

Panel to Disclose Replies From Rockefeller on Gifts

Ford Asserts He Sees Nothing Improper in Ex-Governor's Acts

By LINDA CHARLTON
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WASHINGTON, Oct. 9—Vice President-designate Nelson A. Rockefeller's expected replies to questions about his financial gifts will be made public by the Senate Rules Committee, its chairman said today amid growing indications that Mr. Rockefeller's confirmation, once apparently assured, was likely to become increasingly controversial.

Senator Howard W. Cannon, chairman of the committee, said after a closed meeting of its nine members this morning that when he received a reply to his letter requesting full details of gifts made by Mr. Rockefeller "I will make it public."

Mr. Cannon also said that there would be no decision until after the elections Nov. 5 on whether the confirmation hearings would be reopened. By then the committee members will also probably have the audit of Mr. Rockefeller's tax returns being done by the Internal Revenue Service and the Congressional Joint Committee

Continued on Page 35, Column 1

Byrne Wants to Learn If Ronan's Actions Affect Port Unit

By ROBERT LINDSEY

Governor Byrne of New Jersey said yesterday that he would watch closely for additional details of the \$550,000 gift from Nelson A. Rockefeller to Dr. William J. Ronan, his longtime aide who is now chairman of the Port Authority of New York and New Jersey.

"If there is something in that kind of disclosure which casts doubt on Mr. Ronan's ability to serve impartially the interests of New York and New Jersey as chairman of the Port Authority, we have the right to evaluate it," Governor Byrne said at a news conference in Trenton.

Dr. Ronan, who also continues to serve in a salaried position as "senior adviser to the Rockefeller family" was appointed to the Port Authority post by Mr. Byrne and Governor Wilson in May, and he serves in the post at their pleasure.

But Governor Wilson, campaigning upstate for re-election, defended the gift by Mr. Rockefeller to Dr. Ronan "as a gift

Continued on Page 34, Column 1

PANEL TO DISCLOSE ROCKEFELLER REPLY

Continued From Page 1, Col. 1

on Internal Revenue Taxation.

The subject was raised at President Ford's news conference this afternoon, with the President being asked about three gifts and confining his reply, almost entirely to one, the \$50,000 gift to Henry A. Kissinger when he left Mr. Rockefeller's employ in 1969. [Question 20, Page 38.]

Mr. Ford said that he had "looked into" the gift to Mr. Kissinger, adding, "But I think, to put this into proper perspective, you have to recognize that Governor Rockefeller is a very wealthy man and that he has been extremely generous with many, many charities over a good many years, and he, obviously, has sought to indirectly compensate former employes or friends for whatever services they perform."

He said he had been "assured" that all necessary taxes on the Kissinger gift had been paid and said he did not see any "impropriety" in the relationship.

Asked then if he planned to inquire into the other gifts—those he had mentioned three "that I am familiar with"—Mr. Ford said that he would, adding, "But I haven't as deeply because Mr. [L. Judson] Morhouse and Mr. [William J.] Ronan are or were state employes. But I assume that in those two cases, as I found out in the Dr. Kissinger case, that the law has been adhered to, and that there was no impropriety." [Question 21.]

Cancellation of Debts

The gift to Mr. Morhouse, who was Republican state chairman at the time Mr. Rockefeller. The gift to Dr. Ronan, now chairman of the Port Authority of New York and New Jersey, a close associate of Mr. Rockefeller for 18 years, was made last spring. Mr. Rockefeller, similarly, canceled \$550,000 worth of debts for a series of loans made by him to Dr. Ronan who is a member of Mr. Rockefeller's Critical Choices Commission and is a "family adviser."

In all these and other cases, the proper amount of gift tax was paid, some \$300,000 in the case of the gift to Dr. Ronan, according to Hugh Morrow, the former Governor's press secretary. A gift tax is paid by the donor, not the recipient, and the Supreme Court has ruled that the transfer of money can be treated as a gift for tax purposes if it is given with "detached and disinterested generosity" and is motivated by "affection, respect, admiration, charity or like impulses."

