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**Steinbrenner Pleads
Guilty to Two Counts**

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WASHINGTON, Aug. 23 —

George M. Steinbrenner 3d, chairman of the American Shipbuilding Company and the principal owner of the New York Yankees, pleaded guilty today to two Federal charges arising from the illegal expenditure of thousands of dollars in corporate funds for both Democratic and Republican political campaigns.

American Shipbuilding also pleaded guilty to two violations of the campaign-contribution laws.

The pleas were entered this afternoon in United States District court in Cleveland, corporate headquarters of American Shipbuilding, before Judge Leroy J. Contie Jr. The action

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was announced here.

Mr. Steinbrenner, the first corporate executive to be charged with a felony in the special Watergate prosecutor's investigation of campaign financing, was indicted last April on 14 felony counts. If he had been convicted on all 14 counts, Mr. Steinbrenner would theoretically have been subject to a maximum of 55 years in prison and fines of \$110,000.

By pleading guilty today to two counts, Mr. Steinbrenner apparently reduced his possible maximum punishment to six years in prison and \$15,000 in fines—five years and \$10,000 for one count from the original indictment, charging him with a broad-ranging conspiracy to violate campaign contribution laws, and one year and \$5,000 for the charge in a new information filed today, charging him with being an accessory after the fact to a violation of the laws.

The company is apparently subject now to a maximum penalty of \$15,000 in fines.

Proceedings Described

After the court proceeding today, Thomas F. McBride, chief of the Watergate prosecution's campaign finances unit, issued a statement to the Cleveland newspapers describing the proceedings. The statement, which was subsequently made available here, said that "in entering these pleas of guilty, it was agreed between counsel for Mr. Steinbrenner and the office of the special prosecutor Leon Jaworski that the remaining counts of the indictment would be dismissed at the time of sentencing."

Judge Contie postponed sentencing pending a presentence investigation by probation officials.

The conspiracy count to which the 43-year-old businessman and American Shipbuilding pleaded was the central charge in the original indictment.

It portrays a complicated scheme in which corporate funds were channeled through such mechanisms as fictitious bonuses and expense accounts

to campaign committees for influential politicians of both parties including former President Richard M. Nixon and Senators Vance Hartke, Democrat of Indiana, and Daniel K. Inouye, Democrat of Hawaii.

According to the full charges in the indictment, Mr. Steinbrenner either consented to or authorized about \$142,000 in campaign contributions. Federal law prohibits corporate contributions to political campaigns.

Mr. Steinbrenner had also been accused, in other counts that will now be dismissed, of obstruction of justice and of urging others to make false statements to the Federal Bureau of Investigation.

The second charge to which Mr. Steinbrenner pleaded guilty was similar in nature if not in degree to some of the original charges. It accused him of devising a "false and misleading explanation" of a \$25,000 contribution to the Nixon campaign

and of trying to "influence and intimidate" employes of his company "into giving this false explanation" to a grand jury.

None of the charges involved Mr. Steinbrenner's role with the Yankees, which Mr. Steinbrenner and a syndicate of about 15 other businessmen purchased from the CBS television network early last year. Mr. Steinbrenner is a general partner and the principal owner of the baseball team.