceed the \$5000 limit with impunity. And this applies to other campaigns—and both major parties.

One of the contributors to the presidential campaign of Sen. Edmund S. Muskie, D-Me., is Donald Pritzker, president of the Hyatt Corp. He's

also raising money from others for the Muskie cause—amounts as yet undisclosed.

Gifts to Tunney

Two years ago, the 39-year-old Atherton, Cal., executive was a big giver to the campaign fund of Sen. John V. Tunney, D-Cal. He was listed as giving \$5000 in cash and \$60,000 in interest-free unsecured loans.

Pritzker was asked to write \$5000 checks for the loans, choosing from a variety of Tunney committees.

Each committee was set up to receive and spend Tunney campaign money. Each was used to take in big amounts (but nothing more than \$5000 and funnel it to other accounts as needed.

The \$5000 cash contribution was a gift. The loans were something else. They were strictly a gamble.

"This was like all political loans," Pritzker said. "You knew if he (Tunney) won, you'd get it back. And you knew it would be much more difficult if he lost."

Amount Repaid

Tunney won. And he's gradually repaying some of the loans. About \$30,000 or \$35,000 of the amount owed to Pritzker has been repaid, according to Tunney aides.

Big contributors in political campaigns never have been particularly inhibited by the \$5000 limitation. Nor has it slowed down their willingness to grant personal loans to a cash-hungry campaign on a gamble they may not get it back if their man loses.

Four years ago, John Factor was one of Democrat Hubert H. Humphrey's biggest bankrollers. He was listed as contributing \$100,000 in cash through his wife, now deceased, and \$240,000 in loans.

Humphrey lost the presidential race that year and presumably most of the committees to which Factor's many \$5000 checks went have gone out of existence. Thus, the precise status of those loans isn't known.

In Democratic circles, at least, loans generally are looked upon as "last-ditch" means of coming up with cash, when the usual fund drives come up short. Sometimes, a group of big-money men will get together and co-sign a loan so as to spread the loss if the candidate loses and defaults. Sometimes, individual contributors prefer to take the loan route.

Federal Law

However, federal law makes it clear a businessman can't claim a business loss—and tax write-off—for a defaulted political loan.

In Republican circles, political loans are perhaps at least equally popular as a means of pumping money into campaigns. And the use of a great variety of committees as conduits for individual contributions is well established in the GOP ranks.

In the 1968 presidential race, the Mellon family of Pittsburgh reportedly gave \$173,462 to numerous Nixon-Agnew and Republican party committees, according to Herbert J. Alexander, director of the Citizens Research Foundation of Princeton, N.J., which looks into campaign financing.

Jack Dreyfus, head of the Dreyfus Fund, reportedly spread his beneficence over 47 different committees in the 1968 race. And he worked both sides of the street—\$76,000 to Nixon-Agnew committees and

3-19-72

\$63,000 to Humphrey committees.

Any number of campaign fund raisers, as well as contributors, say the existing law on the \$5000 dollar limitation is a hollow mockery and always has been.

That's why they welcome the new campaign reporting law which becomes effective April 7.

Beginning then, the lid goes off. The \$5000 limit ends and a wealthy man can contribute any amount he wants, without spreading it over many committees, within the confines of the new legal restrictions concerning the total amount a candidate or a party or a committee can spend in a campaign.

But the problem of liability under the gift tax law may become more acute.

Under present law, gifts up to \$3000 a year are exempt from the federal gift tax, except that each person has an additional \$30,000 lifetime exemption which is cumulative. Many of the big contributors probably already have used their cumulative individual exemptions, or earmarked them for other occasions.

Thus, the task in political money raising is to make the contributions, regarded under the law as gifts, nontaxable. That means making them in nontaxable amounts, \$3000 — or, in the case of married couples in community property states such as California — \$6000.

'Voluntary' Giving

In addition to imposing a \$5000 limit on individual campaign contributors, existing law prohibits corporations and labor unions from contributing to federal election campaigns in corporate or union funds. As a result, corporations and unions have developed various forms of "voluntary" giving.

The whole record of the new law, and how it came about, shows that disclosure is the heart of the matter.

There are always going to be big-money contributors who demand anonymity. Often, these are people who give varying amounts to different candidates. Richard Armstrong, director of the Public Affairs Council, an organization of big businessmen involved in political contributions, explains that for years, "many corporate committees have contributed to Republican and Democratic senatorial and congressional campaign committees.

"To some extent, this has been a smoke screen. Customarily, they will 'trade checks' with you.

"For example, you want to give \$500 to Congressman X's campaign. But you do not want to report it and do not want him to report it. Therefore, you make a contribution to the congressional campaign committee of \$500. The committee makes out a check to Congressman X. They may even let you deliver it."

Democrats need to slash primary spending

CARDN. 4-14-72 HOUSTON CHRONICLE 4/14/72

By Charles Bartlett

COMPETING in a state of insolvency and unlikely to settle on a candidate before the Miami convention, the Democrats need to cut back sharply what they are spending on the primaries.

The field of contenders has already blown over \$1 million in TV and radio in the first three contests. Despite these heavy outlays, all are losing ground in the polls to Richard Nixon. If they spend in the big late primaries at the pace they have spent in the small early ones, they can devour more than \$2 million more of the funds they will need desperately in the autumn.

A difficult but responsible answer would be to agree to eliminate all media spending in the rest of the primary states. The experience to date teaches that television spots do not weigh heavily when several candidates are competing on loosely-drawn issues. Even John Lindsay, with his great looks, drew few to his side with \$225,000 worth of radio and television in Florida and Wisconsin.

It may be too late to call the halt before the April 25 primaries in Pennsylvania and Massachusetts. But the scrambles to come in Ohio, Oregon, New Jersey, California and New York are financially frightening to candidates paying their way on a day-to-day basis. The media limits they now accept will permit each of them to commit some \$400,000 to television in California and total outlays in the state can easily climb, if contributors

respond, past \$1 million per candidate.

A field of debt-ridden candidates will not add to the lustre of a debt-ridden party. The Democrats are preparing for their convention in Miami without having paid for alterations they made to the stockyards in Chicago in 1968. The party treasurer, Robert Strauss, has scheduled a 19-hour telethon on the eve of the Miami convention to warn the nation's Democrats that if they want a two-party system, they are going to have to put up some money.

The contenders are finding now that the shrewd Democratic dollars, the donations from those who want access to power, are flowing into the campaigns for the Senate and Congress. This is how labor and the other big lobbies mean to keep their clout, and they do not yet find the wild competition for the party nomination an attractive investment.

The candidates could not have agreed at an earlier date to prohibit media expenditures. Edmund Muskie was such a clear frontrunner that the others consented with reluctance to the limit of five cents per registered voter. But now Lindsay, who counted heavily on TV, is sidelined and Henry Jackson is planning to compete with a very low profile all the way to Miami.

If Muskie defeats Hubert Humphrey in Pennsylvania, he will have hopes of reaching the convention with about two-thirds of the delegates he needs for nomination. If Humphrey wins, Muskie is out and the race becomes a contest between the party's factions, the old and new breed of Democrats. It cannot be resolved before the convention.

The candidates will seem more appealing on this long road if they acknowledge their impoverishment instead of attempting to stage more of a show than they can afford. They may even, by forswearing the luxury

of television commercials, make themselves more convincing as the spokesmen for less privileged Americans. This is a time when the poor look is stylish.

They will not at any rate look like the fools they will be if they run up

big debts in pursuit of a slippery nomination.

4-14-72

APRIL 23, 1972

Fund-Raising By GOP Tops

Democrats 4-1

CHRON. 4-23-72
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Washington — The Republican Party, in a record-breaking performance, has built a 4-1 margin over the Democrats in early fund-raising for the 1972 elections.

During the 14-month period ending Feb. 29, national-level Republican Committees reported taking in funds at a rate of better than \$1 million a month—a total of \$14.5 million.

At the same time, Democratic committees collected only \$3.3 million, less than one dollar for every four raised by the Republicans.

These figures are part of the final reports to the clerk of the House under the Corrupt Practices Act of 1925, which was replaced April 7 by a stricter campaign finance reporting law.

Spending Heavy

Figures for all national-level political committees indicated that more money will be spent on the 1972 presidential and congressional races than ever before, despite the new law's limitations on outlays for media advertising.

Reports covering 1971, but reflecting only a fraction of actual fund-raising because of loopholes in the old law, showed:

- Republicans opened a huge fund-raising lead over the Democrats, reporting receipts of \$11.5 million, compared with \$2.8 million for the Democrats.

- While Republicans were setting a nonelection-year record for their efforts, Democrats fell almost \$600,000 short of the total they raised in 1967 — just prior to the last presidential election.

- Receipts reported by all committees — including party, labor and business groups — totaled a record \$21.5 million, nearly double the amount collected in 1967.

Although things looked bad for the Democrats in 1971, they looked worse in the first two months of 1972. Figures compiled by the Citizens' Research Foundation showed major Republican Party committees raising \$3 million, compared with only \$483,547 for similar Democratic Party committees.

Republican officials shied away from predicting whether President Nixon would top the estimated \$35 million he spent in 1968.

Hope for Drop

Thomas E. Girard, a member of the finance committee for the Committee to Reelect the President, would say only that "everyone would like it to cost far less."

Robert Strauss, treasurer of the debt-plagued Democratic National Committee, said he expected the President to spend \$50 million on the 1972 campaign. Strauss said the Democratic presidential candidate would spend about 25 to 30 percent of the Republican total — or some \$15 million.

The Democrats are still saddled with a \$9.3-million debt from the 1968 campaign. But Strauss said the party's finances have been reorganized and that it is operating in the black—aside from the debt—despite "a tremendous run-off of political funds into the presidential primaries."

The millions of dollars collected by Democratic candidates for the crowded and costly presidential primaries have hampered fund-drive efforts by the Democratic Party committees.

Some Bright Spots

There are a few bright spots for the Democrats in the early fund-raising figures. Labor unions, a major source of Democratic campaign funds for decades, collected a record \$3 million in 1971, according to reports filed with the House clerk.

The 51 labor groups reported expenditures of \$1.6 million, indicating that \$1.4 million was still available at the beginning of 1972.

The Republicans were far ahead of the Democrats in fund-raising by congressional campaign committees. Four Republican congressional committees raised \$3.4 million in 1971, compared with a total of \$750,000 raised by four Democratic Committees.

The chief effect of the Federal Election Campaign Act of 1971 is expected to be to limit Nixon's spending on broadcast advertising this year.

Each party may spend \$8.5 million on radio and television. But it seems unlikely the Democrats will be able to raise that amount.

4-23-72

Democrats putting 7-9-72 POST hopes on telethon

MIAMI BEACH (AP) — William Jennings Bryan drew people to ox-roasts to raise money for the Democratic party. But this isn't 1900 and barbecues don't wipe out \$9.3 million in debts, so the party is doing something bigger — a 19-hour star-studded bash of a telethon.

Nobody is willing to guess how much money the telethon, which began at 9 p.m. CDT. Saturday, will bring to the party's anemic purse. But hopes are high.

For four years the Democrats have been forced to pay cash for everything while staving off creditors who wanted the \$9.3 million the party has accumulated in debt since the last Democratic convention.

Even the 1972 convention, starting Monday and costing \$2.5 million is cash on the barrelhead for hotel rooms and telephones, bus drivers and ticket takers, the blue-uniformed guardians of the portals and a thousand other things.

"I wanted to make at least one massive attempt to reduce the debt," said Treasurer Robert Strauss, the Dallas attorney who has wheeled and dealt in the best Texas style to keep the sheriff from the Democrats' door.

The telethon is it.

It fulfills another of Strauss' ambitions — to in-



ROBERT STRAUSS

volve the American people in the financing of politics.

"We are turning to the people for financial support rather than turning to the institution of wealth," Strauss said. Contributions from fat cats, he said, always have strings attached.

Until 4 p.m. CDT Sunday, viewers of the show on ABC network stations across the country will be able to pledge money or charge it on credit cards with phone calls to 32 regional centers manned by 12,000 volunteers.

They'll be enticed to contribute by stars of the entertainment world, by senators

and governors, and by the eight recognized candidates for the Democratic nomination.

The stars were to include Milton Berle, Lorne Greene, Alan King, George Kirby, Shirley MacLaine, Tony Randall, Andy Williams, Peter Yarrow and Warren Beatty.

Also: Edie Adams, Lauren Bacall, Burt Bacharach, Angie Dickinson, Henry Fonda, Rosey Grier, the cast of Hair, Bob Klein, Groucho Marx, the Supremes and the Temptations.

Although the appeal was partywide, the problems besetting the Democratic nomination process spilled over into the telethon also. Paul Newman, an early signer, dropped out because of the credentials committee's decision to strip Sen. George S. McGovern of 151 California delegate votes.

The money-raisers also had trouble in Chicago because of the ruckus over unseating the delegation of Mayor Richard J. Daley.

James J. McDonough, city commissioner of streets and sanitation, had helped up the installation of telephones. The go-ahead finally was given and 200 volunteers will man the collection center.

In Miami Beach, some 1,000 people paid \$500 a couple to eat a round-the-clock dinner, meeting stars, politicians and candidates.

7-15-72
Hoverson Po

McGovern's choice rejected

7-15-72 Post

By FRED BONAVITA
Post Convention Bureau

MIAMI BEACH — The Democratic National Committee rubber-stamped Sen. George S. McGovern's hand-picked choices for new national chairman and treasurer Friday but balked at his selection for a new national vice chairman and elected a black lawmaker from New York instead.

It was the first — but a minor — setback for the senator who only 12 hours earlier accepted his party's nomination to become President.

As proposed by the senator, the hierarchy of the national committee would have been all white with Mrs. Jean Westwood of Utah as the new chairman; Pierre Salinger of California as the new vice chairman; and Washington lawyer Donald Petrie as the new national treasurer.

