

Prosecutors Were Probing Rebozo

By Jack Anderson

Now that Watergate Prosecutor Archibald Cox has been removed, the true test of the Justice Department's credibility will be its handling of the investigation into the strange finances of President Nixon's friend C. G. (Bebe) Rebozo.

Sources close to Cox tell us the special prosecutors had received reports, still unsubstantiated, that Rebozo was the President's bagman.

This much has been established: Rebozo accepted a \$100,000 cash gift from billionaire Howard Hughes and stashed it in a safety deposit box. The money was delivered in \$100 bills, \$50,000 at a time in 1969 and 1970.

The Hughes aide who made the delivery, Richard Danner, has sworn the money was intended as a contribution for the 1970 congressional campaign. Yet not only did Rebozo have no authority to collect campaign funds but he never turned over the \$100,000 to any campaign committee. He told investigators that he returned the cash after keeping it for three years.

The special prosecutors were investigating whether Rebozo had collected other cash contributions for Mr. Nixon. Word reached them indirectly, say our sources, that the President was disturbed over their interest in Rebozo. They suspect the President may have fired Cox

more to head off the Rebozo investigation than to withhold the Watergate tapes. Their suspicion has been bolstered by the President's release of the tapes only three days after Cox was sacked.

My associate Les Whitten rushed over to the prosecutors' office immediately after Cox's sudden dismissal. Barely one step ahead of the FBI, he obtained only one document before agents sealed the offices and refused to let the prosecutors remove even pictures of their wives and children. This interesting document was a library check-off list, which showed what the prosecutors were researching.

They were checking, for example, into the government's access to financial records. In one earmarked case, the courts ruled that a taxpayer could not block the Internal Revenue Service from examining his bank records. This could have been preparation for a showdown over the Rebozo records. They expected to encounter resistance if they pushed the investigation.

The library document also shows that James Quarles, a Cox assistant and a specialist in campaign funds, was searching through three law books for cases dealing with campaign funds. The dairy industry, for example, offered to raise \$2 million for President Nixon's 1972 re-election campaign. On

March 23, 1971, the President met personally at the White House with a dairy delegation. Two days later, the White House ordered the Agriculture Department over Secretary Clifford Hardin's objection to increase dairy subsidies.

The special prosecutors questioned the President's personal attorney, Herbert Kalmbach, who told them he opposed making any promises to the dairy people in return for campaign funds.

The library document shows that Archibald Cox was doing his own homework. Twice in the last few days, he checked out law books on federal precedents. The Watergate prosecutors were digging through their law books, in particular, for precedents on how to handle President Nixon's defiance of their subpoenas.

Among the cases we found earmarked in their law library was a 1947 conviction of Communist Party official Eugene Dennis for failing to respond to a subpoena. He had defied the old House Un-American Activities Committee which tried to subpoena his records. Joining the outcry against Dennis, ironically, was a young member of the committee named Richard Nixon.

In addition to the Dennis case, the prosecutors apparently were studying how to pry loose information that the government doesn't want to di-

vulge. In one law book, a chapter was earmarked entitled, "Discovery from the Government; Government Privilege." The chapter began: "Special problems are raised by the application of the discovery rule in actions to which the government is a party."

Cox's executive assistant, Peter Kreindler, also checked out a book giving the procedures for answering a Supreme Court appeal. The prosecutors evidently expected the President to ask the Supreme Court to overrule the Appeals Court, which upheld Judge John Sirica's demand to hear the controversial Watergate tapes.

The original Justice Department prosecutors served a subpoena upon the President demanding Watergate documents, news summaries and other material from White House files. The President's counsel, J. Fred Buzhardt, responded immediately with a request for more time.

Cox took over the prosecution before any papers could be delivered. Rather than use the subpoena, Cox at first tried to negotiate with the White House for the desired documents. Not until the negotiations broke down did he resort to a subpoena.

What will happen to the special prosecutors' investigations still remains uncertain.

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