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LAWRENCE F. O'BRIEN ORAL HISTORY, INTERVIEW XXXII

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In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms and conditions hereinafter set forth, I, Lawrence F. O'Brien of New York, New York, do hereby give, donate and convey to the United States of America all my rights, title and interest in the tape recordings and transcripts of the personal interviews conducted on September 18, October 29, October 30, December 4, December 5, 1985; February 11, February 12, April 8, April 9, June 25, July 24, July 25, September 10, September 11, November 20, November 21, December 17, December 18, 1986; April 22, April 23, June 18, June 19, July 21, July 22, August 25, August 26, September 23, September 24, November 3, November 4, December 10, December 11, 1987 at New York, New York and Cotuit, Massachusetts and prepared for deposit jointly in the Lyndon Baines Johnson Library and the John Fitzgerald Kennedy Library

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Signed by Lawrence F. O'Brien on April 5, 1990.

Accepted by Donald Wilson, Archivist of the United States, April 25, 1990.

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ACCESSION NUMBER 92-44

INTERVIEW XXXII

DATE: December 11, 1987

INTERVIEWEE: LAWRENCE F. O'BRIEN

INTERVIEWER: Michael L. Gillette

PLACE: Mr. O'Brien's office, New York City

Tape 1 of 2, Side 1

O: There was additional evidence concerning ITT that underscored the existing concern during the period when [G. Gordon] Liddy made his original proposal to [John] Mitchell and the actual break-ins.

There was a lengthy memo dated March 30 from [Charles Colson] to [H. R.] Haldeman reviewing strategy to secure the confirmation of [Richard] Kleindienst as attorney general. Colson reviewed in considerable detail the assignments of people to various members on the Hill and the current status of the effort. He emphasized there was deep concern that perhaps Kleindienst's confirmation could fail on the floor. And he commented that, of course, that would be adverse to the President's interest, too.

From that memo you can note the concerns. Colson states, "Certain ITT files were not shredded. These files would undermine testimony." He names people and mentions having a memo rewritten so it would be contemporaneous with a certain meeting that took place. He expresses concern about Mitchell and Harold Geneen of ITT as both Mitchell and Geneen had testified that they discussed policy only, not the individual ITT case, and Mitchell claimed he had talked to no one else. From this memo it's clear that wasn't the case. Colson states that [John] Ehrlichman assured Geneen that the President had instructed the Justice Department. They're insisting that this was only in terms of the bigness. A favorable decision and the opposition of the Justice Department is simply because of bigness. He goes on to say, "There is another internal memo. It follows the 1970 [Spiro] Agnew meeting, which suggests that Kleindienst is the key man to pressure [Richard] McLaren, implying that the Vice President would implement this action." Colson says, "We believe that all copies of this have been destroyed."

Then he refers to other memos; Kleindienst to Haldeman, dated June 30, 1971, which precedes the date of the ITT settlement and sets forth the \$400,000 arrangement with ITT. He points out copies were addressed to [Jeb] Magruder and then Mitchell, and this memo put the Attorney General on constructive notice of the ITT commitment at that time. If known, this would be considerably more damaging than other materials. Magruder believes it is possible the Attorney General transmitted his copy to him. Magruder doesn't have the copy he received. He only has a xerox of the copy. In short, despite a search, this memo could be lying around somewhere. The memo continues, "The Justice Department has thus far resisted a request for their files and there are several memos that could be embarrassing. Whether they still exist or not is unknown. One is a

memo from Kleindienst and McLaren to Ehrlichman responding to Ehrlichman's request in respect to the rationale for bringing the case against ITT in the first place."

There are further comments regarding a variety of memos. "There is also a memo to the President in this same time period. We know we have control of all the copies of this but we don't have control of the original Ehrlichman memo to the Attorney General. This memo would again contradict Mitchell's testimony and, more importantly, directly involve the President. We believe we have absolute security on this file within Justice, provided no copies are made within Justice and provided there are no leaks. We have no idea of the distribution that took place within Justice." That Colson memo of several pages is clear evidence of the deep concern of Mitchell, the President and everyone else regarding this matter.