But national committeeman Charles Evers, black mayor of Fayette, Miss., and brother of slain civil rights leader Medgar Evers, opposed Salinger's nomination and offered the name of Basil Paterson.

Paterson, a former New York state senator, was the

1970 nominee for lieutenant governor on the unsuccessful ticket headed by former Supreme Court Justice Arthur Goldberg.

Evers told the DNC members if they were to stay in line with the new guidelines of their party and if they were to have a white female as chairman, then a black man should become vice chairman.

Aaron Henry, another Mississippi DNC member and civil rights activist, asked Sen. McGovern whether blacks participated in the decision-making which led him

to the list of nominees.

Henry said he asked the question "so that we will have some idea of how much of a role the black community is going to have in this campaign."

The South Dakota Democrat replied he consulted with blacks, Chicanos and American Indians "all the way through" and assured Evers, Henry and the others "every effort has been made to consult with leaders of the black community."

"I regard Basil Paterson as

Please see McGovern/page 8A

McGovern's choice rejected

Continued from page 1

one of the most distinguished and capable persons, and his nomination is perfectly acceptable to me," the senator said.

Salinger, who was a White House press secretary under the late President John F. Kennedy and one of Sen. McGovern's chief operatives in winning the nomination, took the stage to tell the committee:

"I think that I sense the feeling of this committee, and I would like to withdraw my name from nomination and

endorse Basil Paterson."

Paterson was elected by acclamation.

A source in the black political caucus said later that the decision to nominate Paterson was reached when it became apparent Sen. McGovern planned no high-level jobs in the DNC for blacks. The source indicated there was some anger at the senator.

The election of Paterson was the only unexpected incident in the committee meeting.

Mrs. Westwood, 48, a West Jordan, Utah, businesswoman, was named to succeed Lawrence F. O'Brien as chairman

of the DNC. O'Brien held the job for 2½ years.

Both the senator and O'Brien admitted that efforts had been made until the start of the afternoon portion of the meeting to persuade the former chairman to change his mind and stay on—at least until after the elections. But he stuck by his earlier announcement that he was through.

In an emotional swan song to the committee, O'Brien warned against engaging in a "negative campaign" in the race.

"If we engage in simply an anti-Nixon campaign, if we are simply negative, if we suggest to the American people that we are more entitled to the keys to the White House, then we will have failed," he said. "We must say to the American people, 'You can trust us.'"

O'Brien and Sen. McGovern hinted broadly that the former chairman would have some role in the campaign.

Mrs. Westwood, her voice hoarse from the excitement of the convention, was barely able to thank the committee members for electing her.

Petrie, the new treasurer, is a lawyer, an official of Avis car rental and a fundraiser for Sen. McGovern's campaign.

He succeeded Robert S. Strauss of Dallas, who also stepped down after 2½ years by telling the committee the party staged a \$3 million convention and was leaving Miami Beach "with all our bills paid."

In a speech to the newly enlarged DNC, Sen. McGovern said the national convention proved the Democrats to be "the party of the people" because of its openness.

"We are on the verge of presenting to Americans once more that trust and confidence can be rightly placed in us . . . the reforms have brought internally to us a revitalization. . .

"We now have an opportunity to go to America in the position of a party and say, 'Indeed, you have a clear choice. You do have an opportunity to trust this two-party system.'"

Four of Texas' seven members of the reconstituted DNC attended the meeting: National Committeeman Jess Hay of Dallas, National Committeewoman Jane Weinert Blumberg of Seguin, state party chairman Roy Orr of DeSoto, and the vice chairman, Mrs. Ralph O'Connor of Houston.

Three at-large DNC members will be elected Sept. 19 at the state convention in Dallas, Orr said.

Each of those present—including Orr, who attended the national convention so he could work against the nomination of Sen. McGovern—signed "an affirmative declaration of support" for the national ticket.

The declaration, which amounts to a loyalty oath, says the signer will "affirmatively support the nominees of our convention, namely, Sen. George McGovern and Sen. Thomas Eagleton, for the office of president and vice president, respectively."

Orr was unavailable later for comments on what support he plans to give the McGovern-Eagleton ticket.

Democrats want debts settled

CUSTER, S.D. (P) — The debt-ridden Democratic National Committee is trying to pay off or settle as much of its \$9.3 million debt as possible before the fall campaign, Chairman Jean Westwood said Sunday.

She said she hopes to make down payments for airline and telephone bills and settle many of the others at a small percentage of what is owed.

Mrs. Westwood also disclosed in an interview that she has advised holdover staff members of the national committee they will be told this week whether they will be kept but that, in the meantime, no salaries will be paid starting Tuesday until the financial situation can be determined.

Most of the top staff members under former chairman Lawrence F. O'Brien will join him in the office he is opening as national campaign chairman for Sen. George McGovern's presidential bid.

Mrs. Westwood, the first woman chairman of either the Democratic or Republican national party in American political history, discussed the



JEAN WESTWOOD

committee's role while attending weekend strategy conferences for the McGovern campaign at nearby Sylvan Lake Lodge.

"We want to set up an operation that can continue after the election as well as in the campaign," she said.

Receipts from the 19-hour telethon conducted by the na-

tional committee on the weekend before the party's nominating convention are expected to run considerably less than the \$5 million estimated by officials at the time, Mrs. Westwood said.

After the \$1.6 million cost of the telethon is paid, she added, the national committee expects to net about \$1.5 million.

She said she hopes to reach agreements with the airlines and American Telephone and Telegraph Co., which are owed nearly one-third of the total debt, that would permit the party to make down payments now with a promise to pay the rest in full later.

Current service would continue to be paid in cash. Throughout the primary campaign, airlines and the phone company have required advance cash payments from the party and its presidential hopefuls because of the huge unpaid 1968 debt.

On bills such as printing, rental cars, 1968 convention costs and other miscellaneous items, Mrs. Westwood said, the hope is to settle at a per-

centage of what is owed, a traditional means of taking care of campaign debts where it is unlikely full payment could ever be made. That would leave some \$3 million in loans extended to the 1968 campaign by wealthy contributors, a method used to get around limits on outright gifts by individuals.

Although most of these donors probably never expected to get a penny back, some reportedly are seeking repayment.

Of the debt, about \$6.3 million is from the 1968 campaign, \$1 million from party operations before O'Brien and former treasurer Robert S. Strauss put the party on a pay-as-you-go basis in March 1970, and \$2 million from the 1968 primary debts of Hubert H. Humphrey and the late Robert F. Kennedy.

Texan Strauss Elected Dem Party Chairman

CLIPON. 12-10-72

BY CRAGG HINES
Chronicle Washington Bureau
Washington — Robert S. Strauss of Dallas was elected chairman of the Democratic National Committee Saturday in a clear reaction by the party's body to the lopsided defeat last month of liberal Democratic presidential nominee George S. McGovern.

Strauss, 54, succeeds Mrs. Jean Westwood of Utah, the

chairman McGovern hand-picked in July at the end of the Democratic national convention.

By four votes, Mrs. Westwood was spared being thrown out of office, apparently because she agreed to resign if the motion to declare the chairmanship vacant was defeated. It lost 105-100 with 104 and a fraction votes needed for its adoption. Mrs. West-

wood resigned after the vote.

Strauss described himself as a "centrist" and a man who "will not attempt as chairman to be the philosophic voice of this party." He was supported by committee members from all sections of the country and drew backing from many segments of the traditional Democratic coalition that were cold or antagonistic to McGovern, including organized

labor, more conservative Democrats and many Democratic governors and congressmen.

Strauss defeated Charles T. Manatt of Los Angeles, chairman of the California Democratic Party, and George Mitchell of South Portland, Maine, his state's Democratic national committeeman and an adviser to U.S. Sen. Edmund S. Muskie, D-Maine.

Strauss received 106½ votes, 4½ more than needed for his first-ballot victory. Mitchell received 71¼, Manatt 26.

A motion to make Strauss' election unanimous, a traditional political maneuver, was defeated by a small number of committee members who shouted objection.

Mrs. Westwood had contended she would not give up the (See STRAUSS, Page 12).

chairmanship until an anti-Strauss coalition had selected a successor for her. But she looked relieved and her resignation statement was quite calm.

She did say that the necessary unity was "not yet present on this committee," and she urged election of a successor "who can rally us to what is best."

Mrs. Westwood voted for Mitchell.

In the end it appeared what had been viewed as one of Strauss' major problems, his close personal friendship and political association with former Gov. John B. Connally, was as much a plus as minus.

The committee was obviously interested in getting back the national support of Democrats who voted for Nixon in the Nov. 7 election. Connally, who served in the Republican administration as secretary of the Treasury, was national chairman of Democrats for Nixon.

After his election Saturday Strauss took the Connally issue straight on, both by reference in remarks to the committee and by name in a news conference.

"I belong to no man," Strauss told the committee. "I am owned by no group or organization."

Strauss told reporters there was room for Connally in the Democratic Party, but probably not in the leadership at any time soon.

He was reminded he had said John Kenneth Galbraith, a liberal economist and Democrat, had no place on the party Policy Council while advocating defeat of some congressional Democrats.

By extension, Strauss said of Connally, "if Connally were a member of our Policy Council, he should be thrown off."

Strauss said he successfully raised money in the general election campaign for Democratic congressional candidates, specifically hanging on to funds that might have gone to Connally's Democrats for Nixon. "My friendship didn't diminish my energy," he said.

Strauss is a former DNC treasurer who tackled the party's \$9 million debt after the 1968 defeat of presidential nominee Hubert H. Humphrey. He said Saturday the debt was now about \$5 million and that he would continue to work to reduce it.

Strauss does not have the years of experience in political technology of some recent chairmen, such as Lawrence F. O'Brien, but his tenure as a committee officer covers some of the most tempestuous of recent Democratic days.

Strauss campaigned on his middle-of-the-road stance and emphasized it after his election.

"I'm not doctrinaire," he said, "and I'm not an ideologue. I'm a centrist. I'm a worker. I'm a putter-together."

"I am not an exclusionist. I'm an inclusionist. I'm for winning elections."

If anyone thinks he will "condone turning back the clock on sound reforms," Strauss said, "they're in for a rude shock."

He specifically voiced support for the portions of the reform rules that call for representation of minorities, youth and women at Democratic national conventions in something like their ratio in the population at large.

The provision has been construed by some — and denounced by Republicans — as quotas, but Strauss said he supports the provisions and would fight for them.

One of Strauss' first acts will be consultation on appointment of 25 at-large members to the DNC, and he said he thought Negroes were underrepresented on the committee as constituted and had made a commitment to blacks to see that blacks were included on the at-large slate.

HOUSTON
CHRONICLE
12-10-72

Strauss was told that supporters of Gov. George C. Wallace of Alabama thought they were underrepresented on the committee and was asked if he would seek to add Wallace supporters on the at-large roster.

"I made absolutely no commitment to his people," Strauss said.

At his news conference, Strauss disclosed McGovern had told him last week that McGovern found Strauss a "perfectly acceptable" candidate and that McGovern said he had never questioned Strauss' commitment to party reform. Strauss did not say why he did not use the statement in his campaign.

To satisfy the party rule that the vice-chairman be of the opposite sex of the chairman, but also to keep a leadership spot for Basil Paterson of New York, a black, the committee created a new vice-chairmanship and elected Mrs. Caroline Wilkins, Oregon Democratic chairman, to the post.

Strauss said he would appoint former national party vice-chairman Mary Lou Burg of Wisconsin as his deputy, an administrative post.

He acknowledged the support he had gotten in his campaign from many governors and congressmen and said he intended to work with them to build "a bridge to bring power and strength" to the party.

Political observers said Strauss was probably the first Jew to hold the chairmanship of a major national political party and the first Texan in many years to hold the top party post.

The wit and charm of Strauss, a lawyer, lets him move easily in groups that might be initially suspicious of a Texan with a Southern drawl. Strauss' mobility is evidenced by being able to say "some of my friends" include Connally and former President Lyndon B. Johnson.

"Just wait till you get to know him," a New York committeewoman kept telling a friend uneasy about Strauss' election.

But the drawl got Strauss, a native of Lockhart in Central Texas, into potentially hot water just shortly after he was elected.

At his news conference he referred several times to reporter Sarah McClendon by her first name. After the conference a woman who identified herself as president of the National Organization of Women rushed to the microphone and said she objected to Strauss calling Mrs. McClendon "Sir."

The remark startled Strauss until he realized the women had mistaken his pronunciation of "Sarah" for "sir."

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Monday, November 6, 1972

HOUSTON CHRONICLE
NOVEMBER 6, 1972

note loan

Two-Thirds of McGovern's Funds Come From Gifts of Under \$100

CHRON 11-6-72

BY MORTON MINTZ

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Washington Post News Service

Washington — Individual donors of under \$100 account for more than two-thirds of funds raised by Sen. George McGovern's major finance committee.

This was shown Sunday by an analysis of reports filed by McGovern for President, Inc., for the period covering his nomination in July through Oct. 26, the closing day for the final pre-election reporting period.

The reports show that since June 28 small contributors have given \$10.6 million compared with \$3.9 million for donors of more than \$100, including a relative few who gave six figures.

Since President Nixon was nominated in August, his top six national committees have raised \$4.2 million in contributions of \$100 or less, \$500,000 more than was collected in gifts exceeding \$100.

The picture changes sharply if the starting date for tabulation is not mid-August but April 7, the effective date of the election-financing disclosure law. During the almost seven months since then the Nixon units got \$6.5 million from small donors compared with \$10.7 million from large ones, according to an unofficial tally.

In other campaign-financing developments:

- Edward J. Daly of Oak-

land, Cal., who gave \$98,000 to Nixon in recent months, turned up as a \$2000 contributor to the Alameda County Citizens for McGovern. Daly, who had given \$51,000 to Sen. Hubert Humphrey's bid for the Democratic presidential nomination, is chairman of a charter airline, World Airways.

