

Executives Fined for Campaign Gifts

By George Lardner Jr.
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The board chairmen of two of the nation's biggest corporations pleaded guilty yesterday to charges of arranging illegal contributions to President Nixon's re-election campaign.

Harry Heltzer, 62, chairman of Minnesota Mining and Manufacturing Co. (3M), was fined \$500 at a short court hearing in St. Paul.

Russell de Young, 64, chairman of Goodyear Tire and Rubber Co., was ordered to

pay \$1,000 at a similar proceeding in Cleveland.

Corporate fines of \$5,000 against Goodyear and \$3,000 against 3M also were levied. In a separate proceeding at the U.S. courthouse here, American Airlines was fined \$5,000 after pleading guilty to a similar violation.

The three companies had already publicly admitted illicit donations totaling \$125,000 to Mr. Nixon's 1972 campaign.

The criminal misdemeanor charges were brought yesterday under what Watergate

Special Prosecutor Archibald Cox described as a tough new policy against corporate campaign contributions.

The two executives had each faced maximum penalties of one year in prison and a \$1,000 fine.

The former chairman of American Airlines, George A. Spater, who was ousted from the post last month, was not charged for his company's \$55,000 Nixon campaign contribution.

Cox said the leniency for Spater stemmed from the fact

that he and his company were "the first to voluntarily come forward" and acknowledge violating the federal law against corporate campaign donations.

Cox and his staff said that other companies and their officers will be prosecuted "in the weeks to come," some on stiffer felony charges.

Watergate Associate Special Prosecutor Thomas F. McBride, who heads the Cox task force investigating presidential campaign financing, told newsmen at an afternoon

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briefing that investigations of some two dozen corporations and labor unions, which are covered by the same law, are actively under way.

Goodyear acknowledged in August that it gave \$40,000 to the President's campaign after "persistent requests," but it refused to identify the "representatives" from Mr. Nixon's finance committee who solicited the money.

3M was approached for its \$30,000 contribution by former Secretary of Commerce Maurice H. Stans, then Mr. Nixon's campaign finance chairman, who was honored at a March 25, 1972, luncheon hosted by Heltzer at the Minnesota Club in Minneapolis.

At American Airlines, Spater said in July that he was solicited by Herbert W. Kalmbach, then the President's personal lawyer. The request was reportedly made at a face-to-face meeting in late 1971 between the two men in New York, where the airline has its corporate headquarters.

None of these details, however, was set out in the charges filed yesterday. McBride said that the circumstances surrounding the three corporate contributions might never be made public. He also refused to name the Nixon campaign representative who solicited Goodyear, beyond confirming that it was either Stans or Kalmbach.

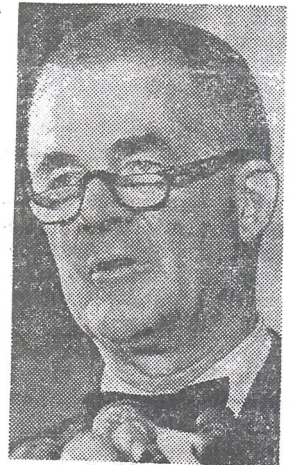
Setting out what he said would be his policy in prosecuting campaign financing cases, Cox said that effective enforcement "requires, absent the most unusual circumstances, that the responsible corporate officer be charged as well as the corporation."

In addition, Cox said, "in those cases where the violations do not come forward voluntarily, but the violations are uncovered as a result of investigation by this office, we may in serious instances charge the individual corporate officer with the willful felony violation . . . rather than the misdemeanor."

The stiffer charge, Cox added, "might also be brought in instances where there are indications that the contrib-

ution was given with the intent improperly to influence some government action, or where there has been an effort to conceal or withhold evidence of other federal crimes by the persons under investigation."

McBride said, at a briefing with ground rules prohibiting direct quotation, that no evidence was uncovered of any government favors for American, 3M, or Goodyear in return for their contributions. He said all three companies and their top officials apparently just wanted to be on record as supportive of the Nixon administration.



ARCHIBALD COX
... tough new policy



HARRY HELTZER
... fined \$500

An investigation of White House maneuvering over a Civil Aeronautics Board nomination allegedly involving American Airlines was conducted by Cox's office, but McBride said it turned up no evidence of improprieties by the airline.

Heltzer and De Young were accused in criminal informations drafted by Cox's office of "non-willful" violations of the law against corporate campaign contributions.

The charges both represent misdemeanors involving no loss of civil rights. By contrast, "willful" violations are felonies punishable by up to two years in prison and a \$10,000 fine.

The contributions made by Goodyear, American and 3M were all made before April 7, 1972, when a new federal law that would have required their disclosure went into effect. McBride said the three companies also made other presidential campaign contributions out of corporate coffers in recent years, including some to Democratic candidates, but he described these as small donations of several hundred dollars for dinner tickets and the like.

McBride, however, refused to supply details of these other contributions. He indicated that yesterday's guilty pleas were the result of plea-bargaining sessions that involved the withholding of additional charges for the smaller donations.

No charges were lodged in connection with the solicitation of the contributions, Mc-

Bride added, for lack of sufficient evidence at this point. Kalmbach, for example, has denied asking Spater to use corporate money for the contribution.

The Finance Committee to Re-Elect the President has also denied knowing the receipt of any corporate funds. It has already refunded the \$125,000 to American, 3M and Goodyear.

Cox' office said it made no recommendations to the courts on the penalties imposed in yesterday's scattered proceedings. All three companies voluntarily disclosed their violations.

"We did wrong," 3M Board Chairman Heltzer said after his court appearance in St. Paul. "We have admitted it and we are paying the price, a price that goes far beyond the penalty imposed by the court."

American Airlines "laundered" its \$55,000 contribution through a representative in Lebanon to conceal its origins. According to informed sources, the money was raised through the use of phony invoices for which payments were reflected on the airline's books. McBride confirmed that Goodyear also used overseas channels to launder its money.