When there is a continuing business relationship between the donor and the recipient, the designation of such a transfer of money as a gift is generally scrutinized particularly carefully by the Internal Revenue Service.

Mr. Morrow, in response to a question, said today that Mr. Cannon had asked for further information concerning gifts to "present or former public officials." But he said that the questions and the replies did not encompass "every individual" to whom Mr. Rockefeller has made gifts since 1967. The Senate Rules Committee has Mr. Rockefeller's tax returns for 1967 through 1973 and in the case of gift tax returns, which are filed quarterly, for the first part of 1974.

Mr. Cannon, asked after the committee meeting why no questions about Mr. Rockefeller's gifts had been asked during the committee's four days of public hearings on the Vice Presidential nomination last month, said that there were a "variety of reasons," including the fact that the committee had not completed a thorough study of the returns.

He said that he talked with Mr. Rockefeller by telephone this morning and that Mr. Rockefeller assured him that the replies were being worked on by him and his staff.

He said that the committee's staff was pursuing a "separate line of inquiry" about Mr. Rockefeller's political campaign contributions.

Carefully Scrutinized

Byrne Studies Ronan Status in Light of Port Job

Continued From Page 1, Col. 2

to a friend out of love" and he said he saw nothing wrong with it. Mr. Wilson said his predecessor should be praised, not criticized, for "a wonderful thing."

The disclosure of the gift and Dr. Ronan's continuing salary from the Rockefellers raised questions in a number of quarters yesterday about the possibility of a conflict of interest in his current post and when he was chairman of the Metropolitan Transportation Authority.

Attorney General Louis J. Lefkowitz of New York said yesterday that he planned to make a "good hard study" of whether any state laws or ethical standards had been violated by the Ronan-Rockefeller arrangement. Mr. Lefkowitz said he was considering turning the case over to his seven-member advisory committee on ethical standards.

District Attorney Richard H. Kuh of Manhattan, however, said he saw nothing in the gift to warrant criminal action by his office. But Mr. Kuh declined, as a matter of departmental policy, to say whether any inquiries were under way.

Loans Were Canceled

The gifts — actually, the forgiveness by Mr. Rockefeller of previous loans to Dr. Ronan — were disclosed in material given to Congress by Mr. Rockefeller during hearings on his nomination as Vice President.

Hugh Morrow, Mr. Rockefeller's spokesman and himself the recipient of canceled loans from the former Governor, has said the gift, had been made during what Mr. Morrow said was an interval between Dr. Ronan's resignation as head of the M.T.A., a job which paid \$85,000 annually and his appointment to the unpaid job as chairman of the Port Authority. Prior to his elevation to the chairman's post of the Port Authority, Dr. Ronan had been serving as the bistate agency's vice chairman at the same time he held his paid position at the M.T.A.

The M.T.A. is the agency that supervises the Transit Authority, commuter railroads, the Triborough Bridge and Tunnel Authority, and other transportation facilities in New York State.

The Port Authority operates more than 20 major airports, bridges, tunnels, marine and trucking terminals on both sides of the Hudson River. His jurisdiction covers a 25-mile radius from the Statue of Liberty.

Mr. Morrow described the Rockefeller gifts to Dr. Ronan as one that "could be related to the year-end bonus given to executives of large corporations."

He said the loans had been in various amounts at various times during Dr. Ronan's association with Mr. Rockefeller. Mr. Morrow said he could not say how many separate loans there had been, how much each loan had amounted to, or when they were made. Nor could he say whether they were interest-free loans or whether Dr. Ronan had made any attempt

to pay back money borrowed from Mr. Rockefeller.

Dr. Ronan was unavailable yesterday to answer questions about the loans, or how he intended to repay them.

