

The Washington Merry-Go-Round

Black Market Feared in Rationing

By Jack Anderson

Private government studies, bearing out President Nixon's apprehensions, have concluded that gasoline rationing not only would create an "administrative monstrosity" but would deteriorate into a black market system.

Instead of paying higher prices to legitimate dealers, customers would wind up paying black market operators, the studies warn. Already, hundreds of thousands of barrels of fuel are available on the black market at prices substantially higher than the Cost of Living Council has authorized.

The government studies cite the World War II experience, when crime syndicates did a brisk black market business and ration stamps were widely counterfeited. Yet World War II was a time of intense national patriotism.

Without these patriotic pressures on the consumers, the studies suggest, the black market would flourish. Ration stamps would also be easier to counterfeit on today's offset presses.

In place of rationing, the President's energy advisers favor higher fuel prices, with a development tax that would divert excess profits into the search for new sources of energy.

Secret Testimony—Senate Watergate investigators are dig-

ging into charges, made behind closed doors, that President Nixon and his brother have secret bank accounts with fugitive financier Robert Vesco in the Bahamas.

The allegation of the financial link with Vesco was made by John Meier, a former consultant to billionaire Howard Hughes. Meier was once a neighbor, friend and occasional business associate of the President's brother.

A transcript of the secret session quotes Meier as saying: "I was told by Don on numerous occasions that both Don and his brother Richard—I don't know if Ed was mentioned—had accounts with Vesco in the Bahamas. That was in 1971 and 1972." Ed is the President's other brother, who carried a \$200,000 cash donation from Vesco to the President's campaign committee last year.

Later in the interrogation, the transcript quotes Meier as saying: "I also had conversations with Donald about Vesco, his brother Richard, and the accounts in the Bahamas. These discussions also involved Howard Hughes and Vesco."

Donald Nixon's son, Donald, went to Europe to become an aide to Vesco at Investors Overseas Services in July, 1971. Young Donald is still employed by Vesco.

During the meeting with the

Watergate committee staff, Meier was asked if young Donald, also a friend of Meier's, knew about the bank accounts.

"I don't know," Meier said. "Donnie seemed to be a nice young man whose political beliefs were closer to Robert Kennedy's than Richard Nixon's."

The Bahamaian government recently refused to extradite Vesco to the United States to face only the least serious of four federal indictments against him.

Vesco could not be reached at his Bahamas Commonwealth Bank, and sources close to him said he is now in Costa Rica, a nation that not only gives him shelter but also has granted him a diplomatic passport. Vesco could not be reached in Costa Rica.

The White House said it does not comment on charges stemming from the Watergate committee, and a spokesman told us: "I think that will be our situation."

The President's brother, however, responded angrily to the statement. Switching the call to a speaker phone so his wife, Clara Jane, could "take this down," he termed the testimony "completely false and completely a lie."

"I never had any account outside this country," he said.

Mrs. Donald Nixon was equally angered. "I don't know

why everybody is trying to get Don Nixon," she said. "He was never involved in any campaigns."

"You keep quiet, Clara Jane," Donald said. He then called investigations into his financial affairs "witch hunting," and asserted: "I've never done anything improperly or dishonestly. I never took a dime from anyone."

In his conversation with us, Donald also denied that Howard Hughes was instrumental in getting him an interest in a ranch in Nye County, Nev., owned by Jack Cleveland, another former Hughes consultant. Cleveland, who was wanted by federal authorities on tax charges, died last month in Canada.

Friends of Cleveland have told us that Hughes instructed Cleveland to turn over part of the land to F. Donald Nixon, the President's brother—possibly as payment for Donald's efforts to win Air West, an airline, for the eccentric billionaire.

Cleveland's closest friends have confirmed that Donald was a partner in the land deal.

But the President's brother denied it.

"It's all damn lies," he said.

Footnote: A number of Donald Nixon's friends, according to our sources, have recently been interviewed by Senate Watergate investigators.

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