G: This is March 30, 1972, Colson to Haldeman.

O: The memo has additional significance because the Liddy plan was initially reviewed in February, 1972. It was carried out in June of 1972 and as Magruder states in his book, when Mitchell approved the plan to break into my office to bug me and take my files, Mitchell certainly was deeply concerned regarding me and my knowledge of ITT. It is rather amazing that I relied on news clips in the early seventies regarding Congressman [Bob] Wilson and the \$400,000 and the potential site for the Republican convention, and direct correspondence with Mitchell and Kleindienst. They had stonewalled me, but because of Mitchell's resignation and Kleindienst as his successor, they were now faced with interest being expressed in the matter by the Senate committee. Kleindienst had written to me totally denying he had any knowledge of or involvement in ITT. He had also stated in that letter that Mitchell had no involvement or knowledge regarding ITT. Yet, evidence surfacing to show that wasn't the case.

I would conclude that with all the activities I engaged in which the President and the White House did not look kindly upon, this probably was the most sensitive in terms of concerns because of the activities they had engaged in. This was, as I noted before, one of the most significant decisions ever made by the Justice Department in terms of size. But the ridiculous Dash-Lenzner theory of the break-in stated it was because of the White House concern regarding what knowledge I might have of a transaction between the Hughes people and Nixon with Bebe Rebozo the middle man.

I was to learn that at some stage of the hearings that Chester Davis, who had replaced [Bob] Maheu in a palace coup, was queried intensely by I believe [Terry] Lenzner or perhaps [Sam] Dash and Lenzner regarding my activities with the Hughes organization. They insistently sought all documents that might be in existence regarding payments of fees to me or whatever. Davis called me to advise me he had asked his interrogators to contact me to seek my approval for release of whatever might exist. He, Davis, had no knowledge of what might exist, but he felt very uneasy agreeing to this demand by counsel. He wanted me to know that he had urged them because of my right of privacy, as I was not a party in Watergate as far as the committee was concerned other

than having been the target. He felt they should simply contact me and ask me for my approval. He was told in no uncertain terms that they weren't going to ask me, that I had no rights and he was ordered--with penalties if he failed to fulfill the order--to provide whatever personal information regarding me he could, which he did. I appreciated his call and I must say that I deeply resented the attitude of those Democrats on that committee toward me. That was evidence that I was simply a tool in their effort to somehow, somewhere provide some kind of evidence that would justify their theory.

G: Do you attribute it to simply a desire to have that theory supported rather than any old political--?

O: Yes. First of all I didn't know these people. I had no contact with the committee throughout the hearings. The only contact involving me was made by the committee to me and that was as I described. I don't believe either of these two people had any political background, in any event. I think it was simply an endeavor to establish a theory for their own self-satisfaction. That's fine except Lenzner came to me to try to get me to agree with this theory when his theory wouldn't hold water. That was another indication of their intense interest in trying to establish a record that they had found the real reason for the break-in. It was just an ego trip.

However, as this unfolded, it went beyond the [Sam] Ervin Committee to the House Judiciary Committee, and of course the record is replete with documentation of what occurred during that period. Meanwhile, my civil suit dating back to June of 1972 was still languishing. Nothing occurred regarding the suit after Judge [Charles] Richey had barred the depositions and had stated the suit would be delayed until all criminal actions were completed. I have detailed the IRS aspect of Watergate as it applied to me and this became a primary matter to be considered by the House Judiciary Committee. Regarding Dash and Lenzner and others on the Ervin Committee, I had a feeling they had little knowledge of the extent of IRS activity involving me or they would not have tried to find a simplistic answer to this massive two-year effort against me that was spotlighted by the break-in of my office.

But the lawsuit finally reached a point where it seemed the only resolution was a settlement. By the time a settlement was being considered by counsel on both sides of these suits--there was the O'Brien suit and there was the [Maurice] Stans suit against O'Brien--Jerry Ford had become president and a friend of Jerry's from Michigan, a former senator, Charlie Potter, was designated by Ford as a member of CREEP. The Committee to Re-Elect the President was still in existence. There was a significant amount of money in the coffers of the committee. Potter, who was a fellow I knew and thought well of, contacted me and suggested we resolve this and close it out. He construed his mandate from Ford was to dissolve CREEP, close it out as quickly as he could. During that period at some point there were discussions between counsel.

