

REBOZO IS LINKED TO A \$50,000 GIFT

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He Reportedly Told Senate Panel He Turned It Over to Nixon Campaign Aide

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WASHINGTON, May 10—Charles G. Rebozo, President Nixon's close associate and confidant, has reportedly told the Senate Watergate committee that he accepted a \$50,000 contribution from a Florida grocery executive that he believed was intended for the President's re-election campaign of 1972.

Sources close to the committee's investigation said that Mr. Rebozo, who heads a bank in Key Biscayne, Fla., testified in a closed-door interview in March that he had turned the money over to an official of the Nixon campaign.

But Frederic C. LaRue, the campaign official reportedly named by Mr. Rebozo as the recipient, was said by the sources to have been unable to recall having received the funds.

The sources' disclosure of Mr. Rebozo's testimony marked the second instance in which he has reportedly acknowledged accepting large cash payments on behalf of Mr. Nixon, and the second in which the committee staff has developed testimony that reportedly conflicts with Mr. Rebozo's version of what

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happened to the money.

Investigators have spent months looking into the circumstances surrounding Mr. Rebozo's receipt of a \$100,000 payment from a representative of Howard R. Hughes that Mr. Rebozo says he assumed was also intended for the 1972 Nixon campaign.

Mr. Rebozo has said that he chose to hold onto the Hughes money for fear that the President might be embarrassed by the contribution, and that it remained for three years in the vault of the Key Biscayne bank and Trust Company, which he heads.

But the Watergate committee's staff has taken testimony from Herbert W. Kalmbach, the President's former personal lawyer, recalling a conversation in which Mr. Rebozo allegedly told him that some of the \$100,000 had been distributed to Mr. Nixon's younger brothers, Edward and Donald; to his private secretary, Rose Mary Woods, and others "close to" the President.

Angered by what he termed erroneous leaks from the Watergate committee yesterday regarding the \$50,000 contribution, William S. Frates, a Miami lawyer who represents Mr. Rebozo's bank, said today that he would advise his client not to surrender the personal financial records that the panel's staff considers vital to its investigation.

'Negotiated Settlement'

Mr. Rebozo and Mr. Frates met yesterday with the seven members of the Watergate committee in an executive session, and sources said afterward that a "negotiated settlement" had been reached in which some of the records would be produced pursuant to a committee subpoena.

As a condition of the compromise agreement, which now appears threatened, Mr. Rebozo had agreed to withdraw a petition seeking to quash the committee's subpoena. But Mr. Frates said today that he would advise that the petition be refiled, a move that could easily frustrate attempts by the panel to resolve the lingering questions surrounding Mr. Rebozo's role as a recipient of political contributions in the President's behalf.

Mr. Frates said in a telephone interview that the committee staff had "completely violated" its assurances of confidentiality with respect to Mr. Rebozo's reported testimony on his receipt of \$50,000 contributed to Mr. Nixon by A. D. Davis, an executive of the Winn-Dixie Corporation, a Florida-based supermarket concern.

Referring to a report in today's Washington Post that Mr. LaRue said he could not recall receiving the \$50,000 payment from Mr. Rebozo, Mr. Frates said



United Press International
Charles G. Rebozo in Washington on Thursday.

"That infuriates me. We have documentary evidence that completely refutes that story."

He would not elaborate on the evidence, except to say that it showed that the money accepted by his client had eventually reached "Republican hands."

Committee sources maintained, however, that neither Mr. Rebozo nor his attorney had offered the panel any evidence that that was the case.

Lawsuit Filed

Mr. Phates said in the interview that he filed a lawsuit in Federal court here yesterday seeking to quash the committee's subpoena for the financial records, and that if the committee refused to grant Mr. Rebozo's new petition, "we will pursue it in litigation."

The importance of the records was explained by one committee source yesterday who said "It is our assumption that there's no question" that some or all of the \$100,000 contribution Mr. Rebozo received in 1970 from a Hughes employe, and possibly the \$50,000 from Mr. Davis, had been converted to the use of other individuals.

Committee sources, citing Mr. Kalmbach's testimony, said that if the funds had not remained in the safe-deposit box it would be crucial to the investigation to determine the source of the 1,001 \$100 bills that were returned to a Hughes lawyer last June.

The committee's motive in seeking the records of Mr. Rebozo's personal finances, one source said yesterday, "includes an attempt to determine how he replenished the money, and who furnished the money for that purpose."

The inquiry into the Hughes money, which representatives of the reclusive billionaire have said was intended not for Mr. Nixon's campaign but for Republican senatorial candidates in 1970, has expanded in the last few months and has now touched high White House offi-

cial and, tangentially, the President himself.

The four Democrats and three Republicans who make up the Watergate committee voted unanimously yesterday for instance, to issue a second subpoena calling on Gen. Alexander M. Haig Jr.'s Mr. Nixon's chief of staff, to appear before them and tell what he knows about the Hughes contribution.

General Haig declined to answer questions about the matter earlier this month on the ground that it was protected by executive privilege, and committee officials said that he presented them with a letter to that effect from President Nixon.

One investigator said that the staff wanted General Haig to explain his role in complaining last spring to the then Attorney General, Elliot L. Richardson, about an investigation of Mr. Rebozo's finances being conducted to Archibald Cox, the former special prosecutor.

Unlike General Haig, J. Fred Buzhardt Jr., a White House lawyer working on Mr. Nixon's legal difficulties in the Watergate case, has agreed to respond to the committee's questions about what one source described as his "minimal" role in the Hughes affair.

Mr. Buzhardt, the source said, was involved in the preparation of a letter from Miss Woods to an official of the Internal Revenue Service in which she disclaimed any knowledge of the disposition of the \$100,000.

The Watergate committee has Richard G. Danner, the Hughes employe who delivered the cash to Mr. Rebozo in 1970, in which he reportedly alleged that he met with the President on two dates that are crucial to the investigation.

Meetings Described

The first meeting, according to accounts of Mr. Danner's testimony, occurred in June, 1970, at the President's estate at San Clemente, Calif., just after the first installment of \$50,000 had been handed to Mr. Rebozo.

But sources familiar with the Danner testimony have said that he asserted that no mention was made of the just-completed transaction during the brief conversation.

Mr. Danner, who manages the Hughes-owned Sands Hotel in Las Vegas, also reportedly recalled for the committee a second meeting with the President at Mr. Nixon's retreat at Camp David, Md., in May of last year, one day after Mr. Danner said that he declined a request from Mr. Rebozo to take back the Hughes' money.

Again, however, Mr. Danner told investigators that he and the President did not discuss the \$100,000 but limited their discussion to the "mood of the country."