

In Line for Huge Housing Contract

Nixon Backer Reaps

By SARAH M'CLENDON

WASHINGTON (NANA)

— A multi-millionaire Boston industrialist who contributed very heavily to the primary and general election campaigns of Richard Nixon in 1968, reportedly will be awarded a contract by the Defense Department that will add more millions to his vast fortune.

Thomas A. Pappas, whose empire includes everything from food importing, to shipbuilding, to a Greek oil monopoly (he's said to be richer than Aristotle Onassis), will be called upon to supply United States military installations in the Philippines and Japan with pre-fabricated concrete and asbestos housing. The housing will be manufactured in Israel.

And although no one in the Defense Department has ever seen even a prototype of the housing being offered, the contract will be awarded to Pappas without benefit of competitive bidding. (Overseas contracts do not require competitive bids.)

THE WAY was supposed to be cleared for congressional approval of the project by a party given on Capitol Hill in honor of House Armed Services Committee chairman L. Mendel Rivers, D-S.C. The guest list for the party reportedly was prepared in the office of the assistant defense secretary Barry J. Shillito by Pappas' Washington lobbyist, Thomas Owen, and an aide of Shillito's, Seymour Alenier. Pappas later is said to have picked up the tab for the party, which came to \$5,000.

Rivers told North American Newspaper Alliance he was not aware at the time that Pappas had anything to do with the party. It had been hosted by Rep. Charles Wilson, D-Calif., "to celebrate the completion of weeks and months of very hard work by

the Rivers committee on the annual military procurement and military construction bills." Wilson said he paid for the party out of his own pocket. Rivers said that had been his understanding, too.

Wilson later testified before the Senate Armed Services Committee, pointing out the urgent need for more housing of the prefabricated type for American GIs who

are "at the mercy of Filipinos" if they live off base. He said they were attacked by "Huks — Communist inspired," and made to pay \$15 monthly for protection against vandalism. He urged swift Senate approval of the House bill.

PAPPAS APPARENTLY had sufficient influence to get thousands more houses authorized through an insertion after the subcommittee had been through every item of the House bill and it was being considered finally or marked-up by the full House Armed Services Committee. Department of Defense spokesmen had asked for 2,000 units of some kind of housing at Japan and 650 for the Philippines. Suddenly, it was for 4,000 in the latter country, making a total of 6,000 for the Far East. But there were never any hearings or testimony this matter before the House committee.

Whether the Senate will leave the item in the bill appears doubtful now. Sen. John Stennis, D-Miss., chairman of the Senate committee, does not like military housing to be built with private funds and taken over later by the government. He thinks it cheaper

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in the long run for Uncle Sam to build his own houses and maintain them. (The Pappas plan would set up and maintain the houses, said to cost \$10,500 each, at a guaranteed rental and service charge of \$185 monthly for 15 years. Then the United States would own them. The houses could, if need be, be removed to other bases. Pappas agrees to the removal.)

Senators Henry M. Jackson, D-Wash., and Howard Cannon, D-Nevada, appeared shocked that Defense Department officials with responsibility to procure these houses were about to enter into an agreement without having seen one. In fact, the first model of the modular construction job was not yet finished when Owen testified.

Owen claimed the houses

are being built to prescribed military size, but informed sources say they are smaller.

OWEN COUNTERED a charge that the pre-fabs were "just shacks" by saying they would have heating, refrigeration and air conditioning.

Owen said cost per unit would be \$10,500. He claims it would cost \$42,500 to build a similar house in the Philippines today.