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**Jury Is Studying Campaign Gift
To Nixon From Ship Executives**

The Washington Star-News

WASHINGTON, Sept. 6 — The Watergate grand jury is investigating a secret \$100,000 donation to President Nixon's political campaign made by officials of a Cleveland ship company while the concern was trying, without success, to win payment of a \$5-million overrun on a Government contract.

Court records show that the Federal Bureau of Investigation has asked to question George M. Steinbrenner 3d, chairman of the American Ship Building Company. A top Democratic fund-raiser in Senate and House races, he is also the general partner, or chief executive officer, of the New York Yankees baseball club.

Watergate prosecutors say that eight of his company's employees got a company bonus the same day they made Nixon contributions. The grand jury is investigating whether these corporate funds were illegally used to finance the employees' portion of the donation.

Mr. Steinbrenner has acknowledged the \$100,000 delivery, which he said included \$75,000 of his own money. But he denies any wrongdoing, saying he only wanted access to the White House on civic projects to benefit Cleveland. He says he found himself largely ignored.

Says He 'Got Taken'

"I was told it would be a good-size donation," he said, but all of a sudden it was a peanut. I got taken. I went in with my eyes open, but I got taken."

The money was given in the Nixon campaign's secret fund-raising drive last year at a time when Mr. Steinbrenner's company was seeking a Government payment of \$5.4-million for its overrun in the construction costs of an oceanographic survey ship, the Researcher.

As Secretary of Commerce, Maurice H. Stans rejected the claim in one of his final acts before leaving office to become

the Nixon campaign finance chairman.

Not long afterward, Mr. Steinbrenner pledged the \$100,000 sum in a meeting with Herbert W. Kalmbach, the President's personal attorney. Whether the cost overrun was mentioned is in dispute.

Mr. Kalmbach has said he knew nothing about the contract or the claim. Mr. Steinbrenner, who at first denied he gave any money, said later in an interview:

"He said something like, 'I know you've had a problem and it's a very difficult one.' He never once told me if I gave, he could help. But he did refer to it."

Paid for Late Delivery

American Ship Building wound up paying the Government money. Mr. Steinbrenner said that his company's appeal on the claim to Mr. Stans' replacement as Secretary of Commerce, Peter G. Petersen, failed.

Records show that the overrun claim was not formally reopened, and that the company, in a settlement, eventually agreed to pay \$230,000 for late delivery of the ship.

Mr. Steinbrenner said that he had made the donation to Mr. Nixon because he backed the President's policies in foreign affairs, not because of the cost overrun.

The case became known when the eight American Ship employees asked a Federal District Court for a delay after being subpoenaed to appear before the special grand jury yesterday.

Federal District Judge John J. Sirica gave the witnesses a two-week delay to find their own attorneys, instead of a company lawyer.

The employees' checks totaling \$25,000 were put in a packet with Mr. Steinbrenner's checks for \$75,000 and were flown to Washington on April 6, 1972, the final day before the new campaign disclosure law took effect.