- The Committee on Political Education of the AFL-CIO Communications Workers of America has forgiven a \$90,000 debt owed it by McGovern for President, Inc. Other unions have done the same, and the United Automobile Workers was reported to be considering whether to make a contribution of the \$160,000 owed its political arms.

- Albrecht Saalfeld of Cleveland, whose \$30,000 gift to McGovern before Feb. 1 was the largest the Democrat had received after announcing his candidacy in January, 1971, is listed in new reports for \$42,000 more although Marian Pearlman, the McGovern committee treasurer, said the actual figure will be \$50,000).

- Henry L. Kimelman, McGovern's national finance chairman, said that the McGovern campaign will have raised \$26 million (\$17 million more than Humphrey raised in 1968), that 80 percent of the money will have come from contributors of less than \$100

each, and that such support from voters of modest means is "unprecedented" in American presidential politics.

Kimelman also said the McGovern campaign will be out of debt by Nov. 15. This will be made possible, in part, by repayment of large loans to individuals who have agreed to make contributions in sums equal to their indebtedness, Kimelman said.

Partly because of uncertainty as to whether some of McGovern's principal lenders finally will emerge as contributors, close comparisons between the financing of his campaign and of the President's is difficult.

As of now, the leading outright McGovern contributor is Stewart R. Mott, heir to a General Motors fortune. He has said his gifts will come to \$400,000, but includes various expenses in that total; Kimelman said it will prove out at about \$375,000 of which \$150,000 was given after the Democratic national convention. Mott was also owed

\$152,500 in loans as of Oct. 26. Legally, loans are classified as contributions.

Kimelman said that by counting loans being converted to contributions the list of McGovern's leading donors, in addition to Mott, will shape up about like this:

- Max Palevsky, Los Angeles film producer and largest single stockholder in Xerox Corp., approximately \$305,000.

- Dr. Alejandro Zaffaroni, developer of a synthetic hormone for contraception and president of the Alza Corp. in Palo Alto, Cal., \$220,000.

- Professor Martin Peretz of Harvard and his wife, heirless to a sewing machine fortune, more than \$100,000.

- Miles Rubin, vice-chairman of the McGovern Finance Committee, in excess of \$100,000, and Morris L. Dees, also a vice-chairman, \$95,000 (Kimelman said his own gifts will come to about \$100,000).

- Nicholas and Daniel Noyes, young heirs to the Eli Lilly pharmaceutical fortune, in excess of \$100,000 each.

Court Ruling

Union Politica

Houston Chronicle 6/22/72

Donations OK

If Voluntary

Washington (UPI) — The Supreme Court ruled, 6 to 2, today that unions may make political contributions if the funds come from voluntary donations.

The decision reversed the conviction of two officers of a St. Louis pipefitters union local for conspiring to violate the Federal Election Law by contributing to several candidates.

The election law, a provision of the Federal Corrupt Practices Act, forbids contributions or expenditures from both corporations and labor organizations in connection with any election involving federal officers.

The ban extends to any primary or political convention.

Last January, Congress revised the law to exclude solicitation of contributions to a separate segregated fund to be utilized for political purposes."

The Justice Department and the lower courts have interpreted the election law to mean that no union funds could be used for electioneering. But union attorneys said Congress meant only to bar use of union dues, not voluntary contributions. The court agreed. Justices Lewis F. Powell and Harry A. Blackmun dissented.

Departing treasurer 7-11-72 Post Houston reports on telethon Post 7/11/72

Post Convention Bureau

MIAMI BEACH — Robert Strauss of Dallas bowed out Monday night after three ex-cruciating years as national treasurer of the debt-plagued Democratic Party by confirming some good news about the party coffers.

He announced, as expected, the nationally televised Democratic fund-raising "telethon" Saturday night and Sunday pumped about \$5 million into the empty treasury.

About \$1.8 million of that will immediately be spent to reimburse millionaire John Y. Brown Jr., the Kentucky fried chicken king who promoted the show and shelled out the money to finance it.

The remaining \$3.2 million can apparently be directly applied to the party's staggering \$9.3 million, a legacy of the Democrats' unsuccessful 1968 campaign for the White House.

Strauss, a close friend of former President Lyndon B. Johnson and former Texas governor and Treasury Secretary John B. Connally, also

announced that Democrats will leave their Miami Beach convention with "all the convention bills paid in cash in advance."

Strauss is retiring voluntarily as Democratic national committeeman from Texas and will be replaced Friday by gubernatorial nominee Dolph Briscoe's personal choice for the job, Jess Hay of Dallas.

Looking back over his tenure, Strauss said he had reached "three overwhelming convictions."

"The philosopher who said that money is the root of all evil never had to arrange a national convention for a political party that was \$9 million in debt," he mused in a brief address.

"The man who said the best things in life are free never had to feed or house a staff at the Fountainebleau Hotel. The man who said money isn't the root of all evil has never served as treasurer of the Democratic Party."

The task, Strauss concluded, has been "the toughest undertaking of my adult career."

2 Sources of Nixon Funds Fail to File Statements

leave
HOUSTON
CHRONICLE
OCTOBER 27, 1970

Washington (AP) — Two committees that have funneled large amounts of money into President Nixon's reelection campaign have failed to file registration statements in apparent violation of federal law.

Examination of hundreds of campaign financial reports pouring into the General Accounting Office also shows a \$25,000 loan to Democratic Presidential candidate George McGovern from a secretary who refused to say how a secretary could afford such a loan or whether the money was hers.

The Republican Support Committee of Los Angeles transferred \$161,500 to the California Financial Committee to Reelect the President on Sept. 13, reports to the GAO show.

The Executive Club of the Republican Party of New Jersey is listed as contributing \$57,000 in the Sept. 1 to Oct. 16 period to 20 Nixon committees on the state level.

Another \$12,000 was contributed to four national Nixon Committees during the same period by William B. Colsey III

who lists the same Trenton, N.J., post office box as the Executive Club.

Neither registration statements nor reports of over-\$100 contributors could be found for the Republican Support Committee or the Executive Club in GAO records going back to April 7 when a new election law requiring full campaign finance disclosure went into effect.

Under the new law any political committee that anticipates receiving or making contributions or loans exceeding \$1000 to a national candidate during the calendar year must register with the GAO within 90 days of organizing.

It also must report quarterly and on the 15th and 5th days before a primary or general election all expenditures, loans or contributions over \$100.

Colsey, at Mt. Holly, N. J., lawyer, could not be reached by telephone. A New Jersey newspaper quoted Colsey last June as saying the Executive Club received contributions from business and professional leaders.

The address for the Republican Support Committee was listed as in care of Asa Call at 523 W. 6th St., Los Angeles, Cal., who personally gave Nixon \$10,000 earlier this year, is chairman of Pacific Mutual Life Insurance Co., which is located at the same address.

On the McGovern side, a \$25,000 loan was received by McGovern for President, Inc., of Washington from a San Francisco secretary who in two telephone interviews repeatedly refused to say whether the money was hers or how a secretary could afford such an outlay.

"I don't have to answer that," said Mrs. Dorcas Taylor. Later she said, "This isn't any of your business."

Under the new elections law it is a federal crime to make a campaign loan or contribution in the name of another.

Mrs. Taylor is listed in a report by the key McGovern committee as a secretary of Dr. Carlton Goodlett, a physician and surgeon who also loaned the McGovern campaign \$25,000 in September and contributed \$1000 outright.

Democratic Party Planning Telethon To Get Out of Hock

BY HARRY F. ROSENTHAL

Associated Press

Washington — The Democratic Party, as needy as the next charity case, plans to entertain America in an 18½-hour convention-eve telethon designed to get the party out of hock.

There will be brief, taped appearances by most presidential contenders, including George Wallace, who has not always embraced the party establishment. But their spiel won't be allowed to detract from the theme that Democrats have more fun than that other, richer, political party.

If it works, it could do for political parties what the Sunday collection plates do for churches. If it doesn't, the Democrats will be left still searching for ways to pay back \$9.1 million put on the cuff in 1968.

Wallace's singing wife will join such entertainers as Andy Williams, Alan King, Shirley MacLaine and Paul Newman in what press agent — in the exuberance of his trade — calls "an incredible wave of entertainment."

Wallace was won over by John Y. Brown, the man who got rich on Kentucky Fried Chicken and is applying his talent for the Democrats.

"I said, 'Governor, you sent a message to the Democratic Party and sent it loud and clear — now we need your money,'" said Brown.

"He smiled, and said okay."

The telethon, beginning at 9 p.m. CDT July 8 on at least 155 stations, was Brown's brainchild.

"Part of my motivation is to find some way to change the whole system of political financing, because the whole structure is corruptive," Brown said. "I'd like to think we'll raise enough to get the party out of debt. If we raise \$5 million or \$6 million it will be a success, because it will be the biggest fund-raising."

To keep the program from becoming a bore, the candidates will be limited to two or three minutes apiece and the money pitches will be in a light vein.

"This is a paid political program for the Democratic Party — paid for by the people," is one plug. "No other political party can make that statement."

Another:

"If you're up at this hour and can't sleep because you're worried about your oil-depletion allowance — this program is not for you."

Or

• "Now a word from our sponsors. You."

• "I have been asked to advise you that this is a paid political program. I've also been asked to help pay for it. I'll do my bit if you do yours. Two bits is two bits."

Brown, board chairman of the fried-chicken firm, guaranteed the \$1.75-million cost of the program to be carried over the American Broadcasting Co. network. He said the finance council already has raised \$400,000 and a dinner in Miami Beach, where about one-third of the program will originate will raise another \$300,000 to \$500,000.

The bulk of the program will come from Los Angeles and will include a Nashville-taped segment of such country-and-western singers as Hank Williams Jr., Lynn Anderson, McTillis and Johnny Paycheck.

For sports fans there will be Dick Butkus, Roger Staubach, John Brodie, Paul Hornung and Maury Wills.

The 120 to 130 entertainers also will include Raymon Burr, Vic Damone, Gene Hackman, Jack Klugman, Tony Randall, Groucho Marx, Lily Tomlin, Lauren Bacall, Warren Beatty and Joan Rivers.

To make contributing easier, viewers may tell any of 32 regional collection centers they want to pledge money or charge it on their Master Charge or BankAmericard accounts.

Handwritten:
Houston
Clinton

To Shore Up Ailing Campaign

Pair Lends \$500,000 to McGovern

BY JAMES R. POLK
© 1972 Washington Star-News

Washington — Two young heirs to a pharmaceutical fortune have loaned \$500,000 to Democratic nominee George S. McGovern to shore up his financially ailing presidential campaign.

Daniel and Nicholas Noyes Jr. of the Eli Lilly family of Indianapolis, Ind., have become McGovern's largest backers with the loan.

The McGovern campaign currently is running \$3 million in debt, with much of the money owed to backers such as the Noyes brothers, whose loan may not be fully repaid if the Democrats lose the election.

The McGovern campaign filing with the General Accounting Office today shows \$2 million in fresh loans in the last six weeks.

Finance chairman Henry Kimelman, the Virgin Islands businessman, has dug into his own wallet to advance \$100,000 to the campaign.

Others loans for \$100,000 each were received from Washington philanthropist Philip M. Stern, Chicago attorney Howard A. Weiss and Boston financier Louis Kane.

The Active Ballot Club, political arm for the Retail Clerks Union, loaned McGovern \$75,000 to maintain the

strong cash support from the few labor groups bankrolling McGovern despite the hostility of AFL-CIO leader George Meany.

The United Auto Workers sent McGovern \$60,000 in outright contributions and still have an earlier \$165,000 loan outstanding.

The International Assn. of Machinists' political group converted its \$80,000 unpaid loan into a direct gift for McGovern and added another \$20,000 contribution.

However, McGovern was getting scant support from the nation's business and industry funds in contrast to their outpouring for President Nixon.

The only notable check was \$8000 from an employees' and officials' fund at Lockheed Aircraft Corp. in Burbank, Cal. The firm, rescued from possible bankruptcy by a government-backed loan last year, gave Nixon \$22,000 through its political wing at the same time.

Wilbur Mills' influence boosts campaign chest

HOUSTON CHRONICLE OCT. 19 1972

By Charles Bartlett

UNDERFINANCED and uneasy House Democrats are allowing Rep. Wilbur Mills, the man who writes the tax bills, to serve as a pressure point to produce campaign funds.

Restless with ambition after his futile bid for the presidency, the Ways and Means chairman has been shaking the money tree for troubled colleagues. He apparently means in January to try to wrest the speakership from Carl Albert, so he has staked claims to the gratitude of the Northern liberal bloc with strenuous efforts to collect funds for its embattled members.

This led to a curious tableau last week in the room off the House floor that is the seat of Mills' committee power. To this room, some 11 members, almost all liberals from Northern cities, were summoned by Mills' aides to receive checks for \$1000 and

up from agents of the dairymen's lobby. "Chairman Mills told us he was concerned about your campaign and asked us to help you," said the man handing out envelopes under the imposing crystal chandelier. It was all as pure as a graduation ceremony with no talk about buried problems. But to some the lobbyists promised another check for a total of \$3000 before the election.

These transactions bore no taint of illegality. The checks were signed by J. E. Kueller of Louisville on behalf of this "special political agricultural education committee." The recipients signed slips noting that the contributions are to be filed as the law requires before the end of the year.

The bond between the dairymen and Mills was highly visible in this presidential campaign. The records show that milk producers furnished him with some \$25,000, so it is logical for them now to assist his fallback

strategy of seizing the speakership. Their generosity extends to urban congressmen with no empathy for milk subsidies because they want to put Mills in the speaker's chair.

