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Foreign Subsidiaries Provided
Illegal Nixon Gifts, Oilmen Say

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By EILEEN SHANAHAN

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WASHINGTON, Nov. 14 — Officials of two big oil companies told Senate investigators today that they had arranged secretly to withdraw cash from foreign subsidiaries in the Bahamas and Gabon to make illegal contributions to the Nixon re-election campaign.

Orin E. Atkins, president of the Ashland Oil Company, and Claude C. Wild Jr., vice president for governmental affairs of the Gulf Oil Corporation, said they had been told by Maurice H. Stans, while he was still Mr. Nixon's Secretary of Commerce, that a contribution of \$100,000 each was expected from all large corporations. Gulf ranked 11th among American companies in 1972, and Ashland was 70th.

Both men also told the select Senate committee, which is investigating the Watergate burglary, other political scandals and fund-raising, that they thought they had no option but to give.

Mr. Wild said he feared his company could "be on a blacklist, low man on the telephone pole" if he did not respond.

"I just wanted someone to answer my telephone calls once in a while," he continued, adding that there are 61 Govern-

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ment agencies that can, in one way or another, "affect Gulf's business."

Mr. Atkins, on the other hand, felt that large companies like Gulf "have no difficulty making their points of view heard" in Government but that a company the size of Ashland had to contribute money "to assure ourselves of a forum where we would be heard."

The executives took different avenues to raise the money.

Mr. Wild said that he had decided to give \$100,000 to the Nixon campaign in two \$50,000 gifts in 1971 and 1972 "by myself, completely."

Once he decided to give the money, he said, he got in touch with William Viglia, who was controller of a number of Gulf subsidiaries that had headquarters in the Bahamas. He said he had told Mr. Viglia to send him the cash. The same system was used, he said, for a campaign contribution of \$10,000 to the 1972 Presidential primary campaign of Senator Henry M. Jackson, Democrat of Washington, and of \$15,000 to

the Presidential campaign of Representative Wilbur D. Mills, Democrat of Arkansas.

Mr. Wild said that he had the authority to get money from Mr. Viglia, who he said, had charged it to "miscellaneous expense accounts." He indicated that Mr. Viglia asked him no questions about how the money would be used.

The Senators did not ask Mr. Wild about any other uses that were ever made of the cash available through the Bahamas subsidiaries, or who in Gulf gave Mr. Wild the authority to order the delivery of large sums of cash through that source.

"I had broad authority to handle governmental matters," Mr. Wild said.

'Cost Twice as Much'

He indicated that he had had previous experience in making campaign contributions. When asked whether some of them had gone to Democrats he replied: "Yes. But the Republicans always cost you twice as much as the Democrats."

Unlike Mr. Wild, Mr. Atkins said he had consulted three other top officials of his company before coming through with the \$100,000 that he said had been solicited by Secretary Stans.

He identified them as William R. Seaton, the vice chairman of the board of directors, Robert E. Yancey, the president, and Clyde Webb, vice president for community affairs.

He himself made the decision to give the money, Mr. Atkins said. He added that if any one of his three colleagues "had objected strenuously, I would probably have re-thought it."

But they did not, he said.

It was Mr. Seaton, Mr. Atkins said, who actually picked up the \$100,000 in cash, from the Geneva branch of the First National City Bank of New York. The withdrawal was entered on the corporate books as a capital expense of Ashland's subsidiary in Gabon.

Mr. Atkins said Switzerland was chosen because withdrawing such a sum from a bank in America might have raised questions.

'More Sophisticated'

"The Swiss being more sophisticated," he said, withdrawal of \$100,000 in cash "doesn't excite anyone's curiosity."

Funds chargeable to the Gabon subsidiary were used, Mr. Atkins said, because the subsidiary had some undeveloped land that would probably never be written off for tax purposes, and thus never come under the scrutiny of the Internal Revenue Service.

He said that the company had been much more worried

about a possible violation of the tax laws than about a violation of the law against corporate campaign contributions.

He said that Ashland Oil officials viewed the latter as "analogous to the Volstead Act—more honored in the breach. The Volstead Act was the legislation establishing enforcement machinery under the 18th Amendment, which prohibited the production and sale of most alcoholic beverages.

Mr. Atkins said it was Mr. Webb who had delivered the

money to Mr. Stans, who was at that time at the Finance Committee to Re-elect the President. Mr. Stans "dumped it in his desk drawer," Mr. Atkins said. Both executives pleaded guilty yesterday, in Federal courts, for themselves and their companies, to violations of the Corrupt Practices Act, which bars political contributions from corporations. Both companies were fined \$5,000, and both individuals fined \$1,000.

Three other large companies have also pleaded guilty to making illegal contributions out of corporate funds that were solicited either by Mr. Stans or by Herbert W. Kalmbach, who was Mr. Nixon's personal attorney and another chief fund-raiser for the Republicans.

The other companies that have pleaded guilty are American Airlines, Braniff Airways and the Goodyear Tire and Rubber Company. Officials of the Phillips Petroleum Corporation have also publicly admitted giving illegal contributions, but have not yet appeared in court.

Both Mr. Wilde and Mr. Atkins made clear, under ques-

tioning, that neither Mr. Stans nor any other official they dealt with had asked for contributions in cash or had indicated any knowledge that the money came, illegally, from corporation treasuries.

But each of the witnesses said it was clear to him from the outset that the money would have to come out of corporate funds because \$100,000 is a lot of money—more than they, as individuals, would have been able to give.

Mr. Atkins said that the 1972 request from Mr. Stans was the first time his company had been solicited for a campaign contribution. He said Mr. Stans had also suggested that the company take out a \$10,000 ad in the Republicans' convention program, which Ashland Oil did. The company, on its own initiative, took out an ad for the same price in the Democrats' program, he added.

Gulf Oil, on the other hand, clearly had a long history as a campaign contributor, and was first solicited for the 1972 campaign in early 1971. The solicitor was Lee Nunn, who later had an important position at the re-election committee.