

White House Contends Gift Was for Campaign

By Lou Cannon

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The White House said yesterday that a \$100,000 "potential campaign contribution" given by billionaire Howard Hughes to presidential intimate C. G. (Bebe) Rebozo was never intended for non-campaign use.

A Senate Watergate committee source has said that committee investigators are exploring the "possibility" that the \$100,000 helped finance Mr. Nixon's home in San Clemente.

But White House spokesman Gerald L. Warren, who has been trying to several days to cut off questioning on the Rebozo matter, said yesterday that the money was collected for campaign purposes, although he would not say which campaign.

"The President is satisfied that there was never any intention to use it for any other purpose, and it was never for any other purpose," Warren said.

Rebozo has told Senate Watergate committee investigators that he kept the money in a safe deposit box for three years and then returned it to Hughes this year because it had become an embarrassment. Warren declined to discuss the reasons for Rebozo's keeping the money in this manner or to answer questions about whether Rebozo was authorized to collect campaign funds for President Nixon.

"The money as described by Mr. Rebozo was kept, was not used for any purpose, was

held, was not used for any purpose including interest," Warren said. "It was held and was returned and that is where the matter is."

Rebozo, a millionaire Florida businessman who is considered the President's closest friend, is also his next-door neighbor at Key Biscayne. He lent Mr. Nixon money to help purchase his homes at Key Biscayne and San Clemente.

Warren said that Rebozo told the President about the Hughes contribution early this year in Florida.

"The circumstances were a general discussion that the two gentlemen were having where Mr. Rebozo explained that he had this money and was going to return it," Warren said. "It is as simple as that."

Warren declined to say whether the Rebozo disclosure came before or after the revelations of White House staff involvement in the Watergate case. And he turned away repeated questions about whether Rebozo was authorized to collect campaign funds as "not a relevant matter."

As far as is known, Rebozo never has occupied any position in any Nixon campaign or fund-raising organization. When Warren was asked whether Rebozo had been authorized to make collection by Maurice H. Stans, the former presidential fund-raiser now under indictment on charges of conspiracy and obstruction of justice, the White House spokesman replied:

"I see a correlation being drawn between the Watergate matter and the issue we are

talking about here. There is none. It does not relate."

The existence of the \$100,000 gift became known through testimony in a Los Angeles civil suit in which a former top Hughes aide, Robert A. Maheu, is suing Hughes for libel.

Hughes gave the President's re-election campaign in 1972 a total of \$150,000 in reported contributions, with most of it distributed to state committees in \$3,000 increments.

If Rebozo's account of the \$100,000 contribution is accurate, there are at least three possible violations of the law.

If the money was in corporate funds, the donation would have violated the federal law forbidding corporations to contribute to campaigns. If it was an individual donation, a gift tax should have been paid on any amount above \$3,000.

And the money should have been reported as a campaign contribution—unless it was made to a campaign committee operating in only one state. Even if the money was subsequently returned, as Rebozo said, it should have been reported in 1969, the year it was purportedly contributed.