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Senate Unit May Call Rebozo,

By Lawrence Meyer
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A consensus has developed within the Senate select Watergate committee's staff that Charles G. (Bebe) Rebozo, President Nixon's close friend, and former Treasury Secretary John B. Connally must be called to testify in public session before the committee ends its hearings, informed sources said yesterday.

The chances of the two men being called, described as "likely" or "probable" two weeks ago, yesterday were, described by one source close to the committee as a "virtual certainty" and by another source as an "absolute certainty."

Although the committee itself must make the final decision about calling Connally and Rebozo, one source said yesterday that the committee cannot complete its investigation of two major areas—milk producers' contributions of \$427,500 to the Nixon re-election campaign and a \$100,000 contribution from billionaire recluse Howard Hughes to Rebozo—without calling the two men.

The committee staff has interviewed Rebozo at least twice about Mr. Nixon's personal finances, including the \$100,000 Rebozo received in two \$50,000 installments from a Hughes emissary in 1969 and 1970. Rebozo reportedly has told the committee staff that he held the money in a safe deposit box for three years before returning it to Hughes through another emissary early this year.

Three conflicting versions of what the money was intended for already have been given. One Hughes aide, Richard Danner, said that the first \$50,000 was intended to be a retroactive campaign contribution to the 1968 Nixon campaign and that the second \$50,000 was for 1970 congressional campaigns.

A former Hughes aide, Robert A. Maheu, has testified in a deposition that the second \$50,000 was connected to an attempt to persuade Attorney General John N. Mitchell to reverse Justice Department objections to a proposed Hughes acquisition of another hotel and gambling casino in Las Vegas. Maheu gave no clear indication of why the first \$50,000 was given to Rebozo.

President Nixon said on Oct. 26 that the money was intended as a contribution to his 1972 re-election campaign.

At least one senator was said to be curious to hear from Rebozo why he, as a banker, put \$100,000 in a safe deposit box for three years rather than investing the money or placing it in savings accounts so that it could at least draw interest.

Connally, interviewed last Thursday for about three hours by the committee staff, gave testimony that reportedly conflicted in significant respects from testimony heard by the staff from other witnesses.

Connally reportedly denied that he had met Robert Lilly, an official of the Associated Milk Producers Inc., at the Page Airways terminal at National Airport in March 1971 to discuss campaign contributions. Lilly, according to sources, has told the committee staff that such a conversation took place.

In his testimony Thursday night, Connally reportedly denied consistently that he had ever discussed contributions with anyone associated with the milk producers.

Jake Jacobsen, a lawyer for the milk producers, in a deposition given in connection with a separate court suit challenging the Nixon administration's decision to raise government milk support prices, said he "may have" discussed political support for the Nixon campaign with Connally.

The committee is expected to call several officials of milk producers' co-operatives and persons associated with Hughes when hearings resume Nov. 27. The milk fund contributions and the Hughes money are the two major outstanding items on the committee's agenda to be completed before the hearings are concluded.

According to one source, the target completion date of Dec. 7 will have to give way in the face of the need to question Rebozo and Connally by the senators. Connally will have to be called, the source said, because his testimony conflicts with the testimony of other witnesses. Although the source said it was a staff "assumption" that Connally and Rebozo will be called, he added, "It will take some sort of drastic action not to do it."

Another source put it more strongly, asserting that there is "no way" that the committee can hold hearings on the milk contributions and the Hughes money "without calling those two witnesses."

The only problem, this source said, would be "pressures to end up the hearings quickly. Short of the hearings ending quickly . . . I would say it's an absolute certainty."

The committee staff has put off giving committee members a detailed briefing on what its investigations involving Rebozo have found, delaying such a report while leads developed in the investigation are pursued.

Chief committee counsel

Samuel Dash could not be reached for comment yesterday, but one source said that Dash is anxious to conclude the hearings on a strong note and that testimony by Rebozo and Connally could satisfy that desire.

At least one Democratic committee member, who asked not to be identified, said he was aware of the committee staff's desire to bring back live network television coverage. This senator said, however, that he did not favor calling witnesses simply to produce publicity if they had nothing substantial to add to the committee's record.

A spokesman for Sen. Lowell P. Weicker Jr. (R-Conn.) said that Weicker favors calling Rebozo and Connally. The other six senators on the committee either could not be reached for comment or declined to comment.

In a related matter, Dash decided yesterday to suspend for one month Scott

Armstrong, a committee investigator. The suspension of Armstrong apparently was precipitated by an article in the Nov. 22 editions of the newspaper "Rolling Stone."

The article contained remarks sharply critical of staff personnel on the committee, some of which, although not attributed in the article, reportedly were traced back to Armstrong. The article, according to sources, provoked a controversy within the committee staff, involving at least two factions, with one faction demanding that Armstrong be fired and another faction threatening to quit if he were fired.

Armstrong, considered by many on the staff to be one of the most effective investigators, has taken a leading role in the Rebozo inquiry. The suspension, described as a compromise measure, would effectively deny his services to the committee until after the hearings are over.

Connally

A spokesman for Weicker said last night that the senator would offer Armstrong a job with his staff. Armstrong could not be reached for comment.

Watergate Jury Extension Voted

Associated Press

The Senate passed without debate yesterday a bill extending the life of the original Watergate grand jury.

The measure, passed earlier by the House, now goes to President Nixon for his approval.

Under present law, the grand jury's term expires Dec. 5, 18 months after it was impaneled.

The bill provides for a six-month extension of the grand jury's term and permits an additional six-month extension by the chief judge of the U.S. Court of Appeals if requested by the grand jurors.