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'Shakedown' Try by Nixon Aide Alleged

Washington

The former president of Grumman International testified yesterday that a White House official in 1972 proposed a \$1 million contribution to the Nixon re-election campaign in exchange for government help in selling military aircraft to Japan.

Thomas P. Cheatham Jr., the former Grumman official, told a Senate subcommittee that the proposal came from former White House aide Richard V. Allen in a "pragmatic and realistic" talk during a walk in the corridors of the Executive Office Building.

Allen "specifically and categorically" denied the charge in a statement to reporters who reached him yesterday after the testimony in the Senate. Allen said he had no conversation with Cheatham or anyone else about campaign contri-

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butions while in government service.

According to Cheatham, his visit to Allen was to promote the sale to Japan of the E-2C radar-bearing airplane. Allen was a deputy assistant to President Nixon for international economic affairs at the time.

Cheatham said he later learned that purchase of the E-2C had been recommended by a joint U.S.-Japan committee during Mr. Nixon's talks with then Premier Kakuei Tanaka in August 1972, but that the aircraft was never been sold to Japan.

Grumman Corp., in a press statement, said Allen had visited its headquarters in Bethpage, N.Y., for a meeting arranged by Cheatham in mid-1972. However, the statement said there was "no discussion of political contributions" at that time and Grumman then made no contributions to the Nixon re-

election drive.

Spokesmen were unable to say whether any Grumman executives had contributed to the Nixon campaign. An authoritative study of 1972 campaign finance records by Herbert A. Alexander of Citizens' Research Corp. reported "no large political contributions of any kind" from officers or directors of Grumman Aerospace Corp., the plane makers manufacturing subsidiary.

Cheatham, who has left Grumman and is now a defense consultant, testified that Allen first supported the idea of helping arrange the sale of the early-warning aircraft during talk in Allen's office.

In the corridors on the way out of building, Cheatham said, the conversation changed abruptly. He quoted Allen as saying that "people whom the White House made an effort for should be grateful" and that campaign contributions "would be very much in order."

"I think the E-2C is worth about a million dollars," Cheatham quoted Allen as saying. Cheatham said he replied that such a contribution was "beyond my capacity" but promised to arrange meetings with other Grumman officials and subsequently did so.

Subcommittee Chairman Frank Church (Dem.-Idaho) said he will call Allen and former Grumman Corp. board chairman E. Clinton Towl, who met with Allen at Bethpage, to testify soon.

Allen left the White House in July, 1972, and is now an international economic consultant in Washington.

Cheatham's testimony was given at a hearing by the Senate foreign relations subcommittee on multi-national corporations into Grumman's foreign military sales promotion, particularly the successful effort to sell the F-14 fighter to Iran for almost \$2 billion.

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Peter Oram, currently president of Grumman International — the firm's international sales subsidiary — testified that two close associates of former President Kennedy were introduced to him as officers of a sales firm that was paid a \$2.9 million commission in connection with the F-14 sale to Iran.

Oram said Albert J. Fuge, board chairman of Shaham S. A., a New Jersey corporation, was accompanied at 1974 meetings by former Senator Benjamin A. Smith 11 (Dem.-Mass.), a college roommate and close friend of President Kennedy.

Oram said Fuge later told him Smith had been made board chairman of Shaham. Oram said Fuge also introduced him in 1974 to Kenneth P. O'Donnell, who had been Kennedy's White House appointments secretary, saying that O'Donnell was general counsel of Shaham.

Oram said he knew of no services that Smith or O'Donnell had performed for Shaham. Neither of those two men could be reached for comment yesterday.

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