

Rebozo Probed on Missing \$50,000

By Bob Woodward and Carl Bernstein
Washington Post Staff Writers

The Senate Watergate committee has obtained testimony alleging that \$50,000 in cash, given by a food chain executive to Charles G. (Bebe) Rebozo as a secret contribution to President Nixon's re-election effort, never reached the President's campaign committee as intended, according to informed sources.

Rebozo has acknowledged in sworn testimony that he received an envelope containing \$50,000, the sources said. He contends that he turned the money over to Frederick C. LaRue, a Nixon campaign official who has pleaded guilty to obstructing justice in the Watergate case.

LaRue, however, has testified in a closed-door session that he did not receive the money and, in the words of one source close to him, "he can say for sure that he knows positively that he did not get the money."

According to independent sources, investigators for the Senate committee have been unable to find any record that the \$50,000 was received by the President's campaign committee.

The sources reported that investigators now are seeking to find out whether circumstances surrounding the \$50,000 contribution represent a pattern in which Rebozo, never officially a fund raiser for the Nixon campaign, collected secret cash contributions that may never have been used for campaign purposes.

Another contribution they are investigating, the sources said, involves \$100,000 in cash that Rebozo received from an emissary of billionaire Howard Hughes. Rebozo testified that he kept that \$100,000 in a safe deposit box for three years and then returned it. But President Nixon's personal lawyer Herbert W. Kalmbach, has testified that Rebozo told him portions of the \$100,000 were either lent or given to the President's secretary, Rose Mary Woods, and Mr. Nixon's brother, F. Donald Nixon.

Senate investigators are attempting to determine what happened to the newly discovered \$50,000—allegedly given to Rebozo by A. D. Davis, vice chairman of the Winn-Dixie Corp. a food chain headquartered in Jacksonville, Fla.

According to Rebozo's testimony about the \$50,000, he received the

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money from Davis several days before a new campaign finance law took effect on April 7, 1972. The transaction, which did not have to be reported publicly under the then-current campaign finance statutes, took place in a saloon, according to the sources.

Both Davis and Rebozo have testified that the

money was intended as a campaign contribution, the sources said.

However, the Senate investigators believe they have a complete record of secret contributions received during the period in question—none of which shows evidence that the Davis money reached the Nixon campaign, the sources said.

Rebozo and his attorney William S. Frates were in Washington yesterday appearing before the Senate Watergate committee. They and Davis and LaRue could not be reached for comment yesterday.

A source familiar with the investigation said that Rebozo may have given a lesser amount of campaign cash to LaRue six months after the April, 1972, transaction.

"But there is nothing to explain the whereabouts of the Davis \$50,000," the source said.

Another source observed: "The Davis \$50,000 puts Rebozo right in the middle again. And there is checking that should be done into others who may have given in the same way..."

Accordingly, the Senate committee has issued subpoenas for Rebozo's financial records and documentation of other transactions.

Frates, the lawyer for Rebozo, filed a lawsuit yesterday in an attempt to quash the subpoenas requiring Rebozo to produce any such information in his possession. Late yesterday, however, Rebozo and the committee reportedly reached a settlement on the subpoena question, with Rebozo agreeing to turn over most of the records sought by the committee.

Senate investigators have been intensively examining the \$100,000 Hughes contribution for six months, and according to several senior committee sources, have obtained a vast amount of contradictory testimony about its purpose and ultimate disposition.

Meanwhile, a source close to the White House said recently that President Nixon himself might have "a legal problem" concerning the \$100,000 from Hughes. The source declined to elaborate on the nature of the legal difficulty.

The same source said that the White House has been involved in attempts to

thwart the Senate committee investigation.

"In the old days they'd use the word, 'stonewall,'" the source said. "That's the effect in any case, sure, and there has never been a stonewall (erected at the White House) without a reason."

The reference to "stonewall" is a term used by the President's former top aides and on occasion the President himself, according to the edited White House transcripts released last week. It means to erect a barrier or prevent disclosure.

Senate committee investigators have received testimony concerning Mr. Nixon in the tangled \$100,000 transaction.

Richard G. Danner, the executive in the Hughes financial empire who delivered the \$100,000 to Rebozo in two installments in 1969 and 1970, has testified that Mr. Nixon was present at a 1968 meeting during which a request was made for a contribution from Hughes.

In 1973 when the Internal Revenue Service began investigating Rebozo's role in receiving the \$100,000, Rebozo sought the advice of Kalmbach, Mr. Nixon's personal attorney.

According to several sources, Kalmbach has testified he was told by Rebozo that Mr. Nixon personally suggested Rebozo get a legal opinion from Kalmbach about how to handle inquiries concerning the \$100,000.

A subsequent Kalmbach-Rebozo meeting took place at the White House on April 30, 1973, the date of a major overhaul of the White House staff. (That day the President accepted the resignations of top aides H.R. Haldeman and John D. Ehrlichman and fired John W. Dean III.)

Kalmbach has testified that at that meeting Rebozo informed him that some of the money had gone to Niss Woods and Donald Nixon. Both Miss Woods and Donald Nixon have denied receiving any money from Rebozo.

Kalmbach reportedly told Rebozo at the meetings that the IRS should be told the full story of what happened to the \$100,000.

Within weeks of the Rebozo-Kalmbach meeting, Rebozo—apparently rejecting Kalmbach's advice—sought advice from another lawyer,

tax attorney Kenneth W. Gemmill of Philadelphia.

Gemmill who has been one of the chief advisers to the President on tax matters, recommended returning the \$100,000. He apparently was told by Rebozo that it was kept in a safe deposit box and not touched for three years.

The President next appears in the story about May 20 1973, when he met with Rebozo and Danner at Camp David. The day before, Rebozo had unsuccessfully tried to persuade Danner to take back the money, the sources said, and then urged him to see Mr. Nixon.

However, Danner, Rebozo and spokesmen for the President have all said that the

\$100,000 contribution was not discussed at the Camp David meeting.

The President next figures in the chain of events on Oct. 18, 1973—two days before Mr. Nixon ordered the firing of special Watergate prosecutor Archibald Cox.

On that day and at the President's direction White House chief of staff Alexander M. Haig Jr. called Attorney General Elliot Richardson to complain about Cox's investigation of Rebozo, the sources said. Last week Haig invoked executive privilege before the Senate committee and refused to testify.

The sources said Haig's call to Richardson occurred on the morning of the same day Rebozo was informed by an IRS agent in Florida that Cox had subpoenaed Rebozo's tax records.

Senate committee attorneys reportedly are trying to determine if Rebozo complained to the President about the investigation, and one source has said that investigators believe the Cox probe of Rebozo's taxes may

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have been a factor in the decision to fire Cox.

Six days after the firing of Cox, the President—at a press conference on Oct. 26—supported Rebozo's statements and action on the \$100,000.

"Now with regard to Mr. Rebozo," the President said in answer to a question, "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.

"And I would say that any individual, and particularly a banker who would have a contribution of \$100,000 and not touch it—because it was turned back in exactly the form it was received—I think that is a pretty good indication that he is a totally honest man, which he is."



By James K. W. Atherton—The Washington Post

Charles (Bebe) Rebozo arrives at committee hearing.