

3 CONCERNS PLEAD GUILTY ON GIFTS TO '72 NIXON DRIVE

American Airlines, 3M and
Goodyear and 2 Company
Officials All Are Fined

MORE INQUIRIES PUSHED

Elections Office Refers to
Attorney General a Case
Citing a McGovern Unit

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WASHINGTON, Oct. 17—

American Airlines, Goodyear Tire and Rubber Company and Minnesota Mining and Manufacturing Company pleaded guilty today to making illegal contributions to President Nixon's 1972 re-election campaign.

So did the board chairmen of Goodyear and the Minnesota company, known informally as 3M, who had been formally accused under a policy, announced today by the special Watergate prosecutor, Archibald Cox, of charging not just the corporation but also the "responsible corporate officer."

Mr. Cox announced the charges this morning at about the same time that the two corporate officers, Russell de Young of Goodyear and Harry Heltzer of 3M, were entering their pleas in two Middle Western Federal courts. American Airlines entered its plea, through its lawyers, several hours later at the United States District Court here.

McGovern Unit Cited

Mr. Cox also said that today's charges—which produced the first convictions he had won in the corporate campaign contributions area—will be followed "in the weeks to come" with similar charges against other corporations and officers.

Thomas F. McBride, the chief of the Cox office's unit on contributions, said at a news briefing later that about to dozen other organizations—corporations and labor unions—were under investiga-

tion.

In another development today regarding contributions to political campaigns, the General Accounting Office's Office of Federal Elections announced that it was referring to the Attorney General "for appropriate action" apparent violations of the Federal Election Campaign Act by the Massachusetts McGovern for President Committee.

The office has looked into activities of several McGovern campaign units, but this is the first time that it has referred anything on the subject to the Attorney General.

The alleged violations, according to the Office of Federal Elections, include a failure to

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report a \$50,000 expenditure in partial payment of a \$75,000 loan.

The other violations, the office said, are: failure to include in its reports the necessary details regarding various receipts, failure to file required reports for the period after Dec. 31, 1971; failure to itemize receipts totaling \$66,675, and failure to report about \$54,000 of this total.

The corporations and executives involved in the Cox prosecution all received fines in punishment. American Airlines and Goodyear were each fined \$5,000, 3M \$3,000, Mr. Heltzer \$500 and Mr. de Young \$1,000. Mr. Heltzer and his company, 3M, entered their pleas in United States District Court in St. Paul; Mr. de Young and his company in Cleveland.

The fine against American Airlines was set by Judge George L. Mart in United States District Court here, who had been assigned the case by Chief Judge John J. Sirica.

The contributions have all been returned to the corporations by the campaign officials. It was clear from statements by Mr. Cox and others in his office, from the statutes and from the actions taken in court today that the prosecutor and the courts could have taken a tougher stand. For one thing, no officer of American Airlines was charged.

Mr. Cox explained this by noting that George Spater, who was chairman of American Airlines at the time, had "come forward" last June to announce that the company had given a \$55,000 illegal contribution to the Nixon campaign. The admission, Mr. Cox said, was made "at a time when no other corporation had evidenced any willingness to do so."

"I believe that the example of American Airlines and Mr. Spater had a good deal to do with prompting others to come

forward with voluntary disclosures of corporate contributions," he said.

At the time that Mr. Spater made his admission, Mr. Cox announced that he would be willing to give more lenient treatment to companies that similarly came forward and admitted illegal payments than to those that did not admit it and were found out. Several companies followed American Airlines' example, including Goodyear, which admitted in early August to a \$40,000 contribution, and 3M, which admitted a short time later to a \$30,000 payment.

As for corporations and labor unions, the statute states only that the organization is punishable by a \$5,000 fine. Although the statute is unclear, as Mr. Cox's office noted, there appears to be no distinction for penalties on corporations between willful and nonwillful contributions.

So today, in his "information" against the officers of Goodyear and 3M, Mr. Cox charged them only with the misdemeanor of making illegal contributions. The misdemeanor, under the law, involves "nonwillful" contributions.

The felony count involving willful contributions is punishable by a fine of \$10,000 and/or a two-year jail term; the misdemeanor by a \$1,000 fine and/or a one-year term.

Official Is Baffled

Asked at the courthouse here how the two executives—who had each admitted making the payments—could be charged with making nonwillful contributions, Mr. McBride replied, "That's a legal question which frankly baffles me as well."

At his news briefing later, Mr. McBride said that as part of his office's policy, the three companies had been required to admit any other illegal contributions in the last five years. All three admitted such contributions, he said, describing the amounts as "de minimis," a matter of a few hundred dollars.

Mr. Spater had said that his corporation had been solicited by President Nixon's personal counsel of that time, Herbert W. Kalmbach, Maurice H. Stans, the former director of the Finance Committee to Re-elect the President, had been accused of soliciting the contribution from one of the other companies. Today's charges, however, mentioned neither.

Mr. McBride said that his office did not yet have sufficient evidence to know whether the recipients of the funds—which in some cases had been "laundered" through international transactions—had known that the contributions were illegal.

For many years the law prohibiting contributions by companies and labor organizations was used only to charge the organizations, not the officers. Recently, however, the Justice Department has begun prose-

cuting officers—of companies and labor unions.

In related matters, H. R. Haldeman arrived at the Federal Court House today and went before the Watergate grand jury. Also, Mr. Cox has asked Judge Sirica to require a former counsel for the Associated Milk Producers, Inc., to testify before the grand jury.

Joseph Rose, who worked for the milk producers from April 9 to Sept. 4, may have information concerning illegal contributions made to President Nixon's re-election campaign. However, the question to be settled is whether his testifying about that might violate the confidentiality of attorney-client relationships.