The friendly, effective Arkansan is not stopping with the dairymen in his eagerness to function as a conduit for Democratic campaign funds. His personal solicitations, addressed to a wide range of contributors, have reportedly brought help to at least 50 members. "I like," said one beneficiary, "the money he gets from individuals more than the money he gets from associations like the dairymen."

It can be argued that he is justified for bringing whatever clout he commands to his bold venture of unseating the speaker. But it must also be said that the time is not ideal or even suitable for Mills to be obligating himself to special interests. He has a high priority commitment, if he remains chairman of the Ways and

Means Committee, to preside over a full-scale and objective review of the tax codes. He leaves himself vulnerable, by reaching now for campaign money, to suspicions that he will not tackle these labors with a free hand.

The political money gain is better than it was before enactment of the new campaign finance law. Much, but not all, of the "funny money" has been brought into the open and the public will this November have a clearer view than ever before of where the candidates went to get the funds they spent.

But the milkmen under the chandelier are reminders that the money-raiser's grip on the political system will not be broken until everyone is brought into the act of financing elections.

Bartlett, a Pulitzer Prize winner for national reporting, writes a syndicated political column from Washington.

Kennedy strong as 'non-candidate'



TEDDY KENNEDY

By WARREN ROGERS
Andrews Publications, Inc.

WASHINGTON — With 27 weeks to Election Day and counting, Ted Kennedy's aides insist it happens every spring, but political railbirds note the most celebrated non-candidate has booked a heavy schedule of speaking engagements after a lull of low visibility.

With Democratic front-runners falling by the wayside in primaries, with more grumbling against President Nixon's policies (especially Vietnam and the economy), and with increased talk of a Democratic compromise candidate, COUNTDOWN observes:

● Kennedy is stronger, healthier than ever. He hasn't worn his back brace (to support an aircrash fracture) in almost a year. He has undertaken a diet, already looks slimmer, harder (fighting trim?) and rigidly maintains an early-to-bed schedule.

He is chafing to get out of Washington and around the country. Held here by the ITT hearings (not entirely non-political), he has set up speeches in the next few weeks at Little Rock, Ark.; Columbia, S.C.; Indianapolis, Ind.; Atlantic City, N.J.; San Diego and Los Angeles, Calif.; Detroit, Mich.; Columbus, Ohio, and Milwaukee, Wis. He will be raising funds for the Democratic party and plugging away at health care, an issue that directly affects every voter.



LAWRENCE O'BRIEN

● He is under pressure from staff and old Kennedy hands to take the plunge. The situation reminds COUNTDOWN of 1966, when Bob Kennedy stumped the country, ostensibly seeking votes for Democratic candidates for governor and Congress but really testing his vote appeal. Adam Walinsky, then a young and inexperienced speechwriter, saw his first hand-clutching crowd and ecstaticized: "To hell with 1968, let's go for the presidency right now!"

PAYING THE BILL — Larry O'Brien has committed \$610,000 his Democratic National Committee doesn't have for a telethon aimed at raising money for the Miami Beach convention.

He hopes it will come in loans from John Y. Brown, Jr., the young fried-chicken king, and other fat cats on the Democratic Finance Council.

The idea, flying in the face of evidence that voters are turned off by TV politicking, is to help pay convention costs, with whatever is left over going to the presidential nominee as "seed money" for his campaign. O'Brien's proudest boast is he hasn't added to the \$9.3 million debt from the 1968 campaign.

One gimmick for the telethon: arrangements with credit card companies to charge donations, insuring no cop-outs on pledges later.

The 18-hour program — serious discussions of issues interspersed with turns by

Presidential Countdown

show-biz stars — would run from 10 p.m. July 8 to 6 p.m. July 9 (cheaper than prime time) over the ABC-TV network.

No candidates for the nomination would appear, to keep from seeming to play favorites.

MORE ABOUT MONEY — The Democrats, strapped for cash, have adopted what they call a "realistic" approach to campaign financing, but it smacks of sour grapes to COUNTDOWN.

One national committee bigwig puts the situation in these words: "We are in danger of having a party priced out of existence, thereby ending the two-party custom of this country."

"The Republicans have made clear they expect to spend \$60 million this year."

"We have to be realistic. We will have to make our dollars work harder, because we cannot expect to raise more than \$20 million, leaving us outspent three-to-one, and we'll probably end up with closer to \$15 million."

"Besides, there's a law of diminishing returns here, and \$15 to \$20 million is about all that can effectively be spent."

MUSKIE MAKES IT — Toppled as front-runner, seemingly washed up, Edmund Muskie is voicing a new philosophy, learned, he says, from his father, a Polish-immigrant tailor.

He sighs to COUNTDOWN: "My father used to say life is full of ups and downs. If you have one more up than downs, you're ahead of the game. I said at the beginning of the campaign that it would

be one of ups and downs. I haven't been proven wrong, and I'm going to look at it that way."

CAMPAIGN CAPERS —
George McGovern's people are being driven daft by the ups and downs of California: Sen. Alan Cranston's comments; apparently still waiting for a bandwagon, Cranston says McGovern's ahead in the state but, in the next breath, he adds a lot of hurdles lay between now and the June primary . . . Hubert Humphrey's strategists are pleased with their organization for the May 9 West Virginia primary, want to win badly to snuff out George

Wallace and to erase the lingering sting of Humphrey's 1969 massacre there by the Kennedy machine . . . Larry O'Brien was secretly pleased when John Lindsay, Vance Hartke and Sam Yorty bowed out of the presidential picture, not for reasons of favoritism but because they freed hundreds of hotel rooms for the Miami Beach convention . . . Al Barkan, head of the A F L - C I O ' s political action arm, COPE, has stopped telling his people to run as uncommitted delegates; now he wants them to be committed to anybody, just as long as they get to the Democratic convention with 17 per cent of the 3,000 Miami delegates (al-

most one-third of the 1,509 votes needed to nominate) . . . Republican Elly Peterson, only woman ever named a state chairman in either party, is a gung-ho women's libber now, urging her sisters to "turn in your tennis shoes for track shoes and run for office" . . . Neil Armstrong, first man on the moon, now teaching engineering at the University of Cincinnati, will head President Nixon's Ohio campaign . . . You know where the yachts for the Republican convention's flotilla will moor? When not parading, they will tie up at San Diego's Harbor Island Marina, which happens to be owned by ITT.

check this

Democrats get hotel room kickbacks

7-7-72 Post

MIAMI BEACH (AP) — The impoverished Democratic party is getting a dollar-a-day kickback from 10,000 hotel rooms rented for its convention — just one of the deals arranged by Treasurer Robert Strauss, who is forced to pay cash for the \$2.5-million extravaganza.

Another angle has some of the 80 staff members dutifully packing their bags every couple of days and moving into another hotel — to take advantage of free rates negotiated by Strauss.

"Everything we get here, I pay in advance," sighs Strauss. "I paid in advance for the hotel rooms we're occupying here. I pay in advance for printing that is being done. I've paid cash in

advance for everything we do."

For the Republicans that would be no problem. But the Democrats still owe \$9.3 million from the 1968 campaign and once-burned creditors aren't rushing forward baring their cuffs.

Strauss, a Dallas lawyer, inherited the debt 2½ years ago when he became treasurer, and hasn't made a dent in trimming it. But his money-raising wizardry has kept the party running at a cost of \$200,000 a month and it has survived the interval. Now it is time for the convention in Miami Beach — an American playground as expensive as it is hot.

"The city agreed to do certain things for us," Strauss says. "Cities by tradition

have put up money. We said to the city, we don't need money. What we want is facilities.

"What we want is a half-million dollars in goods and services and we want a half-million from either sources in cash, tourist agencies, hotels, etc. We get \$1 a night of every room booked through the hotel association.

"We originally figured it would raise \$100,000 but it's going to be closer to \$50,000. One of the major networks came in and booked all their own rooms and cost us several thousand dollars just by not going through us."

With some pride, Strauss said: "We negotiated what I think is the best convention contract ever negotiated with

a city. This contract was a first.

"Normally you go into a town and bill this and bill that and bill the other. You don't know who the contractor is; you're a stranger in town. So instead of giving me a number of dollars, I said you provide the following: the podium, the air-conditioning, the rent, the construction of the VIP stands, the bandstand construction; all this that normally the political party does.

"We negotiated with each of the hotels for so many free nights. Our staff uses up the complimentary rooms in one hotel and we move them to another hotel. It's not easy, but it's prudent. If we had money we wouldn't do that."

Another way the party hopes to defray costs is by offering news media instant transcripts of convention proceedings at \$350 a day. The party has to have them made anyway at a cost of \$30,000 to \$40,000.

The convention telephone bill will be at least \$100,000. The party has five floors of pastel-colored rooms in the ornate Fontainebleau Hotel.

Security — the 400 private guards — will be \$70,000 or more. And the cost is going up because at least two afternoon sessions are probable.

A motion picture film to be shown on twin screens in the huge hall cost \$100,000 to produce.

The podium, constructed like a wedding cake with the

chairman's platform on top, cost \$100,000. Beneath it are air-conditioned rooms for candidates' use.

Strauss' tenure ends with the convention. He'll then turn to helping the Senate and House Democratic campaign committees on a part-time basis.

He may yet leave the Democrats better off than when he came in. Beginning at 1 p.m. CDT Saturday, the party will try to raise money in a 19-hour network telethon.

"We're not bankrupt at all," says Strauss. "The Republicans are rich and they're powerful. We got people and problems, and they've got money and credit. We think we have the clue to better as-sets."

10 Texans, Milk Producers On Nixon Contributor List

V
HOUSTON
CHRONICLE
NOVEMBER 23,
1972

CHRON.
11-23-72
Chronicle Washington Bureau
Washington — The names of
10 Texans and a political fund
for milk producers based in
San Antonio are included in a
list of contributors released
by the Committee to Reelect
the President.

The Texas contributions to-
taled \$223,500.

Publication of the donors of
more than \$1000 to President
Nixon's campaign between
Jan. 1, 1971, and March 9 of
this year was finally agreed
to as a result of a suit filed
by Common Cause, a citizens'
lobby.

Rep. Henry B. Gonzalez,
Democrat of San Antonio,
complained that the agree-
ment "looks like a sellout by
Common Cause, or at best a
sweetheart deal with the Re-

publicans" because the period
covered was before the Re-
publicans geared up their
"money machine."

Common Cause Chairman
John Gardner said the con-
gressman's statement was
silly, and "he just hasn't stud-
ied the court action."

Gardner said it was a
"choice between getting these
names or no names before
election day and we are going
back into court to get the rest
of the names after the elec-
tion."

The list released by the Re-
publicans included 283 contrib-
utors who gave a total of
slightly more than \$5 million.
It has been reported that the
GOP collected as much as \$20
million before the new cam-

paign reporting law became
effective April 7.

The largest contribution
from Texas on the list just re-
leased was \$187,500 from the
Trust for Agricultural Political
Education of San Antonio
which is funded by milk pro-
ducers and has previously
been reported as a big con-
tributor to the Nixon cam-
paign.

Other Texas givers listed
are:

Henry E. Catto Jr. of San
Antonio, U.S. ambassador to
El Salvador, \$25,000; Isaac
Arnold of Houston, Quintana
Petroleum Co., \$1000; U.S.
ambassador to the United Na-
tions George Bush of Houston,
\$1000; Earl E. Combest of
Dallas, insurance executive,
\$1000; E. Constantine Jr. of
Dallas, \$1000; Roy H. Cullen
of Houston, oilman, \$1000;
John E. Elliott of Austin,
\$1000; G.L. Rowsey of Center
Point, \$1000; Dudley C. Sharp
of Houston, executive of Mis-
sion Manufacturing, \$1000;
and Mrs. Harry Wiess of
Houston, widow of a president
of Humble Oil and Refining
Co., \$3000.

Democratic Party Planning Telethon To Get Out of Hock

BY HARRY F. ROSENTHAL

Associated Press

Washington — The Democratic Party, as needy as the next charity case, plans to entertain America in an 18½-hour convention-eve telethon designed to get the party out of hock.

There will be brief, taped appearances by most presidential contenders, including George Wallace, who has not always embraced the party establishment. But their spiels won't be allowed to detract from the theme that Democrats have more fun than that other, richer, political party.

If it works, it could do for political parties what the Sunday collection plates do for churches. If it doesn't, the Democrats will be left still searching for ways to pay back \$9.3 million put on the cuff in 1968.

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JULY 1973

American Airlines Asks Refund Of Cash Given Nixon Campaign

Washington Post Service

WASHINGTON — American Airlines formally has requested a refund of \$55,000 in corporate funds illegally contributed last year to President Nixon's reelection campaign, The Washington Post learned Saturday.

The company has acknowledged to the Finance Committee to Reelect the President that the Nixon organization did not know the money came from corporate coffers rather than legally from individuals, a source close to American Airlines confirmed in reply to a reporter's inquiry.

contribution by American Airlines Friday, Cox vowed "to get to the bottom of illegal funding practices" and invited other corporate executives who might have been involved in them to come forward voluntarily.

The financial committee is expected to grant the request, although a spokesman indicated the matter awaits a final decision. The spokesman pointedly cited a committee statement on Friday that it never authorized "anyone to solicit or knowingly accept contributions from corporations."

Special Watergate prosecutor Archibald Cox is considering impanelment of a special federal grand jury here to investigate the financing of last year's presidential elections, especially the Nixon campaign.

In announcing the illegal

Houston Post
9/21/72

Airline cuts off Democratic credit

9-27-72 Post

WASHINGTON (UPI) — American Airlines said Tuesday it cut off credit to the Democratic National Committee because of more than \$6,000 in past-due bills. But a committee spokesman said he threw an airlines agent out of his office in a dispute over returned plane tickets.

Under Civil Aeronautics Board regulations, the credit cutoff prevents any other airline from extending the committee credit until it pays American. Committee treasurer Donald Petrie, however, said committee members and staff were "continuing our operations on a pay-as-you-go basis."

