

March 14, 1972

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MEMORANDUM FOR THE HONORABLE JOHN N. MITCHELL

FROM: JEB S. MAGRUDER

SUBJECT: Campaign Disclosure

In a meeting this afternoon with Messrs. Stans, Kalmbach, Finch, Moore, LaRue, Shumway, and Sloan, we discussed whether it would be appropriate for us to disclose contributions received before the April 7 deadline set by the new law. It was the unanimous opinion that we should not disclose, although we realize this would be an issue that could be used against us in the campaign.

If we were to disclose, we would have to give each contributor an opportunity to renege on his pledge which would reduce our funds considerably. This, in turn, would probably create a difficult public relations situation if it were known we were returning any funds, as well as be embarrassing to those donors who let their contributions stand. It also could create an on-going press barrage about our contributors since many of them are in sensitive positions both within the Administration and the business community. Even though this could be brought up as an issue in the general election, we could bring up the fact that we began disclosing on April 7 and it probably would not be an issue of the magnitude then as it is now.

One point which should be stressed is this: when an incumbent President, rather than a Presidential candidate, discloses, there may be more political problems caused by the disclosure than by non-disclosure. For example, if Muskie discloses that he received \$10,000 from the President of General Motors, that is one thing. But if the incumbent President discloses such a contribution, he is open to the charge that in return for the donation, General Motors was promised something which it is within the power of the incumbent President to grant. Hence, the charges which might be made as a result of the disclosure might do more political damage than the charges made as a result of non-disclosure.

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If we do not disclose, it would be important to deploy funds raised before April 7 into as many state committees as possible, as well as prepaying any future bills that would be appropriate so that our balance on hand at the first reporting date would be relatively small. At the present time it is anticipated that we could have as much as \$12,000,000 on hand by April 7. If we do not disclose and show that figure in June during the first reporting period, we could create a tremendous backlash regarding our non-disclosure.

On the other hand, the arguments for disclosing are obvious. We would increase our credibility with the public; no issue could be raised about lack of disclosure; and we would not add to the credibility problem that has been created by the ITT/Sheraton incident.

From the financial standpoint, it is obvious that it would be to our advantage not to disclose. On the public relations side, it is much more difficult to determine the public's reaction and is, therefore, a decision that should be made at the highest level. Consequently, our recommendation is that we tentatively agree not to disclose; that Ziegler continue to refer any inquiries to this Committee; that Van Shunway, if asked, continue to indicate that we are going to comply with the law; and that a decision be made not later than next Monday, so that in case there was a desire to disclose, the Financial Division could do the paper work before the April 7 deadline.

Approve _____ Disapprove _____ Comment _____