

## BUILDER TIES GIFT TO PROMISE OF AID

Floridian Says Stans Said  
He'd Help With Problems  
for a Large Contribution

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Special to The New York Times

WASHINGTON, Nov. 7—A Miami homebuilder testified today that Maurice H. Stans, President Nixon's campaign finance chairman, agreed to try to help him with his problems with the Federal Housing Administration last year in return for a sizable campaign contribution.

John J. Priestes, who is scheduled to begin a one-year prison term next week, told the Senate Watergate committee under oath that Mr. Stans had taken his \$25,000 check and had said, "I'll see what we can do. If we can't do any good for you, we'll return the check to you."

The check was returned two weeks after Priestes met with Mr. Stans in March, 1972.

Mr. Stans filed a statement with the committee this week in which he admitted having met with Priestes and having taken his check. But Mr. Stans denied that he had promised any favors in return and said he returned the check after learning that Priestes was under investigation by two Government agencies.

Priestes's testimony came as the Senate committee moved into the third and final phase of its inquiry, an exploration of campaign finance practices.

### Political Considerations

This morning, a former White House official, William H. Marumoto, told the committee that political considerations played a major role in determining which Spanish-speaking Americans received Government contracts.

Priestes, a 36-year-old former minor league baseball player, was an obscure hearing-aid dealer until three years ago, when he suddenly became one of Miami's largest builders of houses.

In the last two years, he has been involved in a number of investigations at the state and Federal level. Earlier this year, he pleaded guilty to having received cash kickbacks from subcontractors and to having filed a false tax return.

In addition, Priestes has been the principal witness in a Justice Department investigation of Senator Edward J. Gurney, Republican of Florida. Senator Gurney, who is a member of the Watergate committee, did not attend the session this afternoon at which Priestes testified.

It has been reported that Priestes had told Federal investigators that he gave cash payments to a Gurney fundraiser that was never reported under Florida or Federal laws.



Senator Lowell P. Weicker Jr., left, and Samuel Dash, chief counsel to the Watergate committee, animatedly discussed a point after yesterday's hearing broke for noon recess.

### No Questions on Gurney

Senator Gurney has said that he knew nothing about the alleged contribution, and Priestes was asked nothing about it today.

Priestes gave the following account today of the events that led to his meeting with Mr. Stans:

In early 1972 there were a number of articles in The Miami Herald about supposed illicit building practices that Priestes was engaged in. The newspaper reported that he was about to be suspended by the F.H.A. from participating in Government-financed housing programs.

In March, 1972, Priestes testified, he was called by Ben Fernandez, who was chairman of the National Hispanic Finance Committee for the Re-election of the President.

In a series of meetings, according to Priestes, Mr. Fernandez told him that Mr. Stans would get his F.H.A. suspension revoked if he would contribute \$100,00 to the Nixon campaign. He was instructed to bring the first part of that payment, a

check for \$25,000, to Washington.

Priestes said that Mr. Fernandez told him that, when Mr. Stans received the check, he would place a call to George Romney, who was then Secretary of Housing and Urban Development and in over-all charge of the F.H.A.

### Met Stans in 1972

Priestes testified that he obtained a \$25,000 check from a business associate made out to the Republican National Committee and took the check to a meeting with Mr. Stans and Mr. Fernandez in Mr. Stans's office on March 13, 1972.

Mr. Stans complained because the check was not made out to the finance committee, Priestes declared, but he took the check anyway and promised to put in a call to Mr. Romney.

"I thought I was paying \$25,000 for a political favor. I thought it was the way things were done," Priestes testified.

Two weeks later, Priestes said, a man whose name he does not recall arrived at his house in Coral Gables, Fla., with the uncashed check. The man said that Priestes's problem was "more serious than previously expected," Priestes testified, and that Priestes would have to give the money in cash.

Priestes said that he had re-

fused to do that and called Mr. Fernandez. He said that Mr. Fernandez made a "complete turnabout" and denied that any promises had ever been made in return for the contribution.

Mr. Fernandez is scheduled to appear before the committee tomorrow.

In his statement to the committee, Mr. Stans said that he did not know of the circumstances surrounding Priestes's proposed contribution until he met with him.

He said that he checked with the Housing and Justice Departments and was told that

Priestes was "unreliable." At that point, Mr. Stans said, he ordered that Priestes be "totally and permanently rebuffed" and that his check be returned.

Mr. Marumoto testified that he was the White House official in charge of the administration's programs to aid Spanish-speaking Americans. He said that grants were not given to unqualified persons but that, if there were more than one qualified applicant, the grant in question would go to the one who was most politically favorable to the Nixon Administration.