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**NIXON BACKS MOVE
BY REBOZO ON GIFT**

**Finds Hughes Aid Handled
Properly, Warren Says**

By JOHN HERBERS
Special to The New York Times

WASHINGTON, Oct. 17—The White House said today that President Nixon was confident that his friend, C. G. Rebozo had acted properly in receiving a \$100,000 gift from Howard R. Hughes, the billionaire recluse. Gerald L. Warren, the President's spokesman, made the statement toward the end of a heated and prolonged exchange with reporters on the propriety of the gift, which Mr. Rebozo has said was intended as a campaign contribution for the President but was kept in a safety deposit box unused for three years and then returned.

After refusing to answer several questions as to whether Mr. Nixon thought his friend and neighbor in Key Biscayne, Fla., had acted properly, Mr. Warren finally said: "I thought this need not be spoken, but of

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course the President is confident that Mr. Rebozo acted in the proper fashion."

President's Knowledge

Mr. Warren said yesterday, without supplying any detail, that the President had learned earlier this year of the gift, which was made in two payments, the last in 1970. Under a barrage of questions today, Mr. Warren said that the President had learned of the gift before Mr. Rebozo had returned it and had also been informed when the money was sent back to the donor.

But Mr. Warren would neither say whether Mr. Nixon had ordered the money returned nor answer a series of other questions on the subject.

"This is a story that has gone on too long, as far as I am concerned," Mr. Warren said in an unsuccessful effort to stop the questions.

The existence of the gift was disclosed recently in testimony in a civil suit in Los Angeles, in which a former Hughes executive, Robert A. Maheu, is suing Mr. Hughes on a libel charge. Mr. Maheu said the money had been provided for the use of the

President.

Testimony by Rebozo

Mr. Rebozo, a millionaire businessman who assisted Mr. Nixon in the purchase of his homes in Florida and San Clemente, Calif., told investigators or the Senate Watergate committee that the money had been intended for either the 1970 Congressional campaigns or the 1972 Presidential campaigns. He said it had never been used and had been kept in a safe deposit box until it was returned.

The statement by Mr. Warren today that Mr. Nixon was confident that Mr. Rebozo had acted properly was considered significant because a number of questions have been raised about both the legality and the propriety of the gift.

There are at least three possibilities that the gift could be illegal, if Mr. Rebozo's account is true. They are the following:

Q. If it was all in corporate funds, the donation would have been in violation of the Federal campaign contributions law then in effect, which forbade contributions by corporations.

Q. If it was an individual donation, a gift tax should have been paid on everything above \$3,000.

Q. Unless the gift were to a campaign committee operating only in one state it should have been reported and made a public record as part of the campaign reporting requirements.

As far as anyone knows, Mr. Rebozo has never held any position on a campaign committee for a party or individual. Further, at the time the gift was received, the Hughes empire was contemplating hotel-casino acquisitions that would require Government approval.

Following are excerpts from part of the exchange today with Mr. Warren:

Q. Did the President, then, after learning that Mr. Rebozo had received the money, did the President then instruct Mr. Rebozo to return the money to Mr. Hughes?

A. In all due respect, there have been hundreds of questions asked of the President's spokesman dating back for years and years and years.

Q. I am not talking about the earlier money, I am just talking about this money.

A. I know what you are talking about and I want you to know what I am talking about. This keeps coming up and keeps coming up and keeps coming up. Now there has been testimony or deposition or informa-

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tion given by Mr. Rebozo to the committee, which promptly gave it to the news media. That is where the matter stands and I have given you the President's standpoint of that.

Q. Is the money that Mr. Rebozo received from Mr. Hughes only one of a number of such sums he received from other millionaires for the President's use in some fashion or other?

A. I have no idea. I would doubt it very much, but I would have no idea.

Q. When did the President learn that the money had been returned, as distinct from when he was told?

A. I am not going to address this whole subject. I have gone far enough on it.

Q. You won't say whether the President got an explana-

tion from Mr. Rebozo as to why the campaign money was not used in the campaign?

A. I am sorry, this subject just keeps popping up and keep growing.

Q. You have said that the questions of money and Mr. Hughes go back many years. Something else that goes back a good many years are the President's very frequent trips to Key Biscayne. On virtually every one of them he has spent a great deal of time with Mr. Rebozo. Does the President and do you really expect the American people to believe that in all those years of the most frequent and intimate contact that Mr. Rebozo never told the President he had this money in his box?

A. Yes, because it happens to be the truth.

Q. You have referred at least a couple of times and maybe more in this briefing to the fact that it is your contention that this story has gone for many, many years, and I trust you are equating this \$100,000 something.

A. No, I am talking about all those Hughes things that keep popping up from time to time. That is what I am talking about.

Q. Then I understand you correctly, and I am wondering what is the connection? I may be a little dense, I don't see the connection between Hughes giving Rebozo \$100,000 and the loan to Donald Nixon [a Hughes loan made to the President's brother in the early nineteen-sixties, but never repaid].

A. Well, there isn't any, and that is the point I am trying to make.