

Rug Manufacturer Denies Return Aid For Campaign Gift

By Morton Mintz

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A leading carpet manufacturer who gave about \$100,000 to President Nixon's re-election campaign has denied a charge that his contribution was related to federal flammability regulations for carpeting.

Martin Bud Sereteau, board chairman and president of Coronet Industries, Inc., an RCA subsidiary in Dalton, Ga., said Thursday that he made the contribution entirely for personal and "patriotic" reasons.

Moreover, Sereteau said in a phone interview, the sum involved was "not of consequence to me, in terms of my net worth." He is RCA's principal stockholder. His fortune at the time he made the gift a year ago was about \$50 million, he said.

The charge was made by Sen. Warren G. Magnuson (D-Wash.), chairman of the Senate Commerce Committee, last Oct. 6.

The Nixon administration promised to postpone carpet flammability regulations in order to get the contribution from Sereteau, who was acting "on behalf of the industry," Magnuson said in a statement.

Reporters had been unable to reach Sereteau then or since. He said Thursday he had not replied to their calls because he was "angered," saw no hope of his answer catching up with the charge and thought it best to let the matter die.

Recently, however, Sereteau said, he received a new round of newsmen's inquiries and decided to respond. He termed Magnuson's charge "totally false."

The senator, in his October statement, said that Maurice H. Stans, chairman of the Finance Committee to Re-elect the President, set up "a hush-hush, high-level meeting" between carpet manufacturers and federal officials last July 27 to try to assure that effective flammability regulation "would not be forthcoming."

No one denied that Stans

arranged the meeting, that it was held, and that it concerned a highly technical question of whether a certain substance is part of a carpet's construction or of its treatment.

But Stans and persons who attended, as was reported at the time, said that Sereteau was not present, that he had not acted on anyone's behalf in making the contribution, and that no contribution was solicited.

However, the Nixon re-election organization reported last Jan. 31 that Eugene T. Barwick, president of Barwick Industries, who attended the July meeting, had contributed \$100,000 within a period of several days preceding and following the November election.

This week Magnuson said through a spokesman that he had found the circumstances so suspect that he had been led to presume that a connection existed between the Sereteau contribution and the meeting Stans arranged. If he had erred in making such a presumption he regrets it, he said.

In the phone interview, Sereteau said he never had any knowledge of or concern about the meeting, which was held in the Executive Office Building, and never had solicited anyone in the carpet industry.

He said that he sought out Stans in Washington in late April or May, 1972, to tell him he was "interested in supporting the President." He made a pledge to donate stock, which actually was contributed during the summer. Sereteau, like most large contributors, allocated the gift among multiple committees so as to avoid gift taxes.

Sereteau said he is a political "independent" but has a history of contributing to Republicans, including the senators from his home state of Tennessee. He had not contributed to any presidential candidate in the 1968 election, he said.