

Nixon Aide Denies Offer of Aid for Cash

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By Lawrence Meyer
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A Nixon re-election committee fund raiser denied yesterday that he solicited campaign money from a Miami builder with the promise that former Commerce Secretary Maurice H. Stans would intervene to help him with Federal Housing Administration problems.

Benjamin Fernandez, chairman of the National Hispanic Finance Committee for the Re-Election of the President, made the denial in testimony before the Senate select Watergate committee. "To my knowledge," Fernandez asserted, "in no single instance was there ever offered a promise of political favoritism, coercion or other similar tactic employed in the solicitation, collection, or expending of these campaign contributions."

Fernandez said he was "appalled, shocked and disgusted with the tenor" of testimony given Wednesday before the committee by John J. Priestes, a Florida building contractor.

Priestes, under a one-year jail sentence after pleading guilty to two federal felony counts involving homes financed by the FHA, testified Wednesday that Fernandez had sought a \$100,000 contribution from him

with the promise that Stans, then director of the Nixon re-election finance committee, would block the FHA's suspension of Priestes.

"Priestes said that Stans had accepted a \$25,000 check from him and Stans then 'said he would make a call to see what he could do.' Priestes said Stans told him, 'If it looks like we can't do anything for you, we'll return your check.'"

The check was subsequently returned, although Stans and Fernandez asserted it was returned after they learned that Priestes had been suspended by the

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FHA and was under investigation by the Justice Department. Priestes testified that the check was returned to him by an unidentified re-election committee official who said the payment would have to be made in cash, an arrangement Priestes said he rejected.

Stans, along with former

Attorney General John N. Mitchell, has been indicted in New York on federal charges of perjury and obstruction of justice involving a \$200,000 campaign contribution made by international financier Robert L. Vesco, who was arrested this week by Bahamian authorities.

In a statement filed with the committee Wednesday, Stans said his understanding was that Priestes' problems were primarily with the press and that Priestes "hoped that HUD (the Department of Housing and Urban Development) would treat him fairly." Stans said he ordered Priestes' contribution to be returned after learning from HUD and the White House that Priestes had serious legal problems.

The committee's inquiry into Priestes' contribution to the Nixon re-election committee is part of the third and final phase of the Watergate hearings. In the final phase, expected to end within several weeks, the committee is expected to look into charges that contributions were obtained by the re-election committee by the promise of special treatment or through exploitation of corporations having problems with the government.

Fernandez, a short, trim man who said he had dedicated his life to the cause of Spanish-speaking Americans, bristled at Priestes' testimony. In his opening statement yesterday, Fernandez briefly rebutted, point-by-point, allegations made by Priestes.

Fernandez said he was approached by friends of Priestes, that he knew nothing of Priestes' problems until Priestes told him what they were, that he never

asked Priestes for \$100,000 or "a dime," that Priestes volunteered to give \$25,000, that Priestes was never promised any favors "directly or indirectly in exchange for his donation" and that Priestes was never asked to make a donation in cash.

"He (Priestes) testified that at the meeting in Mr. Stans' office he asked Mr. Stans to pick up a telephone and call Secretary (of HUD George) Romney about his troubles with HUD," Fernandez said. "This statement is totally false. I was present at the meeting, and at no time did he ask Secretary Stans to call anyone."

An unsworn statement

submitted to the committee by former Nixon re-election committee treasurer Hugh W. Sloan Jr. stated that Fernandez had told Stans that Priestes' contribution would be "in the \$100,000 class."

After meeting with Priestes, Sloan said, "Mr. Stans was upset and expressed his displeasure with the meeting to me, stating that the contributor was not in the \$100,000 class as he had been led to believe and further that he was concerned about Mr. Priestes personally."

According to Fernandez, after Priestes gave a check for \$25,000 to Stans, Priestes showed Stans news stories about the problems he was having. Fernandez said

Stans "flipped through" the stories, spending about 10 to 15 seconds — not the 15 minutes that Priestes claimed — looking at them.

Fernandez said Stans told Priestes, "Young man . . . I don't know anything about you. I don't know what kind of problems you are involved in, but I think I had better take a look into your personal background. If we find that you are indeed in difficulties of a serious nature, we want nothing to do with you and we want you to know this."

About 10 days later, Fernandez said, Stans called him and said, "Much as I hate to return this money to the man, we had better return it because he is in trouble up to his ears and it will make us all look bad if we accept his donation." I thanked the Secretary," Fernandez said, "and within several days the check was returned to Mr. Priestes."

The hearings will resume Tuesday at 10 a.m. No witnesses have been announced. But the committee is expected next week to begin exploring contributions made by the dairy industry to the Nixon re-election campaign and the possible influence those contributions had on administration decision to raise government milk support prices.



BENJAMIN FERNANDEZ
... "appalled, shocked"