

'Bugging' Data Links GOP Bigwigs

By Drew Pearson
and Jack Anderson

The famous FBI bug in Fred Black's Sheraton-Carlton Hotel suite, which started the national uproar over eavesdropping, picked up some startling conversations involving House GOP Leader Gerald Ford.

The wiretapping, which had to be authorized by Attorney General Bobby Kennedy, appeared to be aimed in part at spying on Vice President Johnson's southwest political friends. It was known at the time that no love was lost between the Vice President and the late President's brother.

However, the FBI's efficient electronic devices also picked up conversations involving Republicans. Especially interesting is revelation of the manner in which defense contracts became involved in politics.

On April 23, 1963, two AVCO Corporation executives, unaware that their every word was being taped by the FBI, discussed freely how Rep. Ford of Michigan had intervened to help spare them from a Federal investigation.

The Army had awarded AVCO two negotiated contracts to produce transistor radios for tanks, jeeps and other military vehicles. This aroused then-Congressman Earl Wilson (R-Ind.) who raised some sticky questions about the Army's failure to seek competitive bids.

When Government auditors began poking into the matter, AVCO's President James Kerr and executive committee chairman Earl "Red" Blaik hurried to Washington to see what could be done about sidetracking the investigation. Unhappily for them, they stopped by the suite of their Washington representative, Fred Black, to discuss strategy.

What the FBI heard is still supposed to be kept under wraps. The listening device was so secret that the FBI's own internal reports, though highly classified, referred to it only as "informant WF 1441-C (asterisk)."

Wire-Pulling, 'Bugging'

However, we believe the public is entitled to know about the wire-pulling and wiretapping that goes on in Washington.

In this case, Blaik reported to Kerr on his visit that morning with "Jerry," whom the FBI identified as Rep. Ford. Blaik said Jerry had not only discussed the contract trouble with Wilson but had arranged with House Appropriations Chairman George Mahon, (D-Tex.) to question Comptroller General Joseph Campbell about his investigation.

"So yesterday afternoon in their meeting, their appropriations meeting," related Blaik, "why they had Campbell in. So they threw it up to Campbell. They wanted to know why he had men over

there, and he said he didn't, so they said they found out what he was telling was not correct, although it was partially correct."

It's interesting that Comptroller General Campbell is charged by Congress to investigate the Executive Branch of Government for Congress, yet in this case Congressmen were trying to sidetrack the investigation.

"So he (Campbell) said that Wilson had asked him to look into two cases," Blaik continued, not knowing every word was being recorded by the FBI. "Jerry was trying to find out what the two cases were. He finally got the dope. He said he was investigating for Wilson an Admiral contract and a Bendix contract, and AVCO was not in on it."

Meanwhile, however, an FBI agent called at AVCO's Crosley plant in Cincinnati. Back in Black's suite the following day, Blaik phoned Rep. Ford to report this latest development. The FBI bug picked up only Blaik's end of the conversation.

"Say, Jerry," began Blaik, "I want to cut you in on this one thing. Out at Crosley's yesterday, they had an FBI man."

He responded to some remarks from Rep. Ford, then said: "Uh! Uh! Well, he must have made some complaint to the Department of Justice, wouldn't you think so? . . . Yes! That's what he is trying

to do, try to show that there is some stuff in here other than ordinary. . . . He was investigating certain aspects of the VRC-12 (Army terminology for the vehicular radios.)"

Kerr, at Blaik's side, said: "I'll send him a transcript of the interview."

An indignant Earl Blaik denied to us that he had ever held any such discussion with Ford.

"I don't think there is anything to all that," he snorted. "I did not talk to Ford. I have no memory of this at all."

However, Ford acknowledged receiving a number of calls from Blaik on the VRC-12 contract. As Ford recalled it, AVCO had developed the radios for the Army, therefore had felt entitled to the production contracts without bidding.

Wilson, reached at his home in Bedford, Ind., said that AVCO had been paid by the Army to develop the radios, then had received the first two multi-million-dollar contracts without competition. The FBI had found some "improprieties," said Wilson, but nothing serious enough to warrant prosecution.

We asked Ford why he would intervene for AVCO, which has no plants in his home state of Michigan. The House Republican Leader explained that he and Blaik have been close friends since coaching days more than 30 years ago.

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