

OCT 7 1971

A 'Kid Gloves' Case

SFChronicle

Bebe Rebozo and The Land Deals

New York

Charles G. (Bebe) Rebozo, President Nixon's closest friend and the only private citizen living in the President's Florida compound on Key Biscayne, received "kid glove" treatment when the United States government bought land from him for the Biscayne National Monument in 1969.

Rebozo and his associates quickly received close-to-appraisal prices on an island plot while other landowners were being offered lower prices on a take it - or - leave - it basis.

Rebozo, through an attorney, then demanded — and received — a higher - than - appraisal price on a second piece of property.

The principal property in question, Adams Key, was the home of the Cocolobo Cay Club, a fading resort which over the years had accommodated such visitors as Presidents Harding and Hoover and Presidents-to-be Johnson and Nixon. The latter two were there as guests of Rebozo and his close associate, former Senator George A. Smathers (Dem - Fla.)

The government bought Adams Key from the Rebozo group for \$550,000. Subsequently, Rebozo's brother-in-law was put on the federal payroll as a caretaker - watchman on the island, the same job he had held for Rebozo and his associates in a private capacity. And one of Rebozo's partners, his lawyer, Thomas Wakefield, rented the caretaker's cottage at the club back from the United States for \$350 a year — for personal use until such time as the monument opened for public use.



CHARLES (BEBE) REBOZO
The President's friend

The Army Corps of Engineers official who negotiated the land sale, A. E. N. Westcott, said he was given to understand at a meeting of corps officials that Rebozo should be "treated with kid gloves" because high - ranking persons in his department felt that "we were supposed to be dealing with someone who was an intimate of people in high places."

Another official said that speedy handling of Rebozo's claim had been urged because "we didn't want to embarrass an incoming President."

Rebozo, the son of immigrant Cubans, attended Miami High School with Smathers and joined Smathers' political organization after World War II. He coupled management of finance companies with investments with other Smathers' associates.

"I don't think he ever operated alone," one man who had business dealings with Rebozo said. Rebozo is said to have accumulated a net worth estimated at more than \$1 million today.

It was Smathers who introduced Rebozo to Richard Nixon.

Adams Key was one of the Rebozo investments; land in an area called Florida Fruit Lands was another. Examination of Rebozo's dealings in these two cases illuminates his method of operation, and sketches the close relationships that sometimes exist between businessmen,

politicians and government.

Rebozo sold 150 acres of Florida Fruit land this year at \$850 an acre to the Florida Power & Light Co., which apparently cannot use the land without either buying more from Rebozo or buying part of the nearby 80 - acre tract that Rebozo sold to Smathers last year for \$400 an acre. Smathers had fought in the Senate to prevent the Federal Power Commission from regulating the company's rates.

Rebozo joined Banker W. Sloan McCrea, attorney Wakefield and, although it was secret until 1968, Smathers, in buying Adams Key in 1953, when many land speculators were investing in island sites in the hope that a causeway eventually would link them to the mainland and open them to resort development.

In 1963, the Dade County Board of Commissioners advanced the idea of turning much of Biscayne Bay into a park, and the owners of Adams Key put the island on the market. The next year, the state of Florida took an option on it for \$550,000, although the state's appraisers valued it at only \$416,650. But the agreement lapsed and the owners could not find buyers for Adams Key.

Five years later, Repre-

sentative Dante B. Fascell (Dem-Fla.) successfully sponsored a bill to create the Biscayne National Monument by buying part of the shallow bay and islandia, the islands that form a barrier between it and the ocean.

In 1969, the Corps of Engineers began buying the land by offering prices below secret government appraisals. Owners felt, not without reason, that if the price was not accepted, the land might be tied up for years before a higher one could be negotiated.

Steps in the Rebozo transaction were reported to Washington, and the Interior Department's files showed an early notation on Adams Key that said: "This 77-acre key may or may not become a problem dependent on the owner's attitude."

A federal appraiser set the island's value at \$555,000 and Westcott sent Wakefield an offer of \$500,000. After discussion, agreement was reached and Wakefield wrote in a price of \$550,000.

Westcott then offered Rebozo \$90,000 for his land on Elliott Key, and said he was told that Rebozo had been disappointed in the price paid for Adams Key, so the matter was referred to higher authorities. After six days of negotiations, the government agreed to pay Rebozo \$99,000. The secret appraisal price was \$90,400.

In 1953, as part of his other land speculations, Rebozo bought some land in an undeveloped tract west of Miami named the Florida Fruit Lands, paying \$19 an acre. In July, 1970, Smathers took a deed to 80 acres of land for what tax stamps indicated was a price of \$32,000, or \$400 an acre. Then, last February, Rebozo said 150 acres of the land to Florida Power & Light for \$127,000, about \$650 an acre. Rebozo owed about \$5300 to the Bank of Kendall (Florida) on a mortgage on the land he sold to Smathers, but did not pay the mortgage until the same week he sold to the power company.

Newsday Service