

Paper Links Smathers to Deal With Contractor He Promoted

Shortly after he left the United States Senate in January, 1969, George A. Smathers paid \$20,000 for \$435,000 worth of stock in Aerodex, Inc., a Florida defense contractor whose interests he had promoted in the Senate, the Long Island newspaper Newsday said in a copyrighted article yesterday.

The newspaper said that Mr. Smathers, a Florida Democrat, also joined the Aerodex board of directors after leaving the Senate and that his Miami law firm had been retained by the company on a \$25,000 annual retainer.

Newsday said that Mr. Smathers had "led a behind-the-scenes Congressional campaign" in 1967 to prevent the cancellation of an Air Force contract with Aerodex for overhauling J-57 jet engines. The Air Force had said that "poor quality" Aerodex work on the engines may have caused three plane crashes.

According to the newspaper, Mr. Smathers made several pleas on behalf of Aerodex to Air Force Secretary Harold Brown and "obtained the support" of other members of the Florida Congressional delegation in urging that the company be allowed to keep its contract.

Company Loses Pact

Despite these efforts, the newspaper said, the contract was canceled and Aerodex had to lay off 3,000 workers. The article added, however, that the company had received another defense contract in September, 1968, worth more than \$21-million.

The article detailing these circumstances was the fourth in a series by a Newsday investigative team looking into what was termed "questions of public concern in connection with investments and activities of former Senator George A. Smathers and

Charles G. (Bebe) Rebozo, and their relationship to President Nixon. Mr. Rebozo is a long-time friend of the President.

Newsday said that Mr. Smathers had declined to be interviewed. Efforts to reach the former Senator through his Miami law office last night were unsuccessful.

Raymond M. Tonks, the president, board chairman and largest stockholder of Aerodex, was quoted by the Dow-Jones news service in a dispatch from Miami last night as having denied that Mr. Smathers did any "behind-the-scenes" work for the company.

No Profit Seen

Newsday said that Mr. Smathers had bought the stock and joined the Aerodex board in March, 1969. Shortly after Newsday's investigation began last May, the newspaper continued, Mr. Smathers resigned from the board—a day after his re-election to it—and offered to sell back the 20,000 stock shares for \$1 each, the price he had originally paid.

The newspaper said that Aerodex had not repurchased the stock. Mr. Tonks was quoted last night as having said it was "just a matter of time" before the company does purchase the stock, and that, as a result, "Smathers didn't make a dime out of the whole deal."

Aerodex, which has headquarters in Miami, has handled \$240-million in defense contracts since 1962, according to Newsday, despite what the paper called "charges of shoddy work, poor records and fraud."