

The Washington Merry-Go-Round

Rebozo Hard-Pressed on Hughes Cash

By Jack Anderson

The ubiquitous Bebe Rebozo, who mixes martinis and collects cash for President Nixon, has been hard-pressed to explain what he did with \$100,000 that he received from billionaire Howard Hughes in 1970.

The money, earmarked for the President, was delivered in two \$50,000 consignments directly to the presidential estates at San Clemente and Key Biscayne.

There on presidential property, the cash was relinquished by Hughes emissary Richard Danner to the President's man Bebe.

We uncovered this peculiar transaction in the summer of 1971. But not until two years later did it attract official attention.

Rebozo was prepared with an alibi. He had squirreled the money away in a safe deposit box, where it had gathered dust instead of interest for three years, he averred.

Now his alibi is coming unstitched. We helped with the unraveling in a way that has now taken on special significance.

We learned from a source close to the Oval Office that Rebozo had not held on to the Hughes money at all but had distributed it to President Nixon's brothers, Donald and Edward, and to the President's secretary, Rose Mary Woods.

But we could not prove, and therefore could not print, the story. Limited to no more than a pencil and a notebook to compel the facts, we decided to turn the

information over to someone with a subpoena.

We told what we knew, therefore, to the Senate Watergate Committee. We also suggested the witnesses who should be put under oath and provided a list of questions they should be asked.

The committee's crack investigator, Terry Lenzner, took over the hunt. His search for evidence led him to President Nixon's personal attorney, Herbert Kalmbach, who refused to answer questions on the grounds that he had an attorney-client relationship with Rebozo.

But the shrewd Lenzner asked Rebozo whether he had gone to Kalmbach for legal advice on the Hughes \$100,000. The tight-lipped Bebe denied he had consulted Kalmbach.

Both Kalmbach and Rebozo were summoned to Capitol Hill and were questioned simultaneously under oath in separate rooms. Again, Kalmbach tried to claim attorney-client privilege.

But Chairman Sam Ervin (D-N.C.), noting Rebozo's denial that he had sought Kalmbach's legal advice, ruled against Kalmbach. Threatened with contempt if he didn't testify, the President's attorney acknowledged he had met at the White House with an anguished Rebozo on April 30, 1973.

Rebozo related that the \$100,000 Hughes payment was under investigation by the Internal Revenue Service and that he

couldn't reveal what he had done with the money, Kalmbach testified. He said Rebozo told him that he had passed out the money to Rose Mary Woods, the Nixon brothers and "others." The President had asked him to seek Kalmbach's advice, Rebozo allegedly said.

Kalmbach advised him to tell the IRS the full story but offered to consult a tax attorney for his expert opinion. Shortly afterward, Kalmbach discussed the case with government attorney Stanley Ebner, taking care not to mention the famous names involved.

We learned about Kalmbach's explosive testimony from Senate sources and immediately sought Rebozo's comments. We reached him on April 1 through an intermediary, whom we had used in the past. We told the intermediary only that an attorney, whom Rebozo had consulted, had testified about the Hughes money going to the President's secretary and his brothers.

We positively did not mention Kalmbach's name. This is the recollection, too, of the intermediary. Yet we have now learned that Rebozo immediately tried to reach Kalmbach.

The call was returned the next day by Kalmbach's attorney, James O'Connor of Phoenix, who told Rebozo that Kalmbach was under Senate injunction not to discuss the Hughes case with anyone.

Rebozo pleaded desperately that he had an attorney-client relationship with Kalmbach.

The chairman had ruled otherwise and had ordered Kalmbach to testify "under penalty of contempt," O'Connor informed Rebozo.

"Oh, God," wailed Rebozo. "This is the worst thing that has happened to me."

The President's confidant had good reason for his anguish. He had sworn under oath that he had kept Hughes' \$100,000 gift on ice for three years and, therefore, had no need to seek Kalmbach's legal advice.

Yet when he learned through us that an attorney had divulged how the money had been distributed, Rebozo didn't need to be told which attorney. He immediately tried to get hold of Kalmbach.

Senate investigators have also checked with Stanley Ebner, who has confirmed Kalmbach's story.

The implications for President Nixon could be more dangerous than any other Watergate revelation. For if Rebozo distributed \$100,000 in Hughes cash to the President's secretary and family, it strains all credulity to suggest that Richard Nixon was told nothing about it by his bosom friend and constant shadow.

Footnote: Rebozo is sticking to his story, nevertheless, that he kept the \$100,000 in a safe deposit box. Rose Mary Woods and the Nixon brothers have also denied getting any cash from Rebozo.