

Carpet Lobby Said to Pay GOP for Aid

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The Nixon administration promised to postpone effective federal flammability regulations for carpeting in order to get campaign contributions of \$94,580 from a carpeting manufacturer acting "on behalf of the industry," Sen. Warren G. Magnuson (D-Wash.) charged yesterday.

He said that President Nixon's campaign finance chief, former Secretary of Commerce Maurice H. Stans, "set up a hush-hush high-level White House meeting to assure that such effective regulation would not be forthcoming."

The charges were denied by two of the three government representative who attended the meeting, as well as by an industry representative who attended.

Stans arranged the meeting, William N. Letson, general counsel of the Commerce Department told a reporter. But, he said, there was "nothing secret" about it, it was "crystal clear that no favors were being sought by Mr. Stans or the carpet people," contributions were not discussed, and no favors were asked.

The issue was an industry complaint that they had been unable to get a fair hearing on a highly technical question on whether a certain substance is part of a carpet's construction or of its treatment, Letson said.

Elizabeth Hanford, deputy director of the White House Office of Consumer Affairs, gave a similar account of the meeting, held July 27 in the Executive Office Building.

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The third official present was White House aide Charles W. Colson.

J. G. Shaw, president of Philadelphia Carpets in the world carpet capital of Dalton, Ga., said the only commitment made by Stans and the government participants was "to listen."

"We made no financial contribution at that particular point," Shaw said. "There was no solicitation before, during, or after the meeting."

Stans could not be reached. An aide said he would not comment until he had read Magnuson's statements.

The \$94,580 came in 30 separate contributions to the Finance Committee to Re-Elect the President between Aug. 11 and 16, a few weeks after the meeting.

The contributor was Martin Bud Seretean, of Chattanooga, board chairman and president of Coronet Industries, Inc., an RCA subsidiary in Dalton. Seretean reportedly one of the three largest stockholders in RCA, was not at the White House meeting. He could not be reached.

Shaw, denying a Magnuson

charge that Seretean's contributions were made in behalf of executives of the carpet mills clustered in Dalton, said, "I have no knowledge that he acted on behalf of anyone besides himself."

Magnuson, chairman of the Senate Commerce Committee and a principal sponsor of the Flammable Fabric Amendments of 1967, said the carpet episode is yet another example of "the close connection between campaign contributions by big business and the Nixon administration's wanton disregard of consumer interests."

Carpets were chosen as the first item to be regulated under the amendments, because they can spread flames rapidly through crowded buildings. In cooperation with the carpet industry, the National Bureau of Standards, a unit of the Commerce Department, developed the so-called pill test to protect carpets from small ignition sources such as dropped matches or cigarettes. Effective implementation of this "extremely modest standard" took more than three years," Magnuson said.

On Jan. 9, 1970, 32 persons

died in a nursing home fire in Marietta, Ohio. Magnuson said this was the result of "the failure of Commerce to act effectively." The deaths were caused by flame and smoke from carpeting that, he said, "would have passed the pill test," which does not cover smoke emission, gasses or carpet backing pads.

The U.S. Public Health Service and the Federal Housing Administration proposed a "more realistic tunnel test" which more closely approximates "a real fire situation," Magnuson said. This test was protested by the carpet industry as "too severe" and too dissimilar from actual conditions, the senator's statement said.

The Commerce Department, headed by Maurice Stans at that time, promised to develop "second-generation standards" to supercede the pill test, and the Bureau of Standards did so. "But even today there is no sign that these lifesaving standards will be implemented," Magnuson said.

Stans, on becoming Mr. Nixon's finance chief, "promptly solicited carpet manufacturers for campaign contributions

and reminded them of how helpful the Nixon administration had been in the past four years," Magnuson said.

But the manufacturers "remained concerned" about possible implementation of the "second-generation" standards, and to "appease their fears" Stans set up the White House meeting, Magnuson said.

He charged that representatives of the Carpet and Rug Institute and firms in "the Dalton Group"—Karistan Rug Mills, Barwick Industries and Philadelphia Carpets — came to the White House meeting "to make a financial contribution and to protest flammability enforcement actions by the Federal Trade Commission.