

A probe of Ford funds

Examiner News Services

NEW YORK — The Watergate special prosecutor's office is investigating whether funds from two maritime unions were secretly paid to Gerald Ford between 1964 and 1974, the New York Times said today.

The Times said the investigation by Special Prosecutor Charles Ruff centered on whether funds from the unions were "laundered" through local Republican organizations in Ford's home county in Michigan.

CBS News broadcast a similar account yesterday.

At least one of the unions and GOP officials in Kent County, Mich., which comprises the bulk of Ford's former congressional district, confirmed last week that their financial records have been subpoenaed.

George ter Horst, staff director of the Kent County GOP organization, told the New York News yesterday that the party's campaign records were subpoenaed by Ruff Aug. 18.

Ruff has consistently refused to discuss the

investigation.

The Times said FBI agents interviewed local Republican leaders about donations from the maritime organizations. The newspaper said agents asked those interviewed if any of the funds were relayed to Ford, and it quoted one official as saying he recalled none of the funds being given to Ford.

Thomas Bloodgood, county GOP finance chairman in 1969 and 1970 told the News yesterday that FBI

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agents asked him if the party had "kicked back" any union contributions to Ford. Bloodgood said neither the party organization nor Ford had used any campaign contributions improperly.

Subpoenaed since Ford won the GOP nomination were records of at least two GOP groups and those of the Marine Engineers Beneficial Association, Ford's largest contributor when he ran for Congress in 1972. Subpoenaed two years earlier, in another investigation, were records from the Seafarers International Union.

The prosecutor, according to the Times, has obtained records of the Kent County Finance Committee and Fifth Congressional District Committee. These are fund-raising groups. The money is expended through another committee, the Kent County Republican Committee the records of which are also being examined by Ruff, the Times said.

Bloodgood told the Times he recalled a donation from the Seafarers but not the Marine Engineers. He said he recalled no relay of funds to Ford.

The Times said the two unions "have pumped millions of dollars into political campaigns across the country to encourage support for maritime legislation. Though Mr. Ford represented Michigan's Fifth District when he was in Congress, he received substantial support from the two unions.

"What has perplexed many in the Republican leadership here (Grand Rapids, Mich.) is that Mr. Ruff's inquiry appears to be going over ground already covered by the Federal Bureau of Investigation, the Internal Revenue Service and the House Judiciary Committee when Mr. Ford was appointed vice president in 1973."

The Times also said that "during the decade following 1964, Mr. Ford's re-election in the Fifth District was virtually assured and he collected far more campaign contributions than he needed for his campaign costs, a large part of which came from contributors outside his district and outside Michigan.

"Mr. Ford received substantial support from industry and some union money because of his position as minority leader, and it was his practice to divert some of it to other Republicans around the country or to the Republican committees in his home county."

It is not unusual for powerful legislative leaders to receive donations from large groups outside their district. Both maritime groups contribute heavily to the political campaigns of legislators who support laws beneficial to the union's interests.

In noting that the investigation appears to be concentrated on the 10 years from 1964, shortly before Ford became House minority leader, to 1974, when he succeeded Richard Nixon as president, the Times said:

"A substantial part of this period is technically outside the jurisdiction of the special prosecutor, who was appointed to investigate the Watergate burglary and political finances in 1970 and 1972. The prosecutor, however, is authorized to trace supporting evidence outside that period or to investigate an allegation of a continuing conspiracy."

Ruff's mandate as special prosecutor does not include making investigations of congressional campaigns. But he has been looking into the big campaign contributors in business and labor. White House sources told the News that the union, not Ford, was the focus of the inquiry.

Ruff specialized in labor racketeering as a Justice Department prosecutor before being named to succeed Henry Ruth as Watergate prosecutor.

White House sources told the News that Ford does not plan to ask Ruff to make any statement concerning the investigation because Ford was anxious to show that he was not trying to interfere with the inquiry.

Asked for comment, White House Press Secretary Ron Nessen said, "There has been no indication publicly that he (Ford) is the target of an investigation."

Nessen said Ford "doesn't have any concern about any investigation" because the House Judiciary Committee had studied his campaign contributions as part of its consideration of his appointment to the vice presidency.

The committee report recommending that he be confirmed as vice president to succeed Spiro Agnew said newspaper allegations about campaign financing irregularities in the 1970 and 1972 Ford campaigns were

"fully investigated." It said that any questions were disposed of "to the committee's satisfaction."

The committee was particularly interested in the District of Columbia Committee to Reelect Jerry Ford, which raised \$50,000 in 1972 and transferred \$38,000 to a Michigan Ford committee before a new law went into effect requiring public disclosure of all contributors.

Rep. Elizabeth Holtzman, D-Brooklyn, a committee member, said at the time that Ford collected "nearly half his funds from undisclosed sources" in the 1970 and 1972 campaigns. She added "It is unfortunate that Ford permitted such secrecy, for he now cannot assure the American people that he was not the beneficiary of illegal campaign contributions..."

Ford's hometown backers in Grand Rapids demanded a quick conclusion to the investigation.

Paul Henry, a political science professor who heads the Kent County Republican organization, said Ruff should then make a public statement clearing Ford.