

Business Executives Were GOP's

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President Nixon's chief fund-raiser solicited and collected unreported campaign contributions from numerous executives of some of the nation's biggest industrial corporations, including U.S. Steel Corp., Chrysler Corp., General Electric Corp., Westinghouse Electric Corp., Inland Steel Co., Northrop Corp., Kennecott Copper Corp. and 3-M Co.

Maurice H. Stans, chair-

man of the Finance Committee to Re-elect the President, got the funds from corporations whose chief executive officers he had placed earlier on government advisory committees on industrial pollution and consumer protection. He organized and led the committees while serving as Secretary of Commerce until early this year. He told the committees that their purpose was to give business "an input at the White House."

President Nixon and Stans have refused to make public

any of the sources of an estimated \$15 to \$20 million in campaign funds collected prior to April 7, when a new campaign finance reporting law took effect. This new law requires itemized reporting on all political contributions in excess of \$100.

The Washington Post learned the identity of some pre-April corporate givers and details of Stans' fund-raising techniques by interviewing several dozen corporate executives (or their aides) who serve on the National Industrial Pollution

Control Council or the National Business Council for Consumer Affairs. The councils report to the President through the Secretary of Commerce, and were sometimes employed by Stans to intervene at the White House when businessmen disagreed with government agencies on pollution and consumer issues.

Not all the committee members interviewed by The Post told of similar experiences. Some said they were not solicited by Stans and didn't contribute before

Big Pre-April Donors

April 7. Others flatly refused to say whether they gave unreported contributions to the Nixon campaign. Some members of the two committees have made public contributions since April 7.

Interviews with executives who said they were solicited revealed that:

Corporations such as Chrysler and U.S. Steel conducted company-wide non-partisan solicitations of their executives for political contributions to both parties.

Stans' conversations with corporate executives sometimes combined the subjects of campaign funds solicitation and the corporation's problems with the federal government. For example, Stans reminded steel executives of his continuing efforts on their behalf to avoid harsh remedies for their industrial pollution problems. He reportedly asked a Greyhound Corp. official for a contribution in a conversation that included mention by Greyhound of

its interest in legislation to permit wider buses.

• Stans gave corporations "quotas" of what he expected to be contributed by their executives. "Stans is quite a peddler," joked William Whyte, Washington vice president for U.S. Steel. "He did mention a figure of what he wanted; but what he wanted and what we gave are two different things. I'll tell you we were a long way from it."

Stans urged corpora-

See DONOR, A26, Col. 1

DONOR, From A1

tions to use a so-called "conduit system," in which the chief executive solicited others in his company and then turned in all the money at one time to Stans. Many of the companies sent the campaign money to Stans via their Washington representatives who handle corporate business with the federal government.

• Stans called a meeting in August of officials from about 30 major corporations to urge them to continue "the conduit system" of soliciting their employees even though some thought the new law prohibited it. When a Westinghouse executive and others still questioned the legality of such corporate fund-raising efforts, the Nixon administration furnished the corporations with an "advisory" Attorney General's opinion to reassure them. The opinion was rendered on Sept. 15, two days after it was requested through the National Association of Manufacturers.

Stans urged pre-April 7 contributions to insure secrecy and furnished donors with names of dummy committees so they could divide up their contributions to avoid gift taxes. "Stans pointed out that contributions made before April 7 didn't have to be reported," said Harry Heltzer, board chairman of 3-M Co. "We all know that. I gave some before and some after that date."

The secrecy of Mr. Nixon's early campaign funds has been a point of controversy in the presidential campaign. When the new law went into effect, the Nixon finance committee revealed it had a cash balance of \$10 million, but it probably had collected and already spent at least \$5 million more in preceding months.

Federal investigations in the Watergate spying case have revealed that at least several hundred thousand dollars of the undisclosed contributions were delivered in cash to Stans' safe just before April 7 and some of these funds were used in alleged espionage activities against the Democrats.

Common cause has charged in a lawsuit that the Nixon campaign commit-

tee is required by the old campaign law to make public the pre-April 7 funds. Nixon campaign officials have said the funds were exempted from public disclosure by two loopholes in the old law — one permitting non-reporting of funds raised by a committee in only one state and the other exempting funds used in pre-nomination activities. Stans and others also have said they are keeping the names secret so the contributors won't be harassed by other money solicitors.

Democratic presidential candidates McGovern, Muskie and Humphrey made public the names of their pre-April 7 contributors and the amounts received.

U.S. Steel executive Whyte, in an interview in his Washington office, provided an "on the record" account of the Stans operation, which concurs with accounts of other corporate executives who declined to be quoted.

"We contributed to lots of campaigns before April 7," said Whyte. "Some of our people gave money to the Committee to re-elect the President. I coordinated some of the contributions to Nixon but not all of them."

"I had one of my men take the money over to Stans' office. The money was all in personal checks. We don't have any formal fund-raising program where we open our books and it's all reported. We have individuals that contribute in their own way."

Whyte said he also has sent contributions from U.S. Steel employees to the McGovern campaign but the total was far less and "all the checks were for less than \$100."

Whyte said that Stans' solicitation of contributions from U.S. Steel executives was made to him rather than to Edwin H. Gott, the corporation's board chairman, who is a member of the advisory committee on pollution. "Maury (Stans) is a good friend," said Whyte. "I've known him for years."

In discussing Stans' appeal to him for contributions, Whyte said Stans made a point of his efforts to represent industry viewpoints on pollution issues. Stans contrasted his own "friendly attitude" with the enforcement policies of William Ruckelshaus, administrator of the Environmental

Protection Agency, Whyte said.

"Stans said we needed to have a friendly ear in government," said Whyte. "I know he's not sympathetic to Ruckelshaus. The National Industrial Pollution Control Council was a Maury Stans brainchild to give industry a sounding board on its problems. He's been helpful in bringing

about greater realization of the economic impact of the new laws."

Whyte and U.S. Steel chief executive Gott both refused to make public either the total amount of contributions or the names of U.S. Steel's secret contributors to the Nixon campaign. "I'd have to go back to each individual and ask him if he wanted his name in The Washington Post," said Whyte. "The contributions were made under the laws then in effect. People who did that (including Gott) did so with the understanding that their names wouldn't be used."

Philip D. Block Jr., who was a member of the pollution advisory committee until he retired as board chairman of Inland Steel Co., said he also responded to a personal solicitation from Stans.

"I made a contribution (before April 7)," said Block. "It was at a small breakfast meeting in Chicago with Stans. It didn't have anything to do with the company."

Asked about the amount of his contribution and about which committee he made it to, Block replied: "There is no reason why I should give you that information and I won't. It was all perfectly legal. It doesn't matter who I gave the contribution to. I realize it is not recorded. It doesn't have to be."

Stewart Cort, board chairman of Bethlehem Steel Corp., declined to say whether he had made an unreported pre-April 17 contribution to the Nixon campaign. "I consider this a personal matter," Cort said.

Marshall Post, a spokesman for Bethlehem, said the company does seek voluntary contributions on a non-partisan basis, and that

some are collected and then distributed through the company's Washington representative, William Wickert.

Asked for the names of Bethlehem contributors or the total amount of contributions, Post replied, "We consider that confidential."

In contrast, Philip Buckminster, Chrysler's vice president for Washington affairs, discussed in considerable detail an early solicitation that produced unrecorded contributions to the Nixon campaign.

Buckminster said Lynn Townsend, Chrysler's board chairman, sent out on Jan. 14 an appeal for voluntary political contributions on a nonpartisan basis to 3,000 executives. Response was requested by a February deadline. Buckminster and Harwood Rydeholm, Chrysler's vice president for governmental affairs, both said virtually all of Chrysler executives' contributions to candidates of both parties were made before the new law went into effect.

Rydeholm said Chrysler always holds its political appeal early in the year, at a time when executives receive their bonus checks.

Asked why Townsend's appeal this year was made in mid-January rather than in March, Buckminster said: "Our boss (Townsend) is active in Mr. Nixon's campaign and I guess he wanted to get it done before people spent their bonus money." (Townsend is regional chairman of the Business and Industry Committee to Reelect the President, which seeks to stimulate contributions from corporate executives.)

Describing how Chrysler elected and delivered campaign funds, Buckminster said: "The checks for national and congressional candidates are submitted to Rydeholm (in Detroit). He bundles them up and sends them to me by Washington and I distribute them. My function is a delivery function. It's a convenience to our employees so they won't have to look up the addresses of where to send the money."

"Sure, it's an advantage to deliver the money in a packet so that they appreciate the total contribution of Chrysler employees," said Buckminster.

The Chrysler executives

acknowledged that their contributions to the Nixon campaign have not been recorded publicly since they were given before April 7. Since the Democrats were months away from picking a presidential candidate in January, the Chrysler officials said those who wished to make Democratic presidential contributions sent their money to the Democratic National Committee.

Executives of both Ford Motor Co. and General Motors said they run voluntary, nonpartisan political solicitations, and delivered the money through their Washington-based executives but said they did not know if any contributions were made before April 7.

Harry Heltzer, chairman of 3-M Co., said Stans, an old friend, solicited a contribution from him after Heltzer had given a party in

Minneapolis in Stans' honor for about 50 to 75 people. He said his unreported contributions amounted to "a couple of thousand dollars."

Thomas V. Jones, board chairman and president of Northrop Corp., said Stans solicited him and he gave a contribution before April 7, but he considers the amount a private matter, especially because of his desire to seal off such "personal contributions" from the partisan Northrop Good Citizenship Committee. He said Stans asked him to "dig as deep as you can to help the President" and I did.

Frank S. Milliken, president of Kennecott Copper Corp., said he "contributed about \$8,000 or \$9,000 in all" April 7. "The timing of my and part of that was before giving didn't relate to any change in the law," Milliken said. "A lot of my contributions were made prior to that date because the candidates said they needed the money early to get their campaigns organized."

Gilbert Dwyer, Kennecott's vice president for administration, said, "We encouraged people to give quite early—in January. The majority of the checks were aggregated and delivered through our Washington office."

Dwyer said eight to ten Kennecott executives contributed to Nixon, including



WILLIAM G. WHITE
... U.S. Steel Corp.



PHILIP D. BLOCK JR.
... Inland Steel Co.

gifts that have not been publicly disclosed, while five or six others gave to Democrats. "I was strongly for Ed Muskie," he said.

Dwyer said he participated in "a New York session in which people from the Stans committee were urging us to set up programs in which the chief executive officer encouraged his employees to give."

Several corporate executives said they closed down such "conduit system" contributions after April 7.

For example, Morse G. Dial, regional vice president in Washington for Union Carbide Co., said company

employees designated \$6,400 of their money already in a political fund to go to the Nixon campaign before April 7. After that date, he said the Union Carbide fund was closed down.

General Electric also operated a semi-secret fund for its executives called the "Effective Citizenship Association," but revised it after April 7. Steve Galpin, GE's manager of community and government relations, said he was aware of only about \$3,000 to \$5,000 in unreported funds given to the Nixon campaign or others by GE executives before April 7.



PHILIP BUCKMINSTER
... Chrysler Corp.

In order to comply with the new law, Galpin said GE executives have set up a nonpartisan political committee, which does not even receive administrative expense money from the company.

Westinghouse Electric Corp. stopped all corporate activity in political fund raising after the new law went into effect, said Claude Hobbs, the company's vice president for government relations.

"I would say that from 50 to 100 top Westinghouse executives sent in contributions before April 7," said Hobbs, who is based in

Washington. "It might have totaled \$15,000 to \$20,000. "Some went to the Committee to Re-elect the President. I very deliberately didn't keep any count of the money because I wasn't playing that role. I was just the messenger."

In addition, Hobbs said smaller contributions were received from lower level Westinghouse employees who participated in the nonpartisan Westinghouse Citizen Program.

Hobbs says Westinghouse has stopped all corporate aid to political fund raising until the law is clarified.

Hobbs said he questioned Stans, who had summoned worried officials of many large national corporations to a meeting at the Sheraton Carlton Hotel. "Stans was urging us to continue having the companies serve as a conduit for contributions," said Hobbs. "I asked him at that meeting to tell me why it was legal. I don't think it is. Stans obviously thinks he can produce more money by having big people in a company solicit it."

Hobbs said he still is not convinced despite the Sept. 15 advisory opinion the Justice Department privately gave the National Association of Manufacturers, in response to its Sept. 13 request. The opinion is signed by the chief of the political fraud section and authorized by his boss Henry E. Peter-

sen, the assistant attorney general in charge of the criminal division.

Two points in the new law concern corporate executives. One section of the law authorizes corporations to establish committees to receive voluntary contributions as labor unions have long done, but another section bans contributions by government contractors. Most large corporations have federal contracts, and many are concerned about avoiding potentially embarrassing lawsuits such as the ones brought by Common Cause.

Corporate executives also are concerned about whether they can serve as conduits for contributions without establishing a committee that must make extensive public reports.

Officials of Greyhound Corp. gave varying accounts of whether Stans made a solicitation.

Clifton Cox, president of Greyhound's Armour & Co. subsidiary, said he believes Stans called on Greyhound president Raymond F. Shaffer at his Phoenix office "to make a pitch" for a contribution. Cox, who was not at the meeting, said he heard that Shaffer had expressed annoyance to Stans about the Commerce Department's apparent opposition to Greyhound's bid for legislation approving wider buses.