

Rebozo Tells of Considering Use of Hughes Funds

2/16/78

By Bill McAllister

Washington Post Staff Writer

Charles G. (Bebe) Rebozo, Richard Nixon's close friend, has testified that he once considered using \$100,000 from a controversial Howard Hughes campaign donation to defend some of Nixon's top aides in the Watergate scandal.

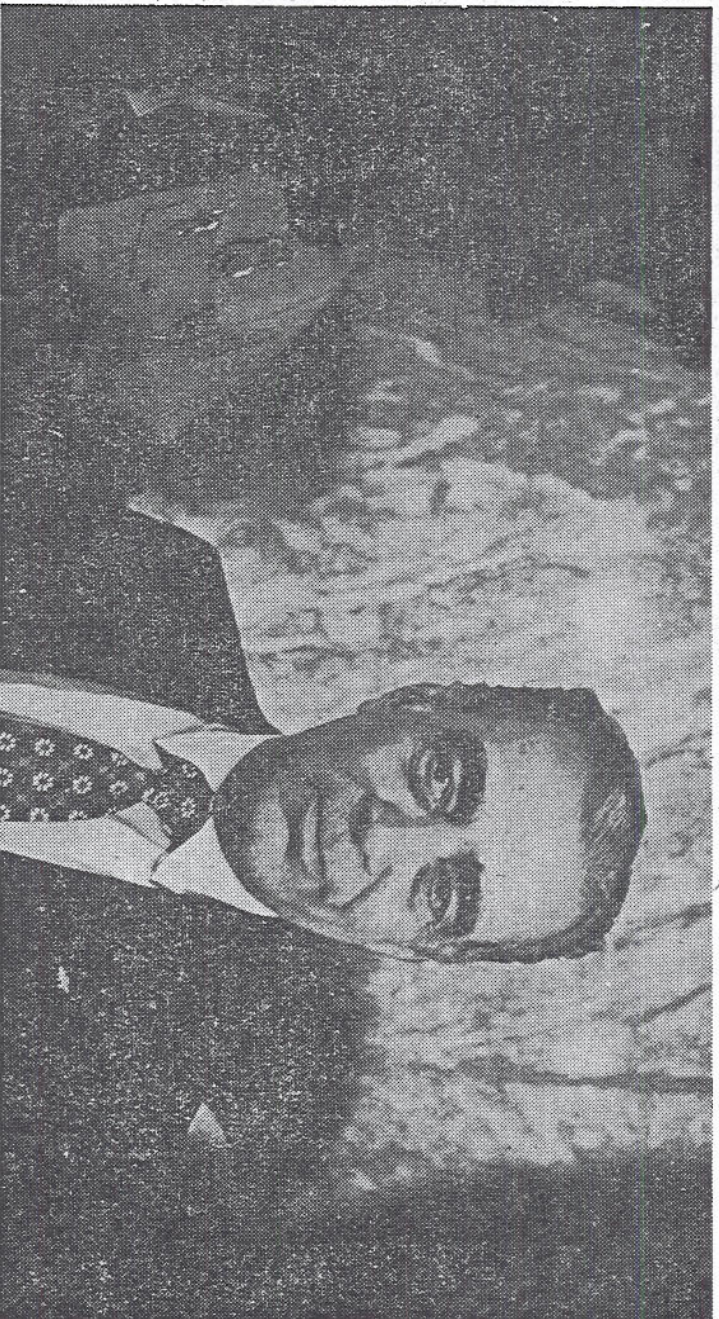
But Rebozo in a court deposition made public in Miami Thursday, said he and the president never specifically discussed the possibility of using the Hughes money to defend the aides.

The statement apparently goes beyond testimony that Rebozo gave to the Senate Watergate committee and appears to parallel Nixon's version of what he once considered doing with the Hughes money. Rebozo had placed the cash in a safe deposit box at his Key Biscayne, Fla., bank and it remained there after Nixon's 1972 re-election.

When testifying before the Senate committee, Rebozo said Nixon instructed him in March 1973 to return the money to Hughes and warned him that it would be wrong to use the money to defend the indicted aides.

Last year when interviewed on television by David Frost, Nixon said "as a matter of fact, I had in mind" using the Hughes money when he considered creating a defense fund for his aides who were indicted in the Watergate scandal.

Rebozo's latest version of his discussion with Nixon came in a deposition ordered unsealed by U.S. District Judge Sidney Aronovitz in a \$10 million libel suit Rebozo has filed against The Washington Post. The



Rebozo leaves chamber after testifying before special Senate committee investigating Watergate.

By Bob Burchette—The Washington Post

suit grows out of a 1973 story by Post reporter Ronald Kessler that an insurance investigator had said in a sworn statement that Rebozo cashed \$91,500 in stolen stock certificates after he was told the certificates were stolen.

The Post, citing a newspaper's right to publish court records, has moved for a summary judgment, dismissing the case. Rebozo, a longtime friend and confidant of Nixon, is challenging the move.

In his deposition, taken in late November, Rebozo renewed his charges that The Post story was "totally inaccurate" and had damaged his personal and business reputation. The Justice Department, which investigated the stock sale, said later Rebozo did not break any criminal laws in the sale and he would not have broken any laws if he had been told the certificates were stolen.

Rebozo has acknowledged meeting with the insurance investigator, but had said he was never told that the certificates were believed to have been stolen. While he repeated that assertion in the court deposition, Rebozo went on to disclose other details of his relationship with the Nixons, which dates from the former president's days as a U.S. senator in the early 1950s.

Rebozo said he was so hounded by people curious over his ties to Nixon that he would often subscribe to magazines and talk over his yachts radio-telephone using the name "Charles Gregory." His Florida home remains

a tourist attraction despite no parking signs and other steps that local authorities have taken to discourage visitors, he said.

His ties to the Nixon family were sometimes profitable as well as social, he indicated. Rebozo disclosed that he made a \$50,000 profit on the sale of a Bethesda home he purchased and rented for a time to Nixon's daughter, Julie, and her husband, David Eisenhower.

Despite his long friendship with Nixon, the two rarely discussed politics, Rebozo said. "People seem to think that all we talked about was government and politics and all that, but that is the last thing we talked about, if at all."

Rebozo's memory of his conversation with Nixon about the Hughes money in Key Biscayne was sketchy. Rebozo said he had planned to raise defense funds for the aides with another wealthy Nixon friend, Robert Abplanalp. "I may have told him (Nixon) that between us, we could raise it, but I don't recall specifically the details nor do I think that he sought additional assurances. I think just the statement that it could be handled was enough."

The \$100,000 donation to Nixon from the late billionaire Hughes was one of the key elements in the Watergate scandal, which ultimately forced Nixon from office. The money was given to Rebozo in two \$50,000 installments and was never forwarded to any of Nixon's campaign organizations.

In the desposition, Rebozo said he also was approached by representatives of Hughes. He said they asked Rebozo to relay to White House officials the reclusive Hughes' fears about underground nuclear testing in Nevada and shipments in that state of Army nerve gas.

At one point, some White House officials considered dispatching Henry Kissinger, Nixon's secretary of state, to brief Hughes on antiballistic missiles, Rebozo said. But Rebozo said he later learned that "Howard Hughes wasn't interested in that."