

DEC 15 1973

NYTimes

THE

EX-NIXON AIDE GOT BIG S. B. A. SUBSIDY

Award Was Granted Despite
Review Panel Objections

WASHINGTON, Dec. 14 (AP)

—A California campaign official for President Nixon received a large Small Business Administration contract subsidy despite objections from a review panel, Government documents disclosed today.

The agency added a \$135,716.45 subsidy payment on a \$200,531.80 Navy contract awarded to the Aceco Tool Corporation of San Leandro, Calif., agency documents show.

A review committee voted three-to-one to deny the subsidy payment on the ground that it was excessive, the documents revealed. The subsidy, which amounted to 67.7 per cent of the base contract price paid by the Navy, was the highest ever paid by the agency in percentage terms, an agency source said.

It also was the only one ever approved over the review committee's objection, the source said.

The president and owner of the Aceco Tool Corporation, formerly the Aceco Tool and Machine Company, is Joseph Aceves, former Alameda County chairman of Democrats for Nixon.

No Competitive Bidding

In a telephone interview, Mr. Aceves said he had negotiated the contract without competitive bidding under a program to help minority-run companies, although another company had offered to do the work for \$100,000 less.

He denied that he received the contract because of political influence. Of his campaign role, he said, "It hurt me more than anything else."

A spokesman for the agency said, "The Small Business Administration did not award the contract as a political pay-off to anyone and there was no political pressure exerted to award the contract."

Meanwhile, the House Banking Committee approved today a bill extending the Small Business Administration's lending authority, but only after attaching a strong prohibition against influence by the White House or other outside sources.

"We're attempting to turn off that tap that so obviously has been prevalent, whereby pressure has been brought to bear on the S.B.A. administrator and his subordinates," said the sponsor of the amendment, Representative James M. Hanley, Democrat of upstate New

York.

Dr. Matthew Case Cited

He said he particularly had in mind the White House's organization of a special force to get loans and contracts for a controversial black surgeon, Dr. Thomas Matthew, who was recently convicted in New York City on 61 counts of grand larceny involving Federal funds designed to aid Negro self-help projects.

Under Mr. Hanley's amendment, the person exerting "improper influence" would be subject to a \$10,000 fine and one year in jail and the recipient of the loan or lease guarantee would lose his loan.

A confidential report on the Aceco contract prepared by Leonard Rosen, a price analyst for the Small Business Administration, shows that the Government could have bought the same products for \$200,000 from one company that had made them before and for \$255,000 from a second company that had never produced them.

Mr. Aceves's company received the \$336,248.25 contract last March for production of electronic components used in sonar devices, an agency spokesman said.