There was a time when I was visiting with a friend in the Waldorf Hotel. There were several of us in his suite and lo and behold we were joined by John Mitchell.

G: How did that happen?

O: He was invited to join the group and the--

G: He just happened to be at the--?

O: I had never met Mitchell prior to that. Mitchell chatted about sports. It was a conversation being carried on among three or four or five people, whatever. But finally Mitchell brought up Watergate. He said he continued to be extremely resentful of and disturbed with Maurice Stans, as Maurice Stans had been the catalyst for Watergate. He added that the fellow in his crazy, ridiculous way had allowed this to come about. He felt it was all extremely unfortunate. Now, at this point, all the revelations regarding Mitchell had not become public. Finally this led to Mitchell suggesting to me, "Why not settle those lawsuits?" I listened but did not comment. The word was being given to me of an interest in settling the lawsuits. I was no longer national chairman. The lawsuits remained alive. So I later advised Bob Strauss of this interest. It was up to Bob Strauss if he wanted to pursue it. I don't recall that he did.

But finally at long last through Charlie Potter's efforts an out-of-court settlement was reached. That did not occur until August of 1975. When Jerry Ford pardoned Nixon and the public comment I made in response to media requests simply was that I had no desire from the outset to see Richard Nixon in jail. I didn't condone the pardon, as I felt it was unfortunate that all the facts would not be available to the American people and to history. This was effectively closing out prematurely what required further exploration.

This out-of-court settlement would be in the vicinity of, as I recall, \$750,000. It was decided that settlement for my personal suit, violating my rights, would be \$400,000. You could have, I suppose, negotiated on and on but by that time, 1974, this was of little interest to me and I was in no position in the private sector to be pursuing it. I remember my lawyers on one occasion overlooking the fact that I was with them discussing with great glee what they would do to Maurice Stans when they deposed him. I sat there thinking, "Well, that's interesting. I'm sure Stans' lawyers are sitting somewhere discussing what they'll do to me when they depose me." My lawyers used vulgarities in describing what they were going to do to Stans. I've now been long in the private sector. All of this is now on the public record. I've gone through the courts; I've gone through the Congress, I've gone through every aspect of this. Why would I subject myself to continuing this ad infinitum?

I reminded my lawyers that they had overlooked the fact that their client was with them and I suggested that perhaps they should be exploring some rational way of resolving this matter, as there was nothing to be accomplished by continuing to pursue it. It was figuratively a dead issue and there was no need to pursue it because my original motivation was not money. From the start my motivation was to surface the matter and bring it public. Consequently, the monetary aspect of a settlement was of no interest to

me. They had the responsibility to do their best because I had stated from the day I introduced the suit that whatever resolution would ultimately be reached involving damages, my proceeds would be turned over to the Democratic National Committee. The last thing I wanted was to gain a nickel from what I considered a national tragedy. So the settlement was \$400,000.

I immediately contacted Charlie McNelis who was the lawyer in the firm representing me from the time he replaced Joe Califano. This is 1974, and there have been heavy costs and I hadn't paid the firm a cent. The check was issued and hand-delivered. I felt a debt of gratitude to this law firm for carrying on throughout. I asked Charlie to immediately send me his bill for fees to close out the case. I recall Charlie saying, "There's no hurry. We'll get around to it." And I also recall responding, "Charlie, I want the bill today. I'll feel better if I have it in hand. I want to resolve this as quickly as possible. I would like to have the bill."

It was an interesting bill because under any set of circumstances the fee would have been substantially higher. I quote from the covering letter,

Dear Larry:

Now that the Watergate suit has been settled, we have tabulated our time for legal services and out-of-pocket expenditures attributable to our representation of you in the matter. Based upon our normal time charges a total of \$82,151 for legal services is indicated, plus out-of-pocket expenditures of \$2,269 for an overall total of \$84,420. Considering the nature of this celebrated case, in our desire to reflect a meaningful contribution of our own in the matter, we have arbitrarily reduced our bill by \$20,000 as reflected in the enclosed statement to you for \$64,420.

