

Firms Plead Guilty On Gifts to Nixon

Washington

American Airlines, Minnesota Mining and Manufacturing Co. (3M), and Goodyear Tire and Rubber Co., pleaded guilty yesterday to federal criminal charges of contributing \$125,000 illegally to President Nixon's 1972 campaign.

It was later revealed that all three companies also have admitted to Watergate prosecutor Archibald Cox that they made smaller, illegal contributions of corporate funds to earlier campaigns — involving both Republican and Democratic candidates — though Cox chose not to prosecute for those offenses.

Assistants to Cox filed the 1972 charges, all misdemeanors, against the companies and two corporate officials simultaneously in three cities. Within hours, all pleaded guilty.

LAW

Federal law prohibits corporations, labor unions and national banks from making political contributions, and violators are subject to a maximum fine of \$5000. Any individual passing along or receiving the money can be fined \$1000 and imprisoned for a year.

Goodyear was fined the maximum of \$5000 and its board chairman, Russell de Young, \$1000. Henry Heltzer, board chairman and chief executive officer of 3M, was fined \$500 and his firm \$3000. American Airlines was fined \$5000.

Cox said similar action will be taken "in the weeks to come" against other firms that made illegal political donations from corporate funds, including perhaps felony charges against officials who tried to buy government favors "or where there has been an effort to conceal or withhold evidence of other federal crimes."

Thomas F. McBride, a Cox assistant in charge of a task force on campaign financing, later told newsmen

that about two dozen investigations are underway involving suspect corporate and labor contributions.

McBride said Goodyear,

Back Page Col. 7

From Page 1

3M and American officials had acknowledged illegal donations dating back to 1968 involving such things as political dinner tickets, but that these offenses were regarded as minor when compared to the 1972 Nixon contributions.

He also said Goodyear and American had used overseas channels to hide the source of the money, though he declined to elaborate. McBride said all three firms could be subject to tax law prosecutions and that files on their cases would be turned over to the Internal Revenue Service.

Cox said he decided as a matter of "general policy" that corporate officials as well as their firms should be prosecuted in the contribution cases — something that has not been done in the past.

"As a matter of prosecutive policy and common sense, the effective enforcement of a statute prohibiting corporate contributions to political campaigns requires, absent the most unusual circumstances, that the responsible corporate officer be charged as well as the corporation," Cox said in a policy statement.

"Without such a policy, the statute will have little deterrent effect."

American, 3M and Goodyear were among seven major corporations that announced last summer they made illegal corporate contributions to the Nixon campaign. The Committee for the Re-Election of the President subsequently announced it had been unaware of any improper gifts and returned a total of \$425,000 when the sources of the funds became known.

Cox filed a single-count criminal information against American at U.S. District Court in Washington. Two-count charges were filed against Goodyear and de Young at Cleveland and 3M and Heltzer at St. Paul, Minn.

Cox said American board chairman George Spater had not been charged because he was "the first to voluntarily come forward at a time when no other corporation had evidenced any willingness to do so."

Other firms that have publicly admitted illegal Nixon contributions are Ashland Oil, Phillips Petroleum, Gulf Oil and Braniff International.

United Press