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Unit Studies

\$100,000

Hughes Gift

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A lawyer for billionaire recluse Howard Hughes turned over to the Senate select Watergate committee yesterday \$100,000 in \$100 bills that the committee then photocopied for use in its investigation of 1972 Presidential campaign financing.

The money plays a key role in the committee's probe into two \$50,000 contributions made in 1969 and 1970 by a Hughes emissary to President Nixon's friend, Charles G. (Bebe) Rebozo. Rebozo and Mr. Nixon both claim that Rebozo kept the money untouched in a safe deposit box for three years before returning it in June, 1973, to another Hughes emissary.

The committee is investigating, among other things, whether the money, which Mr. Nixon has said was intended to be a donation to his 1972 campaign, was actually kept in a safe deposit box or used for Mr. Nixon's private gain or some other purpose.

Hughes lawyer Chester C. Davis brought the \$100,000 to an executive session of the committee in response to a subpoena. According to sources at the meeting, Davis, during a discussion with committee members, opened a briefcase, dumped the money on a table and said, "Here's the goddam money."

The money was then taken by deputy chief counsel Rufus L. Edmisten, under tight security, to the committee offices, where it was photocopied. The money was later returned to Davis.

The serial numbers on the \$100 bills will be checked by investigators to determine whether any of the bills were issued after 1970. If any were issued after 1970, when the final installment on the \$100,000 was delivered, then the bills could not be the same ones delivered to Rebozo.

The money has been the subject of conflicting testimony about its intended purpose. In addition, it was disclosed last week that State Attorney Richard Gerstein of Dade County, Fla., has subpoenaed records from Rebozo's Key Biscayne bank relating to Mr. Nixon's personal finances.

Gerstein reportedly has been told by a former official of Rebozo's bank, Richard Stearns, that a \$100,000

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certificate of deposit was taken out by Mr. Nixon in the fall of 1970. That was after a Hughes emissary delivered the second \$50,000 installment on the \$100,000 donation. Stearns, however, provided no indication to the Florida prosecutors that the money used for the certificate of deposit was the same money delivered by the Hughes representative.

In his press conference of Oct. 26, Mr. Nixon indicated that the money was intended as a donation from Hughes for the 1972 presidential election.

"Now with regard to Mr. Rebozo," Mr. Nixon said. "Let me say that he showed, I think, very good judgment in doing what he did. He received a contribution. He was prepared to turn it over to the finance chairman, when the finance chairman was appointed.

"But in that interlude, after he received the contribution and before the finance chairman was appointed, the Hughes company, as you all know, had an internal fight of massive proportions and he felt that such a contribution to the campaign might prove to be embarrassing.

"At the conclusion of the campaign he decided that it would be in the best interests of everybody concerned rather than to turn the money over then to be used in the '74 campaign, to return it intact. And I would say that any individual, and particularly a banker, who would have a contribution of \$100,000 and not touch—because it was turned back in exactly the form it was received—I think that's a pretty good indication that he is a totally honest man, which he is," Mr. Nixon said.

According to other sworn testimony, however, the money was not intended as a contribution to the 1972 Nixon campaign at all.

Richard G. Danner, manager of the Hughes-owned Sands Hotel in Las Vegas, has testified in a court deposition that the first \$50,

000 payment to Rebozo was intended as a late contribution to Mr. Nixon's 1968 campaign and that the second \$50,000 was intended to be used for the 1970 congressional elections.

Robert A. Maheu, in a deposition, agreed with Danner that the first \$50,000 was intended for Mr. Nixon's 1968 campaign. But Maheu said the second \$50,000 was intended to influence a Justice Department decision on acquisition of another hotel in Las Vegas. Although the Danner and Maheu accounts conflict in some respects, neither corroborates Mr. Nixon's statement that the \$100,000 was intended to be used for the 1972 presidential campaign.

Davis, along with several other Hughes employees, had initially balked at testifying before the committee in closed session, insisting that any testimony given be in public.

After the committee warned Davis and the several Hughes employees that they would be cited for contempt of Congress if they failed to appear to testify in executive session, the Hughes employees and Davis reportedly agreed to testify.

Davis testified for about four hours yesterday. Committee chairman Sen. Sam J. Ervin Jr. (D-N.C.), although declining to discuss any of the substance of Davis' testimony, said, "I think today he cooperated very well."

Ervin said in response to a question that there is "very little doubt that Mr. Rebozo will be called to testify" in public session. "At least, that is my judgment," Ervin said. The committee is not expected to hold any further public sessions until late January, when Congress returns from its Christmas recess.

Prior to returning the money to Hughes, Rebozo reportedly attempted to have an FBI agent check the money to verify that it was exactly the same currency that Rebozo had received in 1969 and 1970. The FBI agent, however, reportedly told Rebozo that he was unable to make such a verification.