I paid that in full on August 28, 1974.

It was my intention to immediately pay it. The remainder of the \$400,000 would be transmitted to Bob Strauss and the national committee promptly. However, my son, who is a lawyer, reminded me, thank God, that if you do that you can be subject to a gift tax and the Internal Revenue Service probably would enjoy imposing a gift tax on this. He advised me that I must seek from the Internal Revenue Service an advance ruling that this was not a gift, that it's a simple transmittal. I thought that would not be difficult and it was clear to me it would be a mistake not to have that ruling in writing from the Internal Revenue Service. Little did I know that wasn't going to be an easy matter. So I hired attorney Richard Daly--experienced in dealing with the Internal Revenue Service--to contact the Service and secure this ruling. He ran into a stone wall and it went on and on. There was a great reluctance on the part of the Internal Revenue Service to act on this matter because of, I guess, the sensitivity of it. It took months, but it was finally reconciled and the Internal Revenue Service made a ruling in writing.

Dick Daly will never forget the final session he had with the IRS. He said it was held in a conference room of the Internal Revenue Service with a number of lawyers and staff people present. There was really no debate as to the ruling. This was most routine. It would have been made routinely except for who I was. With all in agreement that this was appropriate and a set of documents before them, no one at the conference table would sign the documents. Daly said it was one of the funniest experiences he ever had. He said it was as though they'd burn their fingers if they signed. So they reached a conclusion. They would take the document to the Commissioner of Internal Revenue because, as they pointed out, that's what he's paid for, that responsibility is his. He should sign it and he was the person who did sign it. As this involved Mr. Daly's time to an inordinate degree, I incurred an additional legal fee of fifteen thousand dollars.

I wrote to Bob Strauss and enclosed the check that represented the net of \$400,000 less the legal fees to Charlie McNelis of \$64,420 and the legal fees to Breed, Abbott & Morgan of \$15,000. I must say that during the course of this delay, I was queried by people on the DNC staff. I'm not sure, but I guess perhaps Bob Strauss called me a couple of times. Obviously they were most anxious to get their hands on the money. There wasn't any concern about my future legal problems if I didn't get this resolved properly. That bothered me as I felt that I should receive some understanding from DNC counsel, who was a former commissioner of IRS, Sheldon Cohen. He was particularly anxious to secure the funds to the extent that he stated he couldn't see any problems with future tax returns of mine. His motivation obviously was to secure the funds, but it wasn't a pleasant experience.

Furthermore, I received a call from Rowlie Evans one day--the Evans-Novak column--and Rowlie said, "I have received information from a source that you are holding up payment to the national committee you committed to make at the outset of Watergate." I blew up. I assumed someone was using Rowlie to try to put pressure on me so I just blew up. That's really the only way to describe it and that terminated the conversation. Within fifteen minutes to a half an hour Rowlie Evans called back and apologized for asking me or suggesting that. He had cleared it up and he realized exactly why I blew up. He just wanted me to understand he totally understood and he was sorry he had ever initiated the call.

Those were aspects of this that were troublesome, as you moved to fulfill a commitment you made that you didn't have to make. The \$400,000 has been awarded to me, directly to me.

In any event, I wrote Bob, as I felt I wanted the record totally clear, and I quote from that letter, "In addition I incurred significant out-of-pocket expenses through the course of the legal actions and also through the harassment I was subjected to during my chairmanship by IRS and others"--which was true. "These costs incurred over the last several years, in addition to my loss of time, are in the amount of \$18,700 and include accounting and legal fees, travel, hotel and long-distance telephone"--because I had to move back and forth from New York to Washington through most of this period. Then I

went on,

As the enclosed check will indicate, I have decided to waive my right to reimbursement for these personal expenses. Over these last three years it's been painful for me to note a failure on the part of a few in responsible positions with the Democratic National Committee to comprehend the grave damage I suffered through the violation of my constitutional and civil rights by the Nixon Administration. Also, some even had the temerity to question my right to a judgment and the validity of my insistence that the tax consequences of the settlement, if any, be determined prior to my turning over the proceeds of my award to the Democratic National Committee.

