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Loan Linked to Contribution

By Morton Mintz

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The Finance Committee to Re-elect the President got \$20,000 from the political fund of a large corporation after the firm's top executive loaned the fund an identical sum. The loan, recorded four days before the new election financing law took effect last April 7, is still outstanding.

The finance committee received an additional \$30,000 from officers and employees of a second corporation who contribute through a payroll-deduction plan but who are not part of the decision-making process that determines what is done with their money.

The \$20,000 contribution—split equally among 10 separate state affiliates of the finance committee—was made on July 24 and Aug. 17 by the Better Government Association (BGA) of Gould, Inc., a manufacturer of batteries, electronic instruments and other equipment in St. Paul and Chicago.

A report filed by the BGA with the clerk of the House of Representatives for the period June 1 through Aug. 31 shows contributions of only \$3,600 apart from the \$20,000 to re-elect President Nixon. Sen. Walter F. Mondale (D-Minn.) and Rep. James V. Stanton (D-Ohio) got \$500 each, Rep. Clarence E. Miller (R-Ohio), \$400, and the presidential bid of Sen. Hubert H. Humphrey (D-Minn.), \$1,000.

Two weeks after William T. Ylvisaker of Chicago, board chairman, president and chief executive officer of Gould, Inc., loaned the BGA \$20,000 he made a \$2,000 donation to

Humphrey. He did not return phone calls made by a reporter to his office Friday and to his home yesterday.

William H. Hanley of St. Paul, a Gould vice president who is chairman of the BGA, told a reporter that the \$20,000 loan to the fund would be repaid with future contributions made by company employees, the cash on hand—\$10,393 as of Aug. 31—being insufficient.

Asked if the BGA was serving as "a pass-through" for Ylvisaker, Hanley urged the reporter to phone the board chairman and a now-retired Gould executive, E. I. Whyatt of St. Paul, who also could not be reached yesterday.

Neither Hanley nor Rodney P. Thoreson, treasurer of the BGA and its only other listed officer, offered any clear explanation as to what connection, if any, existed between the \$20,000 Ylvisaker loan and the \$20,000 gift to the finance committee, or of how that gift happened to be made.

Thoreson, also of St. Paul, an assistant treasurer of the firm, and Hanley said that the BGA was set up two or three years ago to solicit employees "in a formal way," but with "no particular pressure," for

contributions to be given as the donor indicates or, if there is no designation, at "our discretion." The "discretion" lies basically with a group of company officials, Hanley said.

The \$30,000 contribution, in the form of 10 gifts of \$3,000 each to various state affiliates of the Finance Committee to Re-elect the President, was made on July 20 by Volunteers for Better Government (VBG) of Kingsport, Tenn.

On the official government form to be filled out by political committees VBG wrote "none" in the space provided for "Name of affiliated or connected organization." Its address is a post office box in Kingsport.

However, VBG has close ties to Tennessee Eastman Co., Eastman Chemical and other affiliates of Eastman Kodak in Kingsport.

VBG collects with a payroll-deduction scheme at Tennessee Eastman. It had \$42,826 in cash on hand on April 7, the inception date of the new disclosure law, raised \$23,108 and had \$22,934 left on Aug. 31 after contributing \$43,000—\$30,000 to Mr. Nixon, \$10,000 to Sen. Howard H. Baker Jr.

(R-Tenn.) and \$3,000 to Rep. James H. Quillen (R-Tenn.).

In a phone interview, Ralph L. Disler, chairman of VBG and public relations director of Tennessee Eastman, invited a contribution from a reporter. Would the reporter then be asked where he wanted his money to go? "No," Disler said.