

Kalmbach Sought '72 Gift From Head of Chrysler

7/13/73

By BEN A. FRANKLIN
Special to The New York Times

WASHINGTON, July 12 — A few months before Herbert W. Kalmbach, President Nixon's former personal attorney, obtained an illegal corporate contribution of \$55,000 from American Airlines, he asked the chairman of the Chrysler Corporation for a major gift to the President's re-election drive the company disclosed today.

The approach to Lynn A. Townsend, Chrysler's board chairman, came while Chrysler — more strenuously than the other automobile manufacturers — was preparing an aggressive campaign seeking to relax or delay the implementation of Federal standards for automobile engine emissions.

The exhaust emission standards, originally scheduled to take effect in 1975, were postponed in part last April for one year.

A spokesman for Chrysler denied today a report in The Detroit Free Press that the company had made any corporate contribution either to Mr. Nixon's campaign or any other. He also denied that the contributions of individual Chrysler executives had had any connection with the postponement of emission standards.

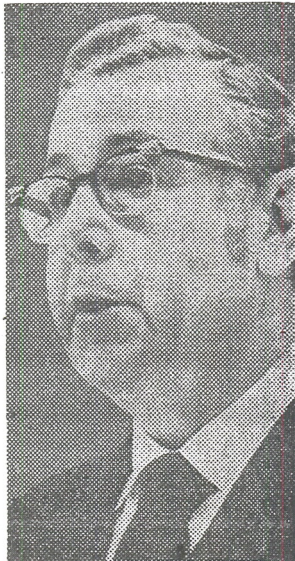
A Special Target

Chrysler, like American Airlines, appeared to have been a special target of Nixon fund-raisers.

Executives of the other automakers were not approached until later, industry officials said today. The Republicans, according to Government investigators, planned their fund-raising contacts in part by using a secret list of heads of corporations that were disgruntled by, in trouble with, or were supplicants of Government agencies and boards under the Nixon Administration's control.

Leaders of all the auto companies except the Ford Motor Company were apparently asked by Mr. Kalmbach or other Republican fund-raisers for a \$100,000 "company" contribution or quota from their executives. This had been the sum sought by Mr. Kalmbach from American Airlines.

Ford contended today that none of its executives had been reached for this purpose, and published campaign contribu-



United Press International
Lynn A. Townsend, chairman of Chrysler Corp.

tion records here showed gifts to the Nixon campaign from members of the Ford family of only about \$61,000.

The General Motors Corporation, however, said that both Mr. Kalmbach and Maurice H. Stans, chairman of the Finance Committee to Re-elect the President, had "contacted various executives" beginning in the fall of 1971 and that many executives had made individual contributions. The amounts were not known.

The American Motors Corporation said its Washington representative had been asked in March, 1972, for a \$100,000 contribution, a request that company spokesmen said had been rejected even when the amount was reduced to \$50,000.

Request Is Rejected

A Chrysler spokesman, Paul Steward, confirmed that Mr. Kalmbach called on Mr. Townsend at the company's Detroit headquarters in August, 1971. A statement by Chrysler said that E. Harwood Rydholm, the company's vice president for civic affairs, also attended the meeting.

The statement denied that Mr. Kalmbach had requested a contribution from corporate funds, which is forbidden under

federal campaign finance laws.

"At no time during the meeting did Mr. Kalmbach suggest or imply in any way that if Chrysler were to make a contribution to the President's campaign, it could expect to receive preferential treatment of any kind," the statement said.

"Mr. Townsend believes Mr. Kalmbach suggested an amount he hoped might be contributed by Chrysler executives," the statement said, "but Mr. Townsend does not recall what the amount was."

The Republicans later asked the much smaller American Motors for \$100,000.

Company-Wide Drive

Like many large corporations, Chrysler conducts a company-wide campaign among its executives to "support the party and candidate of their choice," the company's statement said. Some presumably contributed to Democratic candidates.

By following this "normal policy," the company explained, executives' checks were collected last year by a Chrysler official after the executives had received a nonpartisan letter from Mr. Townsend urging them to give. The executives making contributions—and their choice—were thus known to the company. The choice appeared to be Mr. Nixon.

The statement as having reminded Mr. Kalmbach during their meeting that although Chrysler executives had been "quite generous" in making campaign gift "There was no way of knowing how much Chrysler executives would contribute to the President's re-election campaign."

Since the Chrysler executives' contributions — and reportedly a total of more than \$20-million in other early Nixon gifts from wealthy business leaders — were made before April 7, 1972, the effective date of the current, stricter law covering the disclosure of campaign contributions, no record of the Aggregated Chrysler donations is available. The Republicans have said that they planned their pre-April 7 solicitations for this purpose.

In publicly acknowledging last Friday the illegal contribution by American Airlines, George A. Spater, the airline board chairman, said that Mr. Kalmbach had asked him for a \$100,000 contribution last spring, at a time the airline had pending before the Civil Aeronautics Board a proposal for a merger with Western Airlines.

"I knew Mr. Kalmbach to be both the President's personal counsel and counsel for our major competitor [United Airlines]," Mr. Spater said. "I concluded that a substantial response was called for."