I then stated,

Incidentally, I have learned that Mr. [Lawrence] Gibbs, assistant commissioner, technical, of IRS, indicated that indeed I have followed an appropriate and prudent course. This was at a meeting attended by my counsel and Sheldon Cohen during closing agreement negotiations. Suffice it to say I am not about to provide further opportunity for my critics to fault me or remotely suggest that somehow I personally gained from this experience.

And I go on, in fairness to Bob, to say, "In this context, Bob, let me emphasize I am most appreciative of your understanding throughout. It has been a frustrating and depressing time and I've been strengthened by your consistent cooperation and support." Upon receipt of the funds, Bob and I chatted and he said that he was going to issue a statement to the effect that the Democratic National Committee had received the proceeds. That was done because I saw a brief paragraph in probably the *Washington Post* a couple days later.

I received a letter not long after from Senator John Stennis, a distinguished gentleman that I enjoyed a warm relationship with, even though there were occasions when he wasn't in the right column in our head counts. It was a pleasant note saying he had seen this item and he wanted to tell me that he was impressed, that he thought it was a fine gesture in the interest of the Democratic Party and underscored my commitment to the party. I appreciated the letter and dropped him a note saying, "I do appreciate your letter, John, and you might be interested to know that you are the only person that contacted me on this matter in any form in any way following my forwarding of the funds." That closed out that chapter.

G: Nothing formal from the DNC?

O: No.

(Interruption)

- G: Was it ever determined whether or not the tap or bug on your phone was ever operational?
- O: It clearly was operational during some period, until the burglars were apprehended. I do remember that the problem with [Alfred] Baldwin and others who were monitoring my phone was a little difficulty in receiving clear signals. My phone might be located where they were getting a little interference from a steel girder or something like that. But the answer is, yes, it was operational, but not to the degree they wanted and they were to correct the problem that night and, as I said earlier, either add to or place in the ceiling an additional bug. One was probably there and they were going to place another.
- G: There was a report of an additional bugging device found and uncovered in September.
- O: Yes, that was a report I learned of. I had no direct involvement because by that time I no longer occupied the office. I can't testify to that. There was a bug on the phone of Spencer Oliver, who was director, I believe, of Democratic state chairmen or Young Democrats or in some similar capacity. There's evidence to show that that bug was also working.

Tape 1 of 2, Side 2

- G: [Why do] you think Spencer Oliver's phone was bugged?
- O: I just don't know--logic would indicate that if you were going to have additional bugging of a phone, the priority would be the treasurer of the national committee, Bob Strauss. That would be a location because Bob obviously would be using his phone in soliciting contributions. Beyond Bob I can think of the deputy chairman, Stan Greigg, a couple of the department heads, and John Stewart. Spencer Oliver would be low on the list of priorities if you were seriously trying to garner information. There had to be some reason for Oliver being selected. It could have been a random bug in an office removed from me because Oliver was not in regular contact with me. He was not a strategist. But I really don't know why his phone was selected.
- G: Baldwin never offered any information through the attorneys as to why--?
- O: When I learned of the existence of Baldwin--not by name but his existence--from Ed Williams and learned the details of his activities from Ed, I don't recall there was any reference by Ed to any other activities other than those related to me.
- G: There were suggestions that the Democrats themselves planted this September bug in order to call attention to the break-in and the earlier bugging effort.
- O: That doesn't hold water. I was not present during that period and would have no knowledge of that. I do recall being told that there were additional bugs found at a later date. It reminds me that the director of the FBI, Patrick Gray, was obviously desirous of

having evidence on the record that he was fulfilling the commitment he had made to me to investigate this matter in detail, which was on July 7. Following Gray's earlier call, I was visited by two Secret Service agents in my suite at the Fountainbleu Hotel in Miami. We were in the midst of preparing then for the convention. One of the agents was Paul Rundell, associate director of the Secret Service. The other agent was Clint Hill, who I had known during my White House years and was with us in Dallas and played a prominent role during the assassination. They told me they had been instructed to advise me that an examination of the national committee offices by the FBI uncovered no additional electronic devices. I knew the FBI supposedly had torn the place apart and had removed ceiling panels. I had other things on my mind at the time. If they said there were no additional bugs, so be it. Later evidence revealed that bugs had been placed on my phone and on Spencer Oliver's phone at a minimum and I cannot to this day explain the discrepancy.

