

2 SAY THEY LIED ON GIFTS TO NIXON

Senate Unit Hears Decision
Linked to Ship Executives

WASHINGTON, Nov. 13. (AP)

—Two employees of the American Shipbuilding Company testified today that they had been ordered to lie to the Federal Bureau of Investigation about funneling illegal corporate contributions to President Nixon's 1972 re-election campaign through a bogus bonus scheme.

In admissions before the Senate Watergate committee, the two said that the orders had come from George M. Steinbrenner 3d, the chief executive officer of the Cleveland company, and John H. Melcher, its general counsel.

Robert E. Bartlome, the company's secretary, said that \$100,000 had been sent by courier to Herbert W. Kalmbach at Mr. Nixon's re-election committee in Washington just in time to avoid having the donors' names made public, as required by a new Federal law.

At the time, Mr. Kalmbach was Mr. Nixon's personal attorney and a principal campaign fund raiser.

Bonuses for Employees

Mr. Bartlome said that \$25,000 of the total political contribution had come from employees who had been granted bonuses. He said that the rest had been provided by Mr. Steinbrenner. He quoted Mr. Steinbrenner as saying there had been pressure to make a \$100,000 contribution.

Mr. Bartlome said he did not know who had applied the pressure and did not know whether any Nixon campaign officials knew the \$25,000 had come from corporate funds.

Mr. Bartlome said he had acted on Mr. Steinbrenner's orders to grant eight employees \$5,000 bonuses, knowing the net proceeds of the money after taxes would be used exclusively for campaign contributions.

Matthew E. Clark Jr., the company's purchasing officer, said that he received his bonus April 6, 1972, and wrote out a \$3,000 check to a fund-raising unit of the Nixon campaign.

Both Mr. Clark and Mr. Bartlome said that they were acting under orders when they arranged the contribution and when they made what they said were false statements to the F.B.I. about the contributions.

Samuel Dash, the Watergate committee's chief counsel, said that the case might involve a conspiracy to obstruct justice, a felony under Federal law.

Mr. Dash said that Mr. Steinbrenner had indicated through his attorney that he would invoke his Fifth Amendment right to avoid answering questions before a committee executive session later this week.

"The law prohibits corporations from political contributions," Mr. Dash told reporters after the hearing today. "It's obvious that this particular corporation, American Shipbuilding, was pressured by someone at the Committee for the Re-election of the President to give a \$100,000 contribution."

"The president of this firm had set up from 1970 on a phony bonus plan where a corporation employe is given a bonus with the understanding that he has to kick it back to a particular political candidate," Mr. Dash said.

Mr. Dash said that Mr. Kalmbach might be called as a witness as the committee continues its investigation of campaign financing into December.

Mr. Bartlome testified that the bonus plan produced an after-tax contribution fund of \$19,750 in 1978; 16,530 in 1971 and \$26,200 in 1972.

He said that some of the 1970 and 1971 funds had gone to local Ohio candidates and to Democratic Congressional campaigns.

MA A C B to Discuss Nixon