Officials in state and local government said a review of Dr. Ronan's activities as chairman of the M.T.A. and as an official of the Port Authority would be necessary to establish if there had been any misdeeds or ethical standards violated.

Much of the concern expressed yesterday involved Dr. Ronan's taking a salary from the Rockefeller family at a time when the Port Authority was doing a substantial amount of business with the Chase Manhattan Bank, whose president is David Rockefeller, brother of the Vice President-designate.

Through a spokesman, John Tillman, the Port Authority public relations director, Dr. Ronan declined yesterday to disclose his income from the Rockefeller family. Mr. Tillman said:

"Dr. Ronan asked me to tell you this: That if you will get the same information from the other 11 commissioners of the Port Authority and then call us back, he will be glad to discuss it further."

Dr. Ronan is one of 12 Port Authority commissioners, with six appointed by each Governor. The board of commissioners sets policy for the Port Authority, whose total assets are worth \$3.8-billion, and which had revenues last year of more than \$370-million.

A Port Authority officer said yesterday that no written code of conduct existed for the 12 commissioners to define a conflict of interest.

However, the Port Authority's staff of more than 8,000 employees must abide by a code of conduct that includes the following:

"Port Authority policy forbids any employees to offer gifts or gratuities of any kind to any individual or organization with which we do business, to accept any gifts of any kind from any patron, concessionaire, vendor, or any one else with whom we do business."

Beame Not Alarmed

Although there was surprise in some political quarters in the extent of Mr. Rockefeller's gift to Dr. Ronan, the disclosure of the gifts did not in itself astonish many state leaders. In a typical reaction, Mayor Beame, said yesterday in response to a query:

"Knowing the long and close relationship between Governor Rockefeller and William Ronan, I view the reported gift to Dr. Ronan, unless it violates some law, as an indication of friendship and loyalty rather than for any improper purpose."

Any discussion of possible conflicts of interest during Dr. Ronan's tenure as a state official must focus on two key provisions of state law. One, Section 73, paragraph 5, of the Public Officer's Law states in full:

"No officer or employe of a state agency, member of the legislature or legislative employe shall, directly or indirectly, solicit, accept or receive any gift having a value of \$25 or more whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence him, in the performance of his official duties or was intended as a reward for any official action on his part. No

person shall, directly or indirectly, offer or make any such gift to any officer or employe of a state agency, member of the legislature or legislative employe under any circumstances."

The other main provision, Section 200.30 and a companion, 200.35 of the state Penal Law, bars giving or receiving "unlawful gratuities" to a public servant. That is defined as conferring "any benefit upon a public servant for having engaged in official conduct which he was required or authorized to perform, and for which he was not entitled to any special or additional compensation."

Violations in both cases are misdemeanors punishable by up to a year in prison and a \$1,000 fine.

Lefkowitz Studied Grants

Attorney General Lefkowitz said he was studying questions of Dr. Ronan's status as a state employe at the time the grants from Mr. Rockefeller. "The dates are important, Mr. Lefkowitz said during a re-election campaign tour outside Albany.

The Attorney General's advisory committee on ethical standards, which he is considering consulting on the matter,

meets periodically to consider violations. The last time the seven-member group met was in April. Its chairman is Manly Fleischmann, a lawyer who recently headed a major state study on the cost of quality of education.

Discussing the gift from Mr. Rockefeller to Dr. Ronan District Attorney Kuh said he believed the law "was not intended to apply to a billionaire government official who hoped he could influence people to stay on the public payroll."

"We feel there is nothing now to criminalize what the Governor has done," he stressed.

Mr. Kuh added: "We won't use a brouhaha surrounding a public inquiry to damn a person when nothing suggests he is guilty. And we're not going to give the media or people out there the pleasure of watching a shooting gallery. It's interesting. It's titillating. There must be thousands of people out there who wish they were part of the Governor's largesse."

Earlier Mr. Morrow said Rockefeller family attorneys had determined there was no violation of state or city codes in the Governor's loans of gifts