I guess it's like other aspects of this I encountered during those troublesome months and years. It was of interest to me, as an afterthought, that these two Secret Service agents, one of whom was a friend, had been instructed by the FBI to contact me. They were insistent upon seeing me personally to relay to me an FBI report. Someone was lying through their teeth and it was not Clint Hill or Paul Rundell. They were innocent. Obviously, they were given a report and told to relay it. Gray or any FBI agent never contacted me.

- G: After the break-in and the capture of the burglars, did you or anyone else in the DNC ever have a security service come in and sweep the place for bugs and eavesdropping equipment?
- O: No, we did not because the FBI was engaged in that. There was no need to crawl up the back of the FBI. Supposedly, the situation was being handled in an appropriate manner by a government agency.
- G: But you never heard any suggestions that maybe some Democratic partisans had planted a subsequent bug just to call attention--?
- O: This is at a later date that you've referred to?
- G: Yes.
- O: No, I have no knowledge of that at all and I would totally discredit that suggestion.
- G: Any other contact with the Nixon Administration officials in addition to that meeting with John Mitchell that you described?
- O: No.
- G: How about Leon Jaworski; did you have any dealing with him?

O: Never had any contact with him.

G: Archie Cox?

O: No. Archie Cox was a fellow I had known over the years, but in the context of his special prosecutor role I had no contact with him.

G: Shall we go on to the Hughes--?

O: I have made numerous references to the so-called Hughes matter in recounting these months of Watergate involvement. Colson and others in the White House had early on expressed a great interest in my client relationship with Hughes. As I said earlier, this was not any secret. There was no problem for them to determine a relationship had existed. Publications had printed the fact that I had opened an office in New York. In fact, I had run an ad in the *Wall Street Journal* and the *New York Times* announcing the opening of the office. I was able to garner some publicity for this opening and included my initial client list with the announcement to ensure that potential clients would be aware of the activity. So in terms of White House interest in my clients, I had spelled that out. They took my clients to task in each instance, with a couple of exceptions. I don't recall they involved themselves with ASCAP, but they certainly involved themselves with Dyson-Kissner, involved themselves with Dukor, involved themselves with PAA, where I had a business relationship and involved themselves with Hughes Enterprises. And that led them to illegal use of power by the President re: a sensitive agency of the government, the IRS. We've reviewed that.

At a later date, November, 1977, while I was commissioner of the National Basketball Association, I had a request for an interview by a person who identified himself as a former reporter with the *Washington Post* and the *Wall Street Journal*. He was in the process of writing a book. His name was Michael Drosnin. My first reaction was that I really didn't have the time to bother with Michael Drosnin. However, over some twenty years I had been courteous to the press and never failed to respond to an inquiry from a writer or a journalist. While my days as commissioner of the NBA were extremely full, my conscience bothered me a little and I advised my staff to set up an appointment for Mr. Drosnin. My recollection is that he was given an appointment for 11:00 a.m. and he failed to appear until approximately 11:20. After a half hour or so, I advised him I just couldn't extend the time and the best I could do was set up another appointment for some future date, which I did.

At that later time he asked me if I minded if he taped the interview. I had no problem with that as I had regularly allowed taping of interviews. I asked him initially a couple of questions--he was a total stranger to me--on his background. As it turned out, he puffed up his background. He said he had been a reporter with the *Washington Post* and the *Wall Street Journal* for brief periods of time and was a free-lance writer and he was engaged in writing this book. He proceeded to take some memos from his briefcase

and questioned me about my experience with Hughes. This interview went on for some time. I believe I allowed an hour for him, recognizing that perhaps he needed that in order to have a full interview.

