

New Testimony of Illegal Fund Raising

Washington

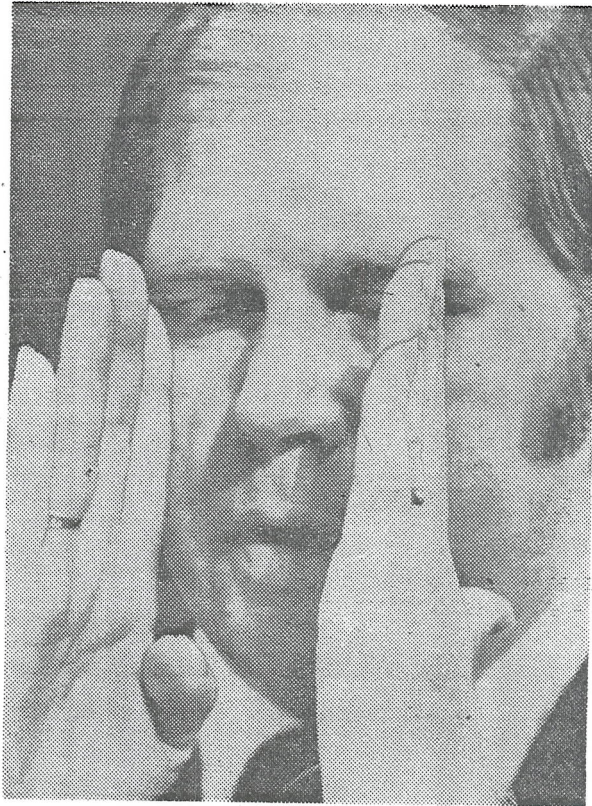
Two employes of the American Ship Building Co. told Senate Investigators yesterday that their boss, George M. Steinbrenner III, devised illegal schemes to contribute thousands of dollars in corporate funds to the Nixon re-election campaign and then had them lie about it to FBI agents. Steinbrenner is the chairman and chief executive officer of American Ship Building and is also President and the largest stockholder of the New York Yankees baseball team.

The two witnesses told how phony bonuses were given to eight "loyal" employees, who then gave the bonus money — minus taxes and other deductions — to Republican finance committees with such names as Loyal Americans for Government, the Stagle Society Counsel and Dedicated Americans for Effective Government, all of which were really part of the Committee to Re-elect the President.

COVERUP

In addition, the witnesses testified to attempts to cover up the illegal contributions, through such devices as the placement of false backdated memorandums in the company's files, the inauguration of a new, and legitimate, bonus plan, and the listing of some of the political expenditures on the company's books as "research."

A total of \$25,000 in corporate funds was given to phony bonus plan in 1972, the Republicans through the witnesses said. They also mentioned other phony bonuses given to employees in 1971 and 1970 which were passed on as political contributions.



—AP Wirephoto

AMERICAN SHIP'S MATTHEW CLARK
He showed how he visualized himself behind bars

But neither the total amount of these bonuses nor the actual recipients was clear. In at least one instance, it appeared that Democratic candidates received some of the money.

The two witnesses were Matthew E. Clark Jr., director of purchasing for American Ship Building, and Robert E. Bartlome, the secretary of the company. Both have been given immunity.

Steinbrenner himself did not testify and the counsel to the Watergate committee, Samuel Dash, said that he had been advised by Steinbrenner's lawyer, Edward Bennett Williams, that his client would take the Fifth Amendment and not give testimony that might be self-incriminating.

Bartlome testified that Steinbrenner had told him in 1970, when the phony bonus plan was first established, that "we need to make contributions."

In 1972, Bartlome said, Steinbrenner had advised him "there was pressure for contributions." But Steinbrenner did not tell Bartlome where the pressure was coming from.

They are kept about as low profile as possible — in civilian clothes, inside the office without side arms. Even at that, American diplomats wish they were not around at all. For the Marines already have developed a reputation.

New York Times