

Three More Corporations Tell Of Illegal Gifts to Nixon Drive

Officers of Braniff, American and Goodyear Describe the Channeling of Funds

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WASHINGTON, Nov. 15 — Executives of three more big corporations told the Senate Watergate committee today how they channeled cash through foreign countries in an attempt to hide their illegal use of corporate funds for contributions to the Nixon re-election campaign.

American Airlines and Braniff International both wrote checks for fictitious services to agents in foreign countries—Lebanon and Panama, respectively—and then got the money back in cash from the agents to deliver to the Committee to re-elect the President.

The Goodyear Tire and Rubber Company used funds from an account it had maintained for years in a Swiss bank. The funds in the Swiss bank account came from rebates given to Goodyear by some of the foreign manufacturers from which Goodyear bought supplies.

George A. Spater, the former board chairman of American Airlines, said it was "fear" of what would happen to his company if it did not contribute to the campaign that had made him make the illegal contribution. Mr. Spater was the first of seven corporate executives who have gone to the special Watergate prosecutor and confessed the illegal contributions.

Russell De Young, chairman of the board of the Goodyear Tire and Rubber Company, said, on the other hand, that he had contributed corporate funds to the campaign "solely because we thought the re-election of the President was in the best interest of the country."

No Regret Expressed

Mr. De Young expressed no regret at his actions and at one point snapped back "not necessarily" to a suggestion by Senator Lowell P. Weicker Jr., Republican of Connecticut, that it was a "sorry day" for Goodyear when the \$40,000 in corporate money was given to the campaign.

The witnesses from Braniff included only two subordinate officials who explained the fictitious payment to the Panamanian agent and a subsequent elaborate cover-up of the transaction on the company's books. The company's chairman, Harding L. Lawrence, will testify later.

Mr. Spater was the only witness who has appeared at the hearings on illegal corporate contributions who had any detailed proposals for changes in the laws governing campaign financing.

His main recommendation was that certain individuals who have very obvious power over Government decisions that directly affect corporations be barred from soliciting campaign contributions.



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George A. Spater, former American Airlines official, testifying at Senate Watergate hearing.

they didn't want to do," he said. "I hated it. It was very much on my conscience."

Referring to his being solicited for \$100,000 by a man whom he knew to be the President's attorney, he said: "There has never been an example like this."

Mr. Spater said that "I was motivated by a host of fears" in deciding to give the money, essentially fears that his company would get less than an even break from the Government if it failed to contribute.

He said that his state of mind when he decided he had better make the contribution was "something like those medieval maps that show the known world and then, around it, Terra Incognita with fierce animals."

"It was the fear of the unknown," he said.

Officials Called Fair

Right after he said this, however, Mr. Spater told Senator Weicker that he thought most Government officials were fair.

Senator Weicker had demanded to know, "What is the image in the business community of political leaders?" The hearings indicated, he said, that the businessman's image of the politician "almost has us all for sale."

Mr. Spater replied, "I don't believe that." He said he had found "many offices in Government where you can make a presentation on the basis of merit and be fairly treated."

Mr. Spater's account of being approached by Mr. Kalmbach and asked for \$100,000, which would put his company in a "special category" was similar to the stories told the committee yesterday by top executives of the Ashland Oil Company and the Gulf Oil Corporation, both of whom said their \$100,000 was solicited by Secretary of Commerce Maurice H. Stans.

No Figure Mentioned

Mr. De Young, on the other hand, said that no figure had originally been mentioned to him by Mr. Stans, who brought up the subject of campaign funding at a meeting between Government officials and business executives on environmental problems that took place in Washington.

When Goodyear delivered \$20,000 to Mr. Stans in early 1972, "Mr. Stans said he had hoped for a contribution in the range of \$50,000," Mr. De Young said.

He subsequently gave Mr. Stans \$20,000 more in corporate funds, plus \$5,000 in personal checks from himself and his wife, he said.

Asked why Goodyear had given a total of only \$45,000 when he had been expected to give \$50,000 Mr. De Young replied: "We never give anybody as much as they ask for."

American Airlines, too, gave less than it had been asked for—\$75,000 in all, of which \$55,000 represented illegally used corporate funds. The company apparently was prepared to give the full \$100,000 if pushed.

Among the persons so barred, he said, should be "individuals who have just left the Cabinet or other high positions in the Government" and "individuals who are personal representatives of officers holding such positions."

A Different Approach

Under questioning by Senator Weicker, Mr. Spater said that his company had been solicited for campaign contributions in earlier years, before he was approached by Herbert W. Kalmbach, then President Nixon's personal attorney in 1971.

But, he said, the solicitations for the Nixon re-election campaign were different from the earlier ones for two reasons—"the identity of the individuals who made the solicitations and the amounts."

The amounts of money asked for were "so enormous that they drove people to do things