

Ford's Lawyer Reveals Gift Of \$50,000 to Nixon Effort

7/13/73

By Morton Mintz
Washington Post Staff Writer

Henry Ford II contributed \$50,000 to President Nixon's re-election campaign about three weeks before the law requiring disclosure of such contributions became effective, Ford's personal lawyer told The Washington Post yesterday.

Pierre V. Heftler said in Detroit that Herbert W. Kalmbach, President Nixon's personal attorney, solicited an unspecified sum in late 1971 or early 1972 and that Ford contributed the \$50,000 in mid-March, 1972.

The contribution came from Ford's "own pocket-book," Heftler emphasized in a phone interview. He said there was no similarity between the gift of the Ford Motor Co. chief executive and the recently disclosed \$55,000 gift of corporate funds made by American Airlines.

Ford's donation was made "not in dollar bills or anything that's not traceable" but in unspecified corporate securities, Heftler said.

In order to avoid gift taxes, the stocks were allocated among multiple committees, not including the Finance Committee to Re-elect the President, the attorney said. Heftler cited an Internal Revenue Service ruling that permitted such allocations.

The IRS ruling, although issued in June, 1972, was retroactive. Long before it was issued, the President's fundraisers have said, they were apportioning large contributions into shares of no more than \$3,000 each in order to enable donors to avoid gift taxes.

Former finance committee treasurer Hugh W. Sloan Jr. has testified that gifts of stocks accounted for an estimated \$18 million to \$20 million of the funds raised by the Nixon organization. Under IRS rulings, capital gains taxes are paid neither by a donor nor a political organization receiving the gift, if the stock had appreciated in value since the time of purchase.

Heftler said he did not know if Kalmbach solicited Ford, in person or by phone. He declined to say if members of Ford's immediate family may also have contributed.

Ford did not contribute to President Nixon's campaign after April 7, 1972, when the disclosure law became effective, Heftler said in reply to a question.

In making political contributions, Heftler said, Ford always has acted "on account of his convictions". The lawyer recalled that Ford was co-chairman of Businessmen for Johnson-

Humphrey in the 1964 presidential election. In the 1968 presidential election, according to available records, Ford gave \$30,000 to the Democratic candidate, Sen. Hubert H. Humphrey, and \$9,450 to GOP units.

The Detroit Free Press, meanwhile, said that Kalmbach had asked Chrysler Corp. Chairman Lynn Townsend for an illegal corporate contribution. Chrysler denied it, saying that Kalmbach had requested contributions from executives as individuals.

Kalmbach also had solicited George A. Spater, board chairman of American Airlines, but has said he did not ask for corporate funds.

Spater, in a voluntary disclosure last Friday, said that he had gotten the \$55,000 from the corporate treasury and had it paid out in cash to the Nixon organization.

Spater pointed out that Kalmbach's clients included American's principal competitor and that the lawyer also represented Mr. Nixon.

Special Watergate prosecutor Archibald Cox urged "other responsible corporate executives" to come forward voluntarily, as had Spater, "in an effort to put an end to such practices." So far as is known, none has.