In a telegram to the committee Friday, American said: "We regret that such action has become necessary, but your failure to pay according to the terms of the air travel plan leaves no alternative."

The committee owned the airline \$11,657.79 in current campaign debts, "which \$6,226.70 is now past due," the telegram said. In addition, the committee still owes the company \$980,000 from the 1968 campaigns.

Petrie, a statement late Tuesday, said he learned July 14 that the committee owned American \$33,000 but that he

made payments on the account until it was reduced to \$6,700 on Sept. 8.

"On that date an American Airlines representative called on me and demanded payment immediately under threat of cancellation," said Petrie.

He added that he told the agent that two months earlier the committee had returned tickets worth "at least one-half of our bill and I requested credit for those tickets."

The airlines representative then told him, Petrie said, it would take the company's computers more than two

months to figure out the amount of credit.

"I did what any self-respecting businessman would do under the circumstances," said Petrie. "I threw him out of my office and told him not to come back."

A spokesman for American Airlines said the company "would pick up the air travel cards issued to 12 members of the national committee, including former Chairman Lawrence F. O'Brien," who is national director of George S. McGovern's Democratic presidential campaign.

Changes in the election law do not apply to immediate payment of the 1968 debt.

*Huston
Citravice
1/19/69*

\$3 Million Paid Anonymously on Dem Bills

CHRC
© 1968, Los Angeles Times-Washington Post News Service

Washington — Democratic national party treasurer Robert Short has frankly acknowledged that at least \$3 million in Humphrey-Muskie 1968 campaign bills had been paid directly by individuals or "non-reporting committees" because "some of these people (who put up the money) obviously don't want to be known." The federal Corrupt Practices Act requires national political committees to report the names of all their contributors of \$100 or more and all expenditures exceeding \$10.

*HUMAN
EVENTS
5/12/69*

Soviet Union...
ability in nuclear weapons.

Campaign Funds

● Big Spender Department: Lawyers for the late Sen. Robert Kennedy have informed creditors that bills amassed in RFK's 1968 campaign will not be paid in full. A Beverly Hills law firm representing Kennedy is offering the creditors as little as 33-1/3 cents on the dollar, explaining that it has been able to raise only \$1 million of the \$3 million still outstanding. A Kennedy lawyer objected when a reporter suggested the late senator's family was "welshing" on the debt. "This is standard procedure," he said.

H. Everett

Reader Everett Dirksen

\$1 Million Still Outstanding In RFK Campaign Debt

BY WILLIAM GREIDER
© 1969, Los Angeles Times-
Washington Post News Service

Washington — When Sen. Robert F. Kennedy began his fatal campaign for the presidency last year, he told his brother-in-law Stephen Smith, "I think I'm going to cost you a lot of money this year."

The Kennedy campaign was indeed expensive, and Smith, the business manager in the family, is still grappling with the debt left behind after the senator's assassination.

Even though the Democratic National Committee is expected to help, and the family held five fund-raising dinners across the country, the outstanding obligation will be about \$1 million, according to a rough calculation by a former Kennedy campaign aide.

This deficit is subject to the usual negotiations which follow losing political efforts, when managers try to pare down their bills before settling. In this case, the family's great wealth might make hotels or airlines

or print shops less eager to bargain.

In California, the comptroller for the Kennedy state organization, a separate campaign outfit set up by his supporters there, reportedly offered one creditor 33 cents on the dollar as a settlement. In other cases, bills are being repaid in full; still others will get half or three fourths, depending on the claim.

An aide to Sen. Eugene McCarthy, Kennedy's rival for

the Democratic nomination, reported that the McCarthy campaign debt has virtually been liquidated now, through the same process.

"The winners pay their bills, the losers negotiate," he said. "That's the way it is."

The McCarthy managers, he said, offered 50 cents on the dollar for many of the larger bills. But this often meant more than that, because the original deposit was included in the payment.

Dems Whittling Away at Massive Campaign Debts

OKR 611.

9-8-69

Washington (AP) — Democrats, with the help of understanding creditors and a new drive to recruit donors, are slowly whittling away at their massive 1968 campaign debt.

The debt total, a spokesman for the Democratic National Committee said, now is about \$7.7 million.

Although the deficit has been cut about \$500,000, this was more than offset when the party executive committee de-

cided to take over \$2 million in outstanding debts run up by candidates for the Democratic presidential nomination.

Hubert H. Humphrey's successful drive for the nomination still had about \$1 million in unpaid bills, about the same as the campaign of Robert F. Kennedy.

McGovern Debt

And Sen. George S. McGovern of South Dakota, who bid briefly for the nomination, had about \$27,000 in campaign debts.

Sen. Eugene J. McCarthy of Minnesota declined the national committee's offer. He told Democratic officials arrangements had been made to pay off part of his debt, and to settle some bills on a percentage basis.

Democrat governors, many of them far more conservative than the party's 1968 candidates, objected to the debt assumption.

But Sen. Fred R. Harris, the party chairman, told them the arrangement, which called for fund-raising appearances by the former candidates, was designed to produce a coordinated money raising effort with the active participation of the party's star performers.

Creditors 'Understand'

Furthermore, a spokesman said, creditors "understand our situation, and they understand that they're just going to have to wait a while."

In addition, some of the debt may be reduced by negotiation, a common practice in settling political campaign obligations.

Party officials said Humphrey is making nine fund-raising appearances for the committee this year, and Sen. Edmund S. Muskie of Maine, his vice-presidential partner in 1968, is making eight.

Sen. McGovern also has signed for nine fund-raising dates — although his debt is tiny compared with the others.

A New York City dinner at which Humphrey, Muskie and Sen. Edward M. Kennedy all appeared cleared about \$500,000.

But current plans are to have the party's big names appear separately, because of the difficulty of scheduling joint appearances — and also because of the potential political problem of presenting men who may be rivals for the next Democratic presidential nomination.

A new organization with a \$1000 membership pricetag, the Young Leadership Council, has pledged for more than \$94,000. This is a group of young Democrats who pledge their contributions, then discuss issues with party's leaders.

But Harris is putting new stress on the Democrats' efforts to enlist smaller contributors — in big numbers.

9/8/69

HOUSTON CHRONICLE

*Compare
Dodd
3-30-70
Chen*

Firms Fined For Political Contributions

Washington (UPI) — Since President Nixon took office, 14 corporations have been accused of violating the law which prohibits corporations and unions from making political contributions to candidates for federal office.

It is the first time in nearly 15 years the law is being vigorously enforced.

Although the Nixon administration can be credited with the current enforcement, the policy change is largely the work of Internal Revenue Service agents and Democratic U.S. attorneys who began investigations during the Johnson administration.

All but one of the 14 corporations pleaded no contest or guilty and have been fined as much as \$50,000. A corporation, if convicted, can be fined a maximum of \$10,000 for each count.

Dodd, Salinger Named

In at least one case, the contributions went to candidates of both parties. In no instance were the recipients named. Without a trial, there is no way of determining who got the money.

The law contains no prohibitions against recipients, only the contributors.

The only individual recipients known to have benefitted in the 14 cases were former White House press secretary Pierre Salinger and Sen. Thomas J. Dodd, D-Conn.

International Latex Co. was fined \$5000 for making an illegal contribution in the 1964 elections. The company president had been identified as a contributor to Dodd's campaign during Senate hearings on charges the senator misused campaign funds.

Highest Fines

The National Brewing Co. was accused of making a contribution in the California senatorial primary and the general election of 1964. The money reportedly went to Salinger, former aide to President John F. Kennedy. The company was fined \$7500.

The stiffest fines were levied against two of the nation's largest steamship companies — American President Lines, Ltd., and Pacific Far East Lines, Inc. — for contributions to both Republican and Democratic candidates for Congress in 10 states in 1966 and 1968. They were fined a total of \$50,000.

Other companies fined in the past year include: Rossmoor Corp., \$3500; M. A. Nickkian & Co., \$2500; Fluor Corp., \$10,000; Max Sobel Wholesale Liquors, Inc., \$10,000; Clougherty Packing Co. and Bernard J. Clougherty, \$6000. Home Savings and Loan Assn.; Galaxy, Inc.; Arrowhead Savings and Loan Assn. and Continental Savings and Loan Assn. together were fined a total of \$48,000.

*Houston Chronicle
3/30/70*

BOTH PARTIES START CAMPAIGN —WITH A SEARCH FOR CASH

One prospect in this election year: A quarter of a billion dollars will flow. Republicans will find funds pouring in. For Democrats, it's another story.

The hunt for massive amounts of money to bankroll this year's political campaigning is under way—eight months in advance of the November 3 elections.

The reason for the early start:

At least 250 million dollars will be spent this year, according to one authority, to elect Governors, members of Congress, State legislatures, local officials down the line.

Republicans—in command of the White House for the first time since 1960—begin with some big advantages over their rivals.

They have surpluses in the treasuries of all national organizations of the party; a sustaining-membership drive that brings in 3 million dollars a year, and an enthusiastic public response to fund-raising dinners across the country.

Top drawing card. Vice President Spiro T. Agnew is becoming the star attraction at these affairs. At \$100-a-plate dinners arranged for February 20-21 in Minneapolis and Atlanta, it was calculated that the party would take in more than 1 million dollars.

Three Agnew appearances in the preceding week in the Midwest netted a half million dollars. By the time he completes 10 more fund-raisers scheduled through June, party officials say the Vice President will have added between 4 and 5 million to the Republican campaign chest.

President Nixon is to be the featured speaker at a \$1,000-a-head fund-raising affair for Republican congressional candidates—called the "Majority Dinner"—in Washington, D. C., on March 11. A national party leader reports:

"We expect to raise around 2 million dollars at this affair. Last year, we had an attendance of more than 3,000, and netted about 2½ million."

Deep trouble. The Democrats—in contrast—start from behind. The party is still divided, and deep in debt, from the disastrous 1968 presidential campaign. Without a President in the White House from their party, Democrats have found financial support is lagging.

A gala at Miami Beach, Fla., on February 5—planned originally as a 2-million-dollar fund-raising effort—netted only about \$350,000 for the Democratic National Committee.

But Democrats still control both houses of Congress. A \$500-a-head joint Senate-House campaign dinner in May to raise money for Democratic congressional candidates is expected to bring in about 1.5 million.

Brighter days ahead? Some Democrats look for things to pick up after the party installs a new Chairman at a March 5 meeting of the Democratic National Committee.

The new leader is expected to be Lawrence F. O'Brien. He managed the 1960 Kennedy-for-President campaign; served in the White House under both Presidents Kennedy and Johnson, and held the party chairmanship during the 1968 campaign of Hubert Humphrey and Edmund S. Muskie.

Events to raise funds for the party are being arranged by Democrats in Cleveland, New York and Washington, to provide money for State campaigns as well as operating expenses for the National Committee.

Featured speakers scheduled are to include former Vice President Humphrey; Senator Muskie, of Maine, and Senator Edward M. Kennedy, of Massachusetts.

Party officials insist that the 8-million-dollar debt hanging over from the last presidential election will not have any impact on the 1970 congressional campaign. One party leader adds, however:

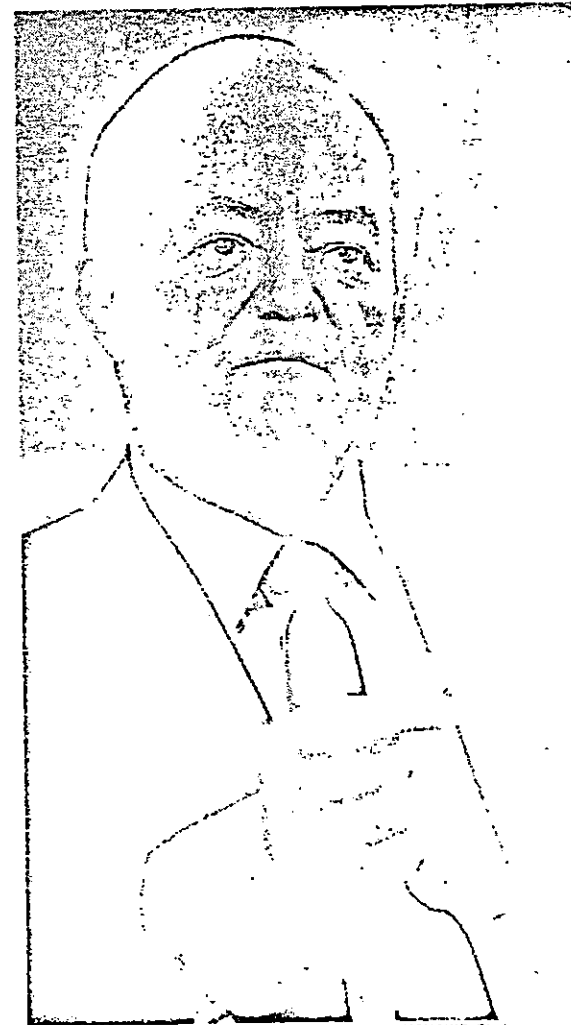
"It could have some effect on the 1972 presidential campaign, unless we are able to show good faith by keeping up our payments and in reducing the debt."

As a rule, Democratic senatorial and congressional campaign committees raise their own money separately for electing Senators and Representatives.

Also, each Democratic candidate has his own source of funds in various State and local party organizations. Many get financial aid from labor unions and "liberal" political-action groups.

Incumbents' advantage. Political strategists in both parties believe that, in the general pessimism over the plight of the Democratic Party today, this sig-

INTERVIEW WITH HUBERT HUMPHREY, FORMER VICE PRESIDENT



—USN&WR Photo

Bush Library Photocopy

nificant factor is being overlooked: A majority of the 35 U. S. Senators and 435 Representatives coming up for re-election in 1970 are Democrats. Incumbents usually enjoy an advantage in campaigning against lesser-known opponents.