But as the interview proceeded, I realized I was dealing with somebody who seemed peculiar, to put it mildly. But, in any event, I discussed with him the circumstances of my involvement with Hughes Enterprises as I have recounted in detail.

At a point in the second interview--the first one had been, as I described it, somewhat brief--he launched into an attack of a highly personal nature on Hubert Humphrey. It bordered on the violent. It was irrational and it was vicious and venomous. So I ordered him to shut off his tape recorder, which he did, and I proceeded to berate him in no uncertain terms. I perhaps have never been more angered than I was at that moment. To think that this little pipsqueak would have the temerity to malign one of my closest associates, a person who I had great fondness for who was no longer in a position to defend himself. I remember his face reddened. He remained silent and I told him that was it, that I considered him despicable and that terminated any discussion we would have.

He then made a plea to me and he finally prevailed. He was quite persuasive. He was abject. His apology went on and on. He made a plea that we continue the interview. I've done some ridiculous things in my life, but ultimately I guess felt a little sorry for this guy. He was a young fellow unknown to me and I had been extremely tough on him. Finally I said, "Okay, on the basis of that, let's turn on the tape recorder. We'll continue."

I don't remember every detail of the interview. He had a list of people who, with a couple of exceptions, I didn't know. He simply asked if I knew them, had any contacts with them. The answer was no. I detailed the background of my initial contact with Maheu. He had made a blind telephone call to introduce himself. I reviewed what transpired from that time on through the off-again, on-again aspects of Hughes as a client. This was consuming an inordinate length of time. In fact, it was extending well beyond the allocated time. At a point toward the close of the interview he showed me what was apparently a copy of a memo from Hughes to Maheu, their normal procedure of communication. It was lengthy, probably two or three pages. While handing it to me he said, "I'm going to show you this memo and ask you to tell me whether this is the memo that Bob Maheu showed you as evidence of his authority to discuss a relationship with you." I glanced through it. It had some negative references, probably to all the Kennedys, Bobby Kennedy. I didn't read it in detail. There was no need to because I had never seen that memo before. It was not the memo Bob Maheu had shown me so I simply stated, "I've never seen this memo and I can tell you definitely this is not the memo Bob Maheu showed me."

Interestingly enough, he didn't make any point of that. Later events would reveal that at that moment, unknown to me, I was destroying the thrust of his book. So my statement was not only worthless to him, but was destructive as far as he was concerned

in terms of his objective. That interview terminated with his request for another interview in the near future. I advised him he could contact Jan Akerhielm, my assistant, and she would determine when such a meeting could take place. He remained low key after I chastised him and was very careful not to have something occur that might disrupt again.

After he left I thought I better, while fresh in my mind, jot down questions I had regarding him. So on a legal pad I wrote a quick memo to Jan Akerhielm re: Drosnin. I said, "Active file, further check out. Following second interview Drosnin requested one more session"--this was in December--"for next February." Meanwhile I would check file records if any, refresh memory and then I said, "Note: Drosnin is a hater"--this was to myself really--"regardless of his abject apology for attacking HHH." I added, "Well, I kicked hell out of him. I should have thrown him out, most vicious comments I've ever heard." So I underlined, "So before another meeting let's check him out." Other than "Obviously NG" which I assume means no good, "Who and what is he? Hold reviewing files"--this would be my file--"in checking out"--which would be him. "Hold until he requests February appointment. Could be wasting time as I seriously doubt we'll hear further. He doesn't want facts. He's out to smear and has accomplished his dirty work so I assume"--so I guess what I was saying was I assume he doesn't want to meet me again. But I believe he did request the February interview. In any event no interview took place.

Following that I received calls from friends. One was Arthur Krim, who said he had a request to meet a Michael Drosnin who had told Arthur Krim that I had suggested that he call Krim. I, of course, told Arthur that wasn't the case and also told him I had had an unfortunate experience with this fellow. It was up to Arthur whether he wