

The Hughes Report

Saga of Ties to Nixon Rivals Novel

By Lawrence Meyer
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The still incomplete story is a striking example of life appearing to imitate art. Many of the characters seem to have walked out of a Fletcher Knebel novel:

A reclusive billionaire who sought a direct pipeline to the White House Oval Office.

The President of the United States, an increasingly isolated figure.

The President's brother, a man who appears to have been strongly lured by all manner of possibilities of making money.

The President's best friend, a one-time gas station owner who became a bank president.

And the supporting players—a newspaper publisher in Las Vegas, an Attorney General of the United States, a muckraking syndicated columnist, and lawyers acting as the go-betweens from the billionaire's empire to the men around the President.

There are plans for burglaries, secret missions, power and intrigue in the highest places, and money, lots of money, in \$100 bills carried in attache cases, held in safe deposit boxes, and moved when federal investigators begin to pick up a trail.

It is a purportedly real-life story, told by a variety of witnesses, supported on many points by records, to investigators and members of the Senate select Watergate Committee in secret sessions. It has been leaking

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SAGA, From A1

out in bits and pieces, apparently because some people connected with the committee thought it would spur interest in the holding of more hearings, while others thought that, because the story fails to tell all that much about the relationship between the billionaire and the President, it would make further hearings seem unrewarding.

The story begins in 1968 with a meeting of Richard M. Nixon, a candidate for president; Charles G. (Bebe) Rebozo, the candidate's

close friend and a self-made man who started as a service station owner; and Richard G. Danner, a lawyer and another Nixon friend who was then working in his campaign.

According to accounts of sworn secret testimony to the Senate committee, Danner has testified that during this meeting the question of a contribution to be made to the Nixon campaign by billionaire Howard Hughes came up. The White House today denies that Mr. Nixon ever discussed campaign contributions with Danner.

In any event, Danner later had lunch with another old Ren, Edward P. Morgan, a Washington lawyer who once worked in the FBI with Danner. Morgan, who in 1968 was a lawyer for Howard Hughes, told a reporter recently that Danner asked at that luncheon if Hughes would be interesting in giving money to the Nixon campaign.

Morgan checked with Hughes, apparently through Hughes aide Robert A. Maheu, and determined that Hughes was interested, but wanted details of how the contribution would be "acknowledged" by the candidate. Morgan explained recently that Hughes' concern was the "the kind of thing any businessman wants to know. If he makes a \$50,000 contribution (the amount that had been set), he wants to know if it got there."

So Danner set up a meeting at which Morgan met Rebozo over coffee sometime during the 1968 campaign in Rebozo's suite in the Mayflower Hotel in Washington. Morgan said he relayed Hughes' desire that a contribution be acknowledged. What he had in mind, Morgan said recently, was that Mr. Nixon or someone in a responsible position make a phone call or write a letter simply saying "thank you."

But Morgan said, "I did not derive adequate satisfaction" that a contribution would be acknowledged "by and in behalf of the candidate insofar as I was concerned." His question, Morgan said, simply was not answered by Rebozo. So he

later called the Hughes people back and recommended against contributing to Nixon.

But, according to sworn deposition testimony in a pending lawsuit involving Hughes, Maheu nevertheless attempted to deliver \$50,000 in \$100 bills to President-elect Nixon in December, 1968, while Mr. Nixon staying at the Palm Springs, Calif., estate of Walter Annenberg, now the American ambassador in London. Maheu, accompanied by former Nevada Gov. Paul Laxalt, attempted to see Mr. Nixon, but was turned away with the explanation that Mr.

by Hughes to Maheu in early 1968, which has since been obtained by The Washington Post.

The memo speaks of having Maheu "go to see Nixon as my special emissary. I feel there is a really valid possibility of a Republican victory this year. If that congressional elections. Maheu could be realized under our sponsorship and supervision every inch of the way, then we would be ready to follow with Laxalt as our next candidate."

Hughes was then still ensconced atop the Desert Inn Hotel, which he owned. Hughes had started buying



ROBERT A. MAHEU

... Hughes aides linked

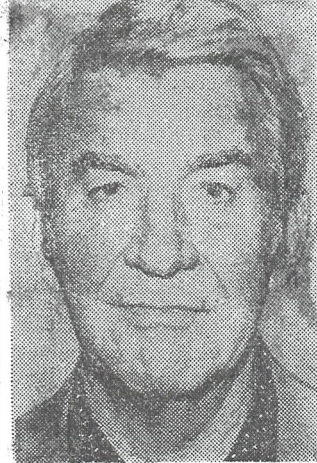
Nixon was too busy, according to the testimony.

Still later, by all accounts, Danner, Mr. Nixon's friend and 1968 campaign worker who went on the Hughes payroll in 1969, delivered installments to Rebozo. \$100,000 in two \$50,000 cash installments to Rebozo. Sworn testimony conflicts about whether the money was all delivered in 1970 or if the first payment was made in 1969. Rebozo has told the Senate committee that he put the money in a safe deposit box in his Florida bank in anticipation of the formation of a 1972 campaign committee to receive the money.

Danner has testified in a deposition that the money was to be used for the 1970

Maheu has testified in a deposition that \$50,000 was a late contribution to the 1968 campaign and \$50,000 was related to an attempt by Hughes to buy the Dunes Hotel in Las Vegas.

An indication of how Hughes may have regarded his role in politics at the time, can be gleaned from a memo purportedly written



RICHARD G. DANNER
to Nixon contribution

up much of Las Vegas in 1966. At one point, according to a former Hughes aide, Hughes sent word to a nearby hotel that he would like its giant sign moved because its light bothered him. When the hotel refused to move the sign, the former aide said, Hughes tried to buy the hotel.

Maheu, in his sworn deposition, has connected the second \$50,000 payment to Rebozo with Hughes' attempt to buy the Dunes Hotel in Las Vegas. According to Maheu, after the payment was made, Attorney General John N. Mitchell granted a request relayed by Danner that the acquisition of the Dunes Hotel be approved even though the Justice Department's antitrust division was opposing the transaction. In the end, the deal fell through for other reasons, according to secret Senate Watergate committee testimony.

In late 1970, Maheu and Hughes had a highly publicized falling out and Maheu, who had been running Hughes' Nevada operation, was out of a job.

Within a matter of months, press accounts started appearing of what purported to be excerpts from Hughes' memos to his

aides. On Aug. 6, 1971, syndicated columnist Jack Anderson reported that Danner had delivered \$100,000 to Rebozo. The following day, according to a Senate source, Rebozo called Danner to ask what was going on.

Danner reportedly has told the Senate committee that Anderson had called him and said that Hank Greenspun, publisher of the Las Vegas Sun, had many Hughes memos that Maheu had taken with him when he was fired. It was believed the North American Soccer that Greenspun put the memos in his safe. Although Greenspun had declined to say what his safe contains, he has acknowledged that he has some Hughes memos.

On Jan. 27, 1972, Attorney

General Mitchell held the first of a series of meetings with Watergate conspirator G. Gordon Liddy, deputy Nixon campaign director Jeb Stuart Magruder and White House counsel John W. Dean III to discuss espionage and sabotage during the 1972 political campaign, according to public testimony before the Senate select Watergate committee. This was the meeting at which Liddy, according to the testimony, presented a bizarre scheme involving prostitutes, kidnaping wiretapping and aerial electronic surveillance that was rejected with Liddy being sent back to the drawing board.

A week later on Feb. 3 The New York carried a

story saying that Greenspun had Maheu's memos in his safe. The following day, Mitchell had a second meeting with Liddy, Magruder and Dean at the Justice Department. This time, according to Magruder's testimony, Liddy was instructed to "review the situation to see if there would be potential . . . for an entry into Mr. Greenspun's office."

Watergate conspirator James W. McCord Jr. testified before the Senate committee that in April or May, 1972, Liddy "said there were then plans for an entry operation to get into Greenspun's safe. He went on to

See SAGA A11, Col. 1

SAGA, From A10

say that after the entry team finished its work, they would go directly to an airport near Las Vegas where a Howard Hughes plane would be standing by to fly the team directly into a Central American country so that the team would be out of the country before the break-in was discovered."

The Greenspun break-in plan was later dropped, however, for reasons that are not yet clear. Liddy and McCord then became involved in the Watergate burglaries and bugging and were arrested inside the Democratic National Committee's Watergate headquarters on June 17, 1972.

The Senate committee also has been investigating the theory that the Watergate break-in also had a connection to Hughes. According to this theory, discussed by Senate Committee staff members, the White House was concerned that Democratic Party chairman Lawrence F. O'Brien, who had once handled public relations work for Hughes, may have had damaging information about dealings between the Hughes empire and President Nixon or his family.

The Hughes memos and the Watergate affair were not the only worries on the minds of Mitchell and others during the 1972 campaign, according to testimony gathered by Senate investigators. The business activities of President Nixon's brother, F. Donald Nixon, also were a source of anxiety for Mitchell and for the President himself, according to evidence in the hands of the committee. And, again, the Hughes empire was involved.

Donald Nixon's business activities had at least once before been a source of embarrassment for Richard Nixon. In 1956, according to former Hughes aide Noah Dietrich, Vice President Richard M. Nixon had personally solicited a loan of \$205,000 from Hughes to bail out Donald's failing chain of restaurants which had featured the "Nixonburger."

Dietrich has written in his book, "Howard, the Amazing Mr. Hughes," that he tried to talk Vice President Nixon out of seeking the loan on the grounds that it could

damage his political career. Dietrich quotes Vice President Nixon as replying, however, "Mr. Dietrich, I have to put my relatives ahead of my career."

Donald Nixon's restaurant business failed, the loan was not repaid and it ultimately became public knowledge, coming back to haunt Richard Nixon in the waning days of his unsuccessful 1960 presidential campaign and again in his unsuccessful 1962 bid to become governor of California.

In early February, 1972, according to an account of secret Senate committee testimony, Mitchell, then still Attorney General, called in Donald Nixon, Edward Nixon (the President's other brother) and a Los Angeles attorney named Stanley McKiernan. According to this account, Mitchell told the Nixon brothers that the election was coming and that they would have to tell McKiernan of any questionable activities in which they were involved. Mitchell ordered them to prepare a book on the two Nixons' activities—in effect a minefield chart so that the White House would know where to expect problems. Sources say that the Senate committee has a copy of this book.

Edward Nixon, according to this account, created virtually no problems. But Donald Nixon's activities raised many questions. There were questionable loans and stock transactions and also tax difficulties.

In 1969, the Internal Revenue Service forced Donald Nixon to pay thousands of dollars in tax adjustments. For several years, investigators found, Donald Nixon had had a declared income of substantially less than he had deposited in his bank account alone, according to the records made available to the Senate Committee.

The White House was so troubled by a still unclear business relationship between Donald Nixon and John Meier, then a top Hughes aide, that it secured an agreement with the Hughes forces that the two men would be kept apart.

Despite this arrangement, Donald Nixon and John Meier visited the Dominican Republic together, and Donald Nixon attended a state dinner with the Dominican President as part of an at-

tempt to secure mining rights there, according to records held by the Senate committee.

Former top presidential domestic adviser John D. Ehrlichman reportedly has told Senate committee investigators that the Dominican mining deal was the reason why the Secret Service tapped Donald Nixon's phone on orders from President Nixon.

President Nixon said during a Nov. 17 press conference in Orlando, Fla., that his brother was aware of the surveillance being conducted by the Secret Service. And Mr. Nixon then gave this explanation for the wiretap:

"The surveillance involved not what he was doing, the surveillance involved what others who were trying to get him, perhaps to use improper influence and support might be doing, and particularly anybody who might be in a foreign country."

Former White House aide and New York policeman John J. Caulfield, according to a reliable source, has told the Senate committee that in addition to wiretapping Donald Nixon, the Secret Service followed his movements. Caulfield told the Senate Committee that he had the surveillance stopped after three or four weeks when the Secret Service said it was an unproductive effort and one with which the agents involved were not comfortable.

The Senate committee also has been told that Meier was fired by the Hughes organization after the agreement to stay away from Donald Nixon was violated, according to informed sources.

By May, 1972, the \$100,000 that Danner had passed from Hughes to Rebozo at least three years before was now becoming a matter of concern again. According to Senate sources, Internal Revenue Service agents talked at that time to Danner about the money.

In May 1973, Rebozo was also contacted by the IRS.



Associated Press

Charles Rebozo and President: leading figures in tale.

Rebozo has told the Senate committee staff that he kept the money in his safe deposit box, and did not turn it over to anyone in the Committee for the Re-election of the President in 1972 because a split had occurred in the Hughes empire.

About the same time that McCord first mentioned the Greenspun safe operation in his public senate testimony, Rebozo reportedly contacted Danner urging him to take back the \$100,000. Danner reportedly refused. Rebozo then asked Danner to go to Camp David where Rebozo and Danner met with President Nixon.

Danner has told the Senate committee staff that he and Mr. Nixon discussed West Coast politics for two hours on or about May 20. The White House confirms such a meeting sometime in May but says that the meeting was simply a "courtesy call" and that it lasted only five or 10 minutes. At the time of the meeting, President Nixon was preparing the statement, released on May 22, in which he attempted to give his definitive account of the Watergate affair and related matters.

After Danner refused to take the money, Rebozo con-

tacted William Griffin, a lawyer for another close friend of President Nixon, Robert Abplanalp. Griffin reportedly advised Rebozo to return the money through a third party but refused to do it himself. Eventually, the money was turned over in June to Chester Davis, a lawyer for Hughes.

Davis still had the money on Dec. 4, 1973, when the Senate committee commanded his presence at a closed door session and instructed him to bring the \$100,000 in \$100 bills so that the money could be photocopied. The committee has been trying to check—apparently without success so far—whether Rebozo's story about the safe deposit box is true by asking the Treasury Department to determine when the money had originally been put into circulation.

In this way, the committee hopes to verify or disprove Rebozo's claim that the money sat in his safe deposit box, untouched, for three years.

This story was compiled from reports by Washington Post staff writers Bob Woodward, Carl Bernstein and John Hanrahan.