The existing officeholders have developed a name identification with the voters; they have the benefits of free mailing privileges and cut-rate radio and television-production facilities on Capitol Hill, and many have established a record of service to constituents over the years.

Field agents who have sampled public opinion in the States and congressional districts report that many incumbent Democrats personally are in good standing with the people back home. The agents note that the foregoing is a preliminary estimate, however. In many cases, Republican opponents have not

been selected, and the issues have not been joined.

This point is made in connection with local elections: In nonpresidential-election years, national issues tend to be more muted. Greater emphasis is placed on local issues and personalities.

Also favoring the Democrats: the historic precedent that in midterm elections the party in power at the White House tends to lose seats in Congress.

Hopes for the future. In coming months, Democrats believe, national conditions may arise to create public dissatisfaction close to home, which in turn may prove unfavorable for Republican candidates.

Seen as possible issues are inflation or recession in the economy; any reverses in the Vietnam war or the Mideast, and a possible upsurge of crime, racial conflict or student uprisings.

What Republicans count on is that Richard Nixon will be able to handle the major problems, or blunt their political effect by pointing out he is dealing with conditions inherited from eight years of rule by the Democrats in the White House.

Republican strategists also believe—or at least hope—that any failure to enact the Administration's legislative proposals for coping with problems will be blamed on an "obstructionist opposition Congress."

Republicans anticipate that the President, Vice President and most of the Nixon Cabinet will be out campaigning this year to elect Republicans to Congress and State offices.

This much seems certain: One of the most spectacular off-year political campaigns in modern times is coming up—and one of the most expensive.

Top Democrat Talks About Party's Debt

Q Mr. Humphrey, the Democrats are 8 million dollars in debt as a result of the 1968 presidential election. What is going to be done about that?

A Obviously, we have serious financial problems, but at this particular time this is not critical as to the 1970 elections.

The Democratic National Committee does not provide funds to candidates for Governor or for Congress. Those funds are raised in the States by their local parties and their local organizations.

The Democratic Senate Campaign Committee and the Democratic House Campaign Committee, while related to the Democratic National Committee, have traditionally raised their own funds.

Q Do you ever expect to get rid of that debt and accumulate funds for another presidential campaign in '72?

A This is, without a doubt, a major task and a very difficult one. At present, what's most important is that we have an amortization program—that is, paying interest on the loans and something on principal. Some of that, by the way, has been done.

But how will we pay it off? Let me put it this way: If we should lose the elections of 1970, it will be twice as difficult to raise funds as it is now. If we win in '70, the spirit of victory—the smell of victory—for 1972 will have a tremendous impact. There isn't any doubt about it: It will increase the interest of people around the country in participating in the Democratic Party and in supporting and helping it.

The methods that we use to raise funds will have to be greatly improved. One way is through a sustaining fund—that is, a sort of monthly individual contribution across the country—which is being worked on right now; then a whole series of fund-raising events, such as galas, dinners and solicitations across the country, including national appeals over radio and television, and direct mailing.

We think that if we can get a program that will take care of modest payments, and particularly interest payments, on loans—and if we can come up with a good record

in this election—then we'll be able to manage the finance problem. We've had debts before in the party that have gone as high as 5 to 6 million dollars, and they have been paid off. And we think that these can be paid off—in fact, we must do it.

Q There have been some suggestions that you might discount these debts—or even default on them. Is that a possibility?

A I hope we don't default. That would be most unfortunate, and I don't think it will be done. It surely won't be done with my concurrence. Hopefully, we might get some discount on some of the bills.

Q Mr. Humphrey, you were the victim of great divisiveness and dissension within your party in 1968. Is the split still there?

A I think it has healed a great deal. I see this in the Democratic Policy Council, where we have more than 70 members who are representative of all shades of opinion—from the most liberal of the "liberals" to the "conservatives." While we've had some arguments, there's none of the emotional diatribe that we went through in '68. I think that we have come a long way in coming back together.

We are not trying to get even; we are getting together.

Q What is your own formula for rebuilding the party?

A The first thing the party has to do is to show up well in the elections of 1970. There's nothing quite so contagious in terms of strengthening a political party as success at the polls. Until we can show our capacity to win votes and to maintain our control in the Senate and the House, we're going to have less-than-enthusiastic reactions from many people throughout the country.

The main thing we've got to do is to concentrate our attentions upon these gubernatorial, congressional, senatorial, legislative elections of 1970. They are critical. If we can maintain reasonably good majorities in the House and the Senate and if we could pick up a Governor's seat or so, I think that we would be well on the road to a much healthier and a much more prosperous Democratic Party.

Democrats broke, still spending

By Charles Bartlett

THE DEMOCRATS' primacy as deficit spenders is challenged by the Nixon budget, but the Democrats running for President seem bent on reasserting their potential as red ink artists.

Despite the miserable record of 1968, when Democratic contenders for President left debts over the country, the new crop of candidates show surprising signs of a readiness to exceed their predecessors in extravagance.

The pace-setter is Sen. Edmund Muskie, who has budgeted a nomination campaign costing more than the combined cost of nominating Dwight Eisenhower and John F. Kennedy. Muskie spent \$300,000 on presidential politics in 1970, plans to spend \$1 million this year and \$5 million in 1972.

Some 13 months before the New Hampshire primary, there are ten high-salaried people on Muskie's private staff and about 20 clerical employees. The money transfusions, mostly out of Boston and New York, have already fallen short, and this winter the Muskie campaign slipped into deficit, reportedly between \$100,000 and \$200,000.

It is hard to understand why any businessman would furnish credit to any Democrat running for President. All the Democrats who ran in 1968 ran out on their preconvention debts by dismissing unhappy creditors with fractions on the dollar. It was a disillusioning departure for men asserting their worthiness to lead the nation.

The \$9 million Democratic debt from the campaign itself is pushed further and further into the corner as attention turns to the next election.

The engaging Texan who has assumed the party's finance burden, Robert Strauss, talks manfully of paying it off, but the circumstances in which this might be possible are made even more remote by the scale of the campaign that is getting under way.

The morality question aside, the practical effects of preconvention extravaganzas like 1968 will be disastrous for whomever is nominated. The Democrats have only limited access to significant political funds and they are excessively dependent on the Zionist lobby. If they exploit their sources before the convention, they will be strapped in September when they confront Richard Nixon, who will be sitting on a \$30 million war chest.

The Muskie pace plus the expanding number of state primaries plus the rising cost of politics add up to a plain warning that the Democratic contest can spin off into madness. Robert Kennedy spent \$1 million a week on his quest for the nomination — this is a game without a ceiling.

The one rational precaution would

be an agreement by those who strive for the Democratic prize to erect a ceiling. This could be done by agreeing to limit the number of contested state primaries, to restrict the use of television and billboards in those contests, and to tighten the splurge at the convention itself.

This initiative can only begin with Muskie, who enjoys the money-raising leverage largely because a wealthy old man, a movie mogul named Arnold Picker, has adopted him as a crusade. Picker, friends say, has the purest motives, but he is having trouble with the big West Coast money, which was chilled by Muskie's evenhandedness on his visit to the Middle East.

Muskie can make character for himself as a political leader by moving hard to keep his party off the auction block. The public has begun to question the sources and purposes of political money, and candidates will be judged more than ever by the way they handle their finances.

When Muskie finished his first race for governor in 1954, he was flat broke. He will not have won much if he emerges in similar shape from the coming Democratic convention.

Bartlett, a 1956 winner of the Pulitzer Prize for national reporting, is a former Washington correspondent for the Chattanooga Times who writes a syndicated political column from Washington.

Houston Chronicle
2-5-71

Dems' Financing Fizzle, ✓ The Veto That Got Away

BY WALTER R. MEARS

AP Political Writer

Washington (AP) — On the drawing board of the Democratic National Committee is the outlines of a fund-raising campaign that isn't going to happen. It would have been an appeal for money, prefaced by a protest against President Nixon's veto of legislation for public financing of the 1972 White House campaign.

But there isn't going to be any such veto, there isn't going to be any such legislation, and the Democrats are desperate.

"What do we do now?" said Lawrence F. O'Brien, chairman of a party still \$9.3 million in debt from the 1968 campaign. "Frankly, I don't know."

Done in by Demo

Ironically, it was a Democrat, with presidential aspirations, who scuttled the measure that might have helped rescue the party from the prospect of a woefully underfinanced 1972 campaign.

O'Brien and Democratic congressional leaders thought they had from Rep. Wilbur Mills, D-Ark., chairman of the House Ways and Means Committee, a commitment that the public finance measure would be part of the final version to be sent to House and Senate for a last vote, and then, presumably, on to President Nixon. Nixon had said he would veto it.

Thursday a House-Senate conference committee approved a \$15.8-billion tax-cut bill with the campaign finance feature put off at least until the 1976 election.

Checkoff Option

Had that provision survived for 1972, each major party would have been eligible for up to \$20.4 million in public funds, the proceeds of a dollar-a-taxpayer checkoff option.

The Democrats were anticipating a veto figuring they would gain either way, with the campaign money, or with an opportunity to accuse Nixon of preferring well-heeled private donors to small public contributors.

On the assumption that the provision would survive in a Democratic-controlled Congress, O'Brien and his advisers already had sketched their follow-up fund raising campaign.

Opportunity Lost

They planned an advertising drive built around the argument that a veto had cost taxpayers the opportunity to put a dollar apiece from their returns into the 1972 campaign, but that they should do so anyhow, by sending small contributions to the Democrats.

O'Brien said he had no warning. He had talked with Mills Wednesday, and had what he thought was an assurance the campaign finance plan would be approved as it passed the Senate.

He heard rumors Mills might be wavering. He checked with other congressional Democrats, got only re-

Whips and Lobbyists

Democratic whips were counting votes in the House. Labor lobbyists, at least 15 of them, were at work on the same project.

At the same time, Mills was on the telephone to Sen. John O. Pastore, D-R.I., the man drafted to guide the campaign finance amendment through the Senate, telling him there was trouble ahead.

Mills was saying the measure would have to wait. There would be no campaign-finance amendment for 1972, only a framework to be used later, beginning no sooner than 1976.

And with that, one Democrat said, nearly five months of back-room preparation went down the drain.

\$20 Million Needed

"There's no limit to the amount of money that will be available to Nixon," O'Brien said. And to the Democrats? He shrugged.

He said the Democrats could put on a sound 1972 campaign if they had \$20 million early.

The Democratic chairman

said the Republicans will spend at least three times that much on the campaign to re-elect Nixon.

Looming ahead of the Democrats is a costly campaign for 1972 nomination, one that could cost well over \$10 million even with a candidate agreement to limit spending. That is money that will be drained away from regular Democratic party financiers.

At the same time, there is increasing pressure to pay off leftover 1968 debts. The telephone company has demanded that the party post bond to guarantee payment of 1972 telephone bills. O'Brien won't be surprised if a similar demand comes soon from airlines the party still owes money.

Senate Democratic Leader Mike Mansfield of Montana said Saturday that as far as he is concerned "election financing is here to stay," even though it won't happen in 1972.

"The issue is larger than 1972," he told the Senate. "It is larger than any party as well."

Mansfield noted that the tax bill still includes provision for tax credits or deductions for political contributions.

He said it is most unfortunate that the public financing of presidential campaigns was put off until after next year. He said the checkoff plan is essential if democracy is to endure.

It is tragic that this matter was viewed by some in such political and partisan terms," Mansfield said.

MARCH 15, 1972

HOUSTON CHRONICLE

Section 2, Page 7

3-15-72

HHH Reports

\$838,715 For

His Campaign

Washington (UPI)—Sen. Hubert H. Humphrey, D-Minn., has reported contributions of \$838,715.29 to his campaign that came from 2428 persons.

In a report issued Tuesday, Humphrey said \$763,741.34 came from 121 persons who contributed \$1000 or more. The largest amount, \$100,000, came from Dwayne O. Andreas and his brother, Lowell, whom Humphrey identified as Minnesota financiers.

Other large contributions were made by Patrick J. O'Connor, former Democratic national committee treasurer, \$30,000, and John (Jake the Barber) Factor, a millionaire Los Angeles realtor, \$35,000.

Factor was a central figure in the kidnaping in 1934 of Chicago bootleg king Roger Tuohy. Factor was sentenced to 10 years in prison for mail fraud but was pardoned by President John F. Kennedy in 1962. He claims to have contributed to both major political parties.

3-15-72

HOUSTON POST MARCH 15 1972

Humphrey lists contributors

3-15-72 Post

WASHINGTON (AP) — Sen. Hubert H. Humphrey released a list of contributors to his current presidential campaign Tuesday including \$35,000 from John "Jake the Barber" Factor.

Factor's contribution was included in a list of 121 contributions of \$1,000 or more raised since last fall. The list included \$5,000 from a dairy industry organization.

The largest contribution on the list was \$75,000 from financier and grain executive Dwayne O. Andreas of Minneapolis and Miami and \$25,000 from his brother, Low-

ell W. Andreas, of Decatur, Ill.

Other big givers included S. Harrison Dogole, Philadelphia businessman, and Mr. and Mrs. Leonard Davis of New York City with donations of \$30,000.

Jeno F. Paulucci, Duluth, Minn., frozen pizza tycoon, gave \$42,000, according to the list.

The major contributors gave a total \$763,741. Another 2,307 donors of less than \$1,000 each gave a collective \$74,973 for a grand total of \$838,715 received through last Friday.

Smaller but well known

contributors on the list included San Francisco Mayor Joseph Alioto, who gave \$1,000, and actor Lorne Green and his wife, who donated \$2,500.

Humphrey also got \$5,000 from the Trust for Agricultural Political Education, a dairy industry political fund with headquarters in San Antonio, which has emerged recently as a major lobby.

Factor was pardoned of a mail fraud conviction in 1962 by President John F. Kennedy. He now lives in Beverly Hills, Calif., where he is described as a prosperous real estate man and philanthropist.

Bush Library Photocopy

Democrats putting 7-9-72 465T hopes on telethon

7-9-72

MIAMI BEACH — William Jennings Bryan drew people to ox-roasts to raise money for the Democratic party. But this isn't 1900 and barbecues don't wipe out \$9.3-million in debts, so the party is doing something bigger — a 19-hour star-studded bash of a telethon.

Nobody is willing to guess how much money the telethon, which began at 9 p.m. CDT. Saturday, will bring to the party's anemic purse. But hopes are high.

For four years the Democrats have been forced to pay cash for everything while staving off creditors who wanted the \$9.3 million the party has accumulated in debt since the last Democratic convention.

Even the 1972 convention, starting Monday and costing \$2.5 million, is cash on-the-barrelhead for hotel rooms and telephones, bus drivers and ticket takers, the blue-uniformed guardians of the portals and a thousand other things.

"I wanted to make at least one massive attempt to reduce the debt," said Treasurer Robert Strauss, the Dallas attorney who has wheeled and dealt in the best Texas style to keep the sheriff from the Democrats' door.

The telethon is it.

It fulfills another of Strauss' ambitions — to in-



ROBERT STRAUSS

volve the American people in the financing of politics.

"We are turning to the people for financial support rather than turning to the institution of wealth," Strauss said. Contributions from fat cats, he said, always have strings attached.

Until 4 p.m. CDT Sunday, viewers of the show on ABC network stations across the country will be able to pledge money or charge it on credit cards with phone calls to 32 regional centers manned by 12,000 volunteers.

They'll be enticed to contribute by stars of the entertainment world, by senators

and governors, and by the eight recognized candidates for the Democratic nomination.

The stars were to include Milton Berle, Lorne Greene, Alan King, George Kirby, Shirley MacLaine, Tony Randall, Andy Williams, Peter Yarrow and Warren Beatty.

Also: Edie Adams, Lauren Bacall, Burt Bacharach, Angie Dickinson, Henry Fonda, Rosey Grier, the cast of Hair, Bob Klein, Groucho Marx, the Supremes and the Temptations.

Although the appeal was partywide, the problems besetting the Democratic nomination process spilled over into the telethon also. Paul Newman, an early signer, dropped out because of the credentials committee's decision to strip Sen. George S. McGovern of 151 California delegate votes.

The money-raisers also had trouble in Chicago because of the ruckus over unseating the delegation of Mayor Richard J. Daley.

James J. McDonough, city commissioner of streets and sanitation, had helped up the installation of telephones. The go-ahead finally was given and 200 volunteers will man the collection center.

In Miami Beach, some 1,000 people paid \$500 a couple to eat a round-the-clock dinner, meeting stars, politicians and candidates.

McGovern's choice rejected

7-15-72 Post

By FRED BONAVENTA
Post Convention Bureau

MIAMI BEACH — The Democratic National Committee rubber-stamped Sen. George S. McGovern's hand-picked choices for new national chairman and treasurer Friday but balked at his selection for a new national vice chairman and elected a black lawmaker from New York instead.

It was the first — but a minor — setback for the senator who only 12 hours earlier accepted his party's nomination to become President.

As proposed by the senator, the hierarchy of the national committee would have been all white with Mrs. Jean Westwood of Utah as the new chairman; Pierre Salinger of California as the new vice chairman; and Washington lawyer Donald Petrie as the new national treasurer.

But national committeeman Charles Evers, black mayor of Fayette, Miss., and brother of slain civil rights leader Medgar Evers, opposed Salinger's nomination and offered the name of Basil Paterson.

Paterson, a former New York state senator, was the

1970 nominee for lieutenant governor on the unsuccessful ticket headed by former Supreme Court Justice Arthur Goldberg.

Evers told the DNC members if they were to stay in line with the new guidelines of their party and if they were to have a white female as chairman, then a black man should become vice chairman.

Aaron Henry, another Mississippi DNC member and civil rights activist, asked Sen. McGovern whether blacks participated in the decision-making which led him

to the list of nominees.

Henry said he asked the question "so that we will have some idea of how much of a role the black community is going to have in this campaign."

The South Dakota Democrat replied he consulted with blacks, Chicanos and American Indians "all the way through" and assured Evers, Henry and the others "every effort has been made to consult with leaders of the black community."

"I regard Basil Paterson as

Please see McGovern/page 8A

McGovern's choice rejected

Continued from page 1

one of the most distinguished and capable persons, and his nomination is perfectly acceptable to me," the senator said.

Salinger, who was a White House press secretary under the late President John F. Kennedy and one of Sen. McGovern's chief operatives in winning the nomination, took the stage to tell the committee:

"I think that I sense the feeling of this committee, and I would like to withdraw my name from nomination and

endorse Basil Paterson."

Paterson was elected by acclamation.

A source in the black political caucus said later that the decision to nominate Paterson was reached when it became apparent Sen. McGovern planned no high-level jobs in the DNC for blacks. The source indicated there was some anger at the senator.

The election of Paterson was the only unexpected incident in the committee meeting.

Mrs. Westwood, 48, a West Jordan, Utah, businesswoman, was named to succeed Lawrence F. O'Brien as chairman of the DNC. O'Brien held the job for 2½ years.

Both the senator and O'Brien admitted that efforts had been made until the start of the afternoon portion of the meeting to persuade the former chairman to change his mind and stay on—at least until after the elections. But he stuck by his earlier announcement that he was through.

In an emotional swan song to the committee, O'Brien warned against engaging in a "negative campaign" in the race.

"If we engage in simply an anti-Nixon campaign, if we are simply negative, if we suggest to the American people that we are more entitled to the keys to the White House, then we will have failed," he said. "We must say to the American people, 'You can trust us.'"

O'Brien and Sen. McGovern hinted broadly that the former chairman would have some role in the campaign.

Mrs. Westwood, her voice hoarse from the excitement of the convention, was barely able to thank the committee members for electing her.

Petrie, the new treasurer,
is a lawyer, an official of
Avis car rental and a fund-
raiser for Sen. McGovern's
campaign.

He succeeded Robert S.
Strauss of Dallas, who also
stepped down after 2 1/2 years
by telling the committee the
party staged a \$3 million con-
vention and was leaving
Miami Beach "with all our
bills paid."

In a speech to the newly enlarged DNC, Sen. McGovern said the national convention proved the Democrats to be "the party of the people" because of its openness.

"We are on the verge of presenting to Americans once more that trust and confidence can be rightly placed in us . . . the reforms have brought internally to us a revitalization. . .

"We now have an opportunity to go to America in the position of a party and say, 'Indeed, you have a clear choice. You do have an opportunity to trust this two-party system.' "

Four of Texas' seven members of the reconstituted DNC attended the meeting: National Committeeman Jess Hay of Dallas, National Committeewoman Jane Weinert Blumberg of Seguin, state party chairman Roy Orr of DeSoto, and the vice chairman, Mrs. Ralph O'Connor of Houston.

Three at-large DNC members will be elected Sept. 19 at the state convention in Dallas, Orr said.

Each of those present—including Orr, who attended the national convention so he could work against the nomination of Sen. McGovern—signed "an affirmative declaration of support" for the national ticket.

The declaration, which amounts to a loyalty oath, says the signer will "affirmatively support the nominees of our convention, namely, Sen. George McGovern and Sen. Thomas Eagleton, for the office of president and vice president, respectively."

Orr was unavailable later for comments on what support he plans to give the McGovern-Eagleton ticket.

Democrats want debts settled

CUSTER, S.D. (AP) — The debt-ridden Democratic National Committee is trying to pay off or settle as much of its \$9.3 million debt as possible before the fall campaign, Chairman Jean Westwood said Sunday.

She said she hopes to make down payments for airline and telephone bills and settle many of the others at a small percentage of what is owed.

Mrs. Westwood also disclosed in an interview that she has advised holdover staff members of the national committee they will be told this week whether they will be kept but that, in the meantime, no salaries will be paid starting Tuesday until the financial situation can be determined.

Most of the top staff members under former chairman Lawrence F. O'Brien will join him in the office he is opening as national campaign chairman for Sen. George McGovern's presidential bid.

Mrs. Westwood, the first woman chairman of either the Democratic or Republican national party in American political history, discussed the



JEAN WESTWOOD

committee's role while attending weekend strategy conferences for the McGovern campaign at nearby Sylvan Lake Lodge.

"We want to set up an operation that can continue after the election as well as in the campaign," she said.

Receipts from the 19-hour telethon conducted by the na-

tional committee on the weekend before the party's nominating convention are expected to run considerably less than the \$5 million estimated by officials at the time, Mrs. Westwood said.

After the \$1.6 million cost of the telethon is paid, she added, the national committee expects to net about \$1.5 million.

She said she hopes to reach agreements with the airlines and American Telephone and Telegraph Co., which are owed nearly one-third of the total debt, that would permit the party to make down payments now with a promise to pay the rest in full later.

Current service would continue to be paid in cash. Throughout the primary campaign, airlines and the phone company have required advance cash payments from the party and its presidential hopefuls because of the huge unpaid 1968 debt.

On bills such as printing, rental cars, 1968 convention costs and other miscellaneous items, Mrs. Westwood said, the hope is to settle at a per-

centage of what is owed, a traditional means of taking care of campaign debts where it is unlikely full payment could ever be made. That would leave some \$3 million in loans extended to the 1968 campaign by wealthy contributors, a method used to get around limits on outright gifts by individuals.

Although most of these donors probably never expected to get a penny back, some reportedly are seeking repayment.

Of the debt, about \$6.3 million is from the 1968 campaign, \$1 million from party operations before O'Brien and former treasurer Robert S. Strauss put the party on a pay-as-you-go basis in March 1970, and \$2 million from the 1968 primary debts of Hubert H. Humphrey and the late Robert F. Kennedy.

Texan Strauss Elected Dem Party Chairman

HOUSTON
CHRONICLE

12-10-72

CHRON. 12-10-72

BY CRAGG HINES
Chronicle Washington Bureau
Washington — Robert S. Strauss of Dallas was elected chairman of the Democratic National Committee Saturday in a clear reaction by the party's body to the lopsided defeat last month of liberal Democratic presidential nominee George S. McGovern. Strauss, 51, succeeds Mrs. Jean Westwood of Utah, the

chairman McGovern hand-picked in July at the end of the Democratic national convention. By four votes, Mrs. Westwood was spared being thrown out of office, apparently because she agreed to resign if the motion to declare the chairmanship vacant was defeated. It lost 105-100 with 104 and a fraction votes needed for its adoption. Mrs. West-

wood resigned after the vote. Strauss described himself as a "centrist" and a man who "will not attempt as chairman to be the philosophic voice of this party." He was supported by committee members from all sections of the country and drew backing from many segments of the traditional Democratic coalition that were cold or antagonistic to McGovern, including organized

labor, more conservative Democrats and many Democratic governors and congressmen. Strauss defeated Charles T. Manatt of Los Angeles, chairman of the California Democratic Party, and George Mitchell of South Portland, Maine, his state's Democratic national committeeman and an adviser to U.S. Sen. Edmund S. Muskie, D-Maine.

Strauss received 106½ votes, 4½ more than needed for his first-ballot victory. Mitchell received 71¼, Manatt 26. A motion to make Strauss' election unanimous, a traditional political maneuver, was defeated by a small number of committee members who shouted objection. Mrs. Westwood had contended she would not give up the (See STRAUSS, Page 12)

chairmanship until an anti-Strauss coalition had selected a successor for her. But she looked relieved and her resignation statement was quite calm.

She did say that the necessary unity was "not yet present on this committee," and she urged election of a successor "who can rally us to what is best."

Mrs. Westwood voted for Mitchell.

In the end it appeared what had been viewed as one of Strauss' major problems, his close personal friendship and political association with former Gov. John B. Connally, was as much a plus as minus.

The committee was obviously interested in getting back the national support of Democrats who voted for Nixon in the Nov. 7 election. Connally, who served in the Republican administration as secretary of the Treasury, was national chairman of Democrats for Nixon.

After his election Saturday Strauss took the Connally issue straight on, both by reference in remarks to the committee and by name in a news conference.

"I belong to no man," Strauss told the committee. "I am owned by no group or organization."

Strauss told reporters there was room for Connally in the Democratic Party, but probably not in the leadership at any time soon.

He was reminded he had said John Kenneth Galbraith, a liberal economist and Democrat, had no place on the party Policy Council while advocating defeat of some congressional Democrats.

By extension, Strauss said of Connally, "if Connally were a member of our Policy Council, he should be thrown off."

Strauss said he successfully raised money in the general election campaign for Democratic congressional candidates, specifically hanging on to funds that might have gone to Connally's Democrats for Nixon. "My friendship didn't diminish my energy," he said.

Strauss is a former DNC treasurer who tackled the party's \$9 million debt after the 1968 defeat of presidential nominee Hubert H. Humphrey. He said Saturday the debt was now about \$5 million and that he would continue to work to reduce it.

Strauss does not have the years of experience in political technology of some recent chairmen, such as Lawrence F. O'Brien, but his tenure as a committee officer covers some of the most tempestuous of recent Democratic days.

Strauss campaigned on his middle-of-the-road stance and emphasized it after his election.

"I'm not doctrinaire," he said, "and I'm not an ideologue. I'm a centrist. I'm a worker. I'm a putter-together."

"I am not an exclusionist. I'm an inclusionist. I'm for winning elections."

If anyone thinks he will "condone turning back the clock on sound reforms," Strauss said, "they're in for a rude shock."

He specifically voiced support for the portions of the reform rules that call for representation of minorities, youth and women at Democratic national conventions in something like their ratio in the population at large.

The provision has been construed by some — and denounced by Republicans — as quotas, but Strauss said he supports the provisions and would fight for them.

One of Strauss' first acts will be consultation on appointment of 25 at-large members to the DNC, and he said he thought Negroes were underrepresented on the committee as constituted and had made a commitment to blacks to see that blacks were included on the at-large slate.

\$5000 Here, \$5000 There *HOUSTON CHRONICLE*
MARCH 19, 1972

Campaign Contributors Get Around Fund Limits

CHRON. 3-19-72
BY RICHARD BERGHOLZ
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Washington Post News Service

In a burst of candor, Sen. George McGovern, D-S.D., recently identified his campaign contributors in the race for the democratic presidential nominations.

Foremost was the name of Max Palevsky of Los Angeles, identified as giving \$25,000 to the McGovern cause and granting personal, unsecured loans amounting to \$30,000 to the campaign.

Federal law says it's illegal to give a candidate more than \$5000.

Was McGovern inadvertently blowing the whistle on one of his financial angels?

Not at all.

Doesn't Prosecute

For one thing, the past record of the U.S. Justice Department, whether under Democratic or Republican control, indicates it doesn't prosecute big-money campaign contributors.

For another thing, Palevsky's cash contribution of \$25,000 was distributed among five different McGovern campaign committees. So were the loans.

The theory is that Palevsky really didn't give McGovern \$25,000 in cash, as the McGovern staff said he did. The industrialist only gave \$5000—five times. And in the official view, that doesn't violate the law.

Palevsky is only one of many big-money contributors who consistently exceed the \$5000 limit with impunity. And this applies to other campaigns—and both major parties.

One of the contributors to the presidential campaign of Sen. Edmund S. Muskie, D-Me., is Donald Pritzker, president of the Hyatt Corp. He's

also raising money from others for the Muskie cause—amounts as yet undisclosed.

Gifts to Tunney

Two years ago, the 39-year-old Atherton, Cal., executive was a big giver to the campaign fund of Sen. John V. Tunney, D-Cal. He was listed as giving \$5000 in cash and \$60,000 in interest-free unsecured loans.

Pritzker was asked to write \$5000 checks for the loans, choosing from a variety of Tunney committees.

Each committee was set up to receive and spend Tunney campaign money. Each was used to take in big amounts (but nothing more than \$5000 and funnel it to other accounts as needed.

The \$5000 cash contribution was a gift. The loans were something else. They were strictly a gamble.

"This was like all political loans," Pritzker said. "You knew if he (Tunney) won, you'd get it back. And you knew it would be much more difficult if he lost."

Amount Repaid

Tunney won. And he's gradually repaying some of the loans. About \$30,000 or \$35,000 of the amount owed to Pritzker has been repaid, according to Tunney aides.

Big contributors in political campaigns never have been particularly inhibited by the \$5000 limitation. Nor has it slowed down their willingness to grant personal loans to a cash-hungry campaign on a gamble they may not get it back if their man loses.

Four years ago, John Factor was one of Democrat Hubert H. Humphrey's biggest bankrollers. He was listed as contributing \$100,000 in cash through his wife, now deceased, and \$240,000 in loans.

Humphrey lost the presidential race that year and presumably most of the committees to which Factor's many \$5000 checks went have gone out of existence. Thus, the precise status of those loans isn't known.

In Democratic circles, at least, loans generally are looked upon as "last-ditch" means of coming up with cash, when the usual fund drives come up short. Sometimes, a group of big-money men will get together and co-sign a loan so as to spread the loss if the candidate loses and defaults. Sometimes, individual contributors prefer to take the loan route.

Federal Law

However, federal law makes it clear a businessman can't claim a business loss—and tax write-off—for a defaulted political loan.

In Republican circles, political loans are perhaps at least equally popular as a means of pumping money into campaigns. And the use of a great variety of committees as conduits for individual contributions is well established in the GOP ranks.

In the 1968 presidential race, the Mellon family of Pittsburgh reportedly gave \$173,462 to numerous Nixon-Agnew and Republican party committees, according to Herbert J. Alexander, director of the Citizens Research Foundation of Princeton, N.J., which looks into campaign financing.

Jack Dreyfus, head of the Dreyfus Fund, reportedly spread his beneficence over 47 different committees in the 1968 race. And he worked both sides of the street—\$76,000 to Nixon-Agnew committees and

\$53,000 to Humphrey committees.

Any number of campaign fund raisers, as well as contributors, say the existing law on the \$5000 dollar limitation is a hollow mockery and always has been.

That's why they welcome the new campaign reporting law which becomes effective April 7.

Beginning then, the lid goes off. The \$5000 limit ends and a wealthy man can contribute any amount he wants, without spreading it over many committees, within the confines of the new legal restrictions concerning the total amount a candidate or a party or a committee can spend in a campaign.

But the problem of liability under the gift tax law may become more acute.

Under present law, gifts up to \$3000 a year are exempt from the federal gift tax, except that each person has an additional \$30,000 lifetime exemption which is cumulative. Many of the big contributors probably already have used their cumulative individual exemptions, or earmarked them for other occasions.

Thus, the task in political money raising is to make the contributions, regarded under the law as gifts, nontaxable. That means making them in nontaxable amounts, \$3000 — or, in the case of married couples in community property states such as California — \$6000.

'Voluntary' Giving

In addition to imposing a \$5000 limit on individual campaign contributors, existing law prohibits corporations and labor unions from contributing to federal election campaigns in corporate or union funds. As a result, corporations and unions have developed various forms of "voluntary" giving.

The whole record of the new law, and how it came about, shows that disclosure is the heart of the matter.

There are always going to be big-money contributors who demand anonymity. Often, these are people who give varying amounts to different candidates. Richard Armstrong, director of the Public Affairs Council, an organization of big businessmen involved in political contributions, explains that for years, "many corporate committees have contributed to Republican and Democratic senatorial and congressional campaign committees.

"To some extent, this has been a smoke screen. Customarily, they will 'trade checks' with you.

"For example, you want to give \$500 to Congressman X's campaign. But you do not want to report it and do not want him to report it. Therefore, you make a contribution to the congressional campaign committee of \$500. The committee makes out a check to Congressman X. They may even let you deliver it."

Democrats need to slash primary spending

CHRON. 4-14-72 HOUSTON CHRONICLE 4/14/72

By Charles Bartlett

COMPETING in a state of insolvency and unlikely to settle on a candidate before the Miami convention, the Democrats need to cut back sharply what they are spending on the primaries.

The field of contenders has already blown over \$1 million in TV and radio in the first three contests. Despite these heavy outlays, all are losing ground in the polls to Richard Nixon. If they spend in the big late primaries at the pace they have spent in the small early ones, they can devour more than \$2 million more of the funds they will need desperately in the autumn.

A difficult but responsible answer would be to agree to eliminate all media spending in the rest of the primary states. The experience to date teaches that television spots do not weigh heavily when several candidates are competing on loosely-drawn issues. Even John Lindsay, with his great looks, drew few to his side with \$225,000 worth of radio and television in Florida and Wisconsin.

It may be too late to call the halt before the April 25 primaries in Pennsylvania and Massachusetts. But the scrambles to come in Ohio, Oregon, New Jersey, California and New York are financially frightening to candidates paying their way on a day-to-day basis. The media limits they now accept will permit each of them to commit some \$400,000 to television in California and total outlays in the state can easily climb, if contributors

respond, past \$1 million per candidate.

A field of debt-ridden candidates will not add to the lustre of a debt-ridden party. The Democrats are preparing for their convention in Miami without having paid for alterations they made to the stockyards in Chicago in 1968. The party treasurer, Robert Strauss, has scheduled a 19-hour telethon on the eve of the Miami convention to warn the nation's Democrats that if they want a two-party system, they are going to have to put up some money.

The contenders are finding now that the shrewd Democratic dollars, the donations from those who want access to power, are flowing into the campaigns for the Senate and Congress. This is how labor and the other big lobbies mean to keep their clout, and they do not yet find the wild competition for the party nomination an attractive investment.

The candidates could not have agreed at an earlier date to prohibit media expenditures. Edmund Muskie was such a clear frontrunner that the others consented with reluctance to the limit of five cents per registered voter. But now Lindsay, who counted heavily on TV, is sidelined and Henry Jackson is planning to compete with a very low profile all the way to Miami.

If Muskie defeats Hubert Humphrey in Pennsylvania, he will have hopes of reaching the convention with about two-thirds of the delegates he needs for nomination. If Humphrey wins, Muskie is out and the race becomes a contest between the party's factions, the old and new breed of Democrats. It cannot be resolved before the convention.

The candidates will seem more appealing on this long road if they acknowledge their impoverishment instead of attempting to stage more of a show than they can afford. They may even, by forswearing the luxury

of television commercials, make themselves more convincing as the spokesmen for less privileged Americans. This is a time when the poor look is stylish.

They will not at any rate look like the fools they will be if they run up

big debts in pursuit of a slippery nomination.

4-14-72

APRIL 23, 1972

Fund-Raising By GOP Tops

Democrats 4-1

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Washington — The Republican Party, in a record-breaking performance, has built a 4-1 margin over the Democrats in early fund-raising for the 1972 elections.

During the 14-month period ending Feb. 29, national-level Republican Committees reported taking in funds at a rate of better than \$1 million a month—a total of \$14.5 million.

At the same time, Democratic committees collected only \$3.3 million, less than one dollar for ever four raised by the Republicans.

These figures are part of the final reports to the clerk of the House under the Corrupt Practices Act of 1925, which was replaced April 7 by a stricter campaign finance reporting law.

Spending Heavy

Figures for all national-level political committees indicated that more money will be spent on the 1972 presidential and congressional races than ever before, despite the new law's limitations on outlays for media advertising.

Reports covering 1971, but reflecting only a fraction of actual fund-raising because of loopholes in the old law, showed:

- Republicans opened a huge fund-raising lead over the Democrats, reporting receipts of \$11.5 million, compared with \$2.8 million for the Democrats.

- While Republicans were setting a nonelection-year record for their efforts, Democrats fell almost \$600,000 short of the total they raised in 1967 — just prior to the last presidential election.

- Receipts reported by all committees — including party, labor and business groups — totaled a record \$21.5 million, nearly double the amount collected in 1967.

Although things looked bad for the Democrats in 1971, they looked worse in the first two months of 1972. Figures compiled by the Citizens' Research Foundation showed major Republican Party committees raising \$3 million, compared with only \$483,547 for similar Democratic Party committees.

Republican officials shied away from predicting whether President Nixon would top the estimated \$35 million he spent in 1968.

Hope for Drop

Thomas E. Girard, a member of the finance committee for the Committee to Reelect the President, would say only that "everyone would like it to cost far less."

Robert Strauss, treasurer of the debt-plagued Democratic National Committee, said he expected the President to spend \$50 million on the 1972 campaign. Strauss said the Democratic presidential candidate would spend about 25 to 30 percent of the Republican total — or some \$15 million.

The Democrats are still saddled with a \$9.3-million debt from the 1968 campaign. But Strauss said the party's finances have been reorganized and that it is operating in the black—aside from the debt—despite "a tremendous run-off of political funds into the presidential primaries."

The millions of dollars collected by Democratic candidates for the crowded and costly presidential primaries have hampered fund-drive efforts by the Democratic Party committees.

Some Bright Spots

There are a few bright spots for the Democrats in the early fund-raising figures. Labor unions, a major source of Democratic campaign funds for decades, collected a record \$3 million in 1971, according to reports filed with the House clerk.

The 51 labor groups reported expenditures of \$1.6 million, indicating that \$1.4 million was still available at the beginning of 1972.

The Republicans were far ahead of the Democrats in fund-raising by congressional campaign committees. Four Republican congressional committees raised \$3.4 million in 1971, compared with a total of \$750,000 raised by four Democratic Committees.

The chief effect of the Federal Election Campaign Act of 1971 is expected to be to limit Nixon's spending on broadcast advertising this year.

Each party may spend \$8.5 million on radio and television. But it seems unlikely the Democrats will be able to raise that amount.

4-23-72

Strauss was told that supporters of Gov. George C. Wallace of Alabama thought they were underrepresented on the committee and was asked if he would seek to add Wallace supporters on the at-large roster.

"I made absolutely no commitment to his people," Strauss said.

At his news conference, Strauss disclosed McGovern had told him last week that McGovern found Strauss a "perfectly acceptable" candidate and that McGovern said he had never questioned Strauss' commitment to party reform. Strauss did not say why he did not use the statement in his campaign.

To satisfy the party rule that the vice-chairman be of the opposite sex of the chairman, but also to keep a leadership spot for Basil Paterson of New York, a black, the committee created a new vice-chairmanship and elected Mrs. Caroline Wilkins, Oregon Democratic chairman, to the post.

Strauss said he would appoint former national party vice-chairman Mary Lou Burg of Wisconsin as his deputy, an administrative post.

He acknowledged the support he had gotten in his campaign from many governors and congressmen and said he intended to work with them to build "a bridge to bring power and strength" to the party.

Political observers said Strauss was probably the first Jew to hold the chairmanship of a major national political party and the first Texan in many years to hold the top party post.

The wit and charm of Strauss, a lawyer, lets him move easily in groups that might be initially suspicious of a Texan with a Southern drawl. Strauss' mobility is evidenced by being able to say "some of my friends" include Connally and former President Lyndon B. Johnson.

"Just wait till you get to know him," a New York committeewoman kept telling a friend uneasy about Strauss' election.

But the drawl got Strauss, a native of Lockhart in Central Texas, into potentially hot water just shortly after he was elected.

At his news conference he referred several times to reporter Sarah McClendon by her first name. After the conference a woman who identified herself as president of the National Organization of Women rushed to the microphone and said she objected to Strauss calling Mrs. McClendon "Sir."

The remark startled Strauss until he realized the women had mistaken his pronunciation of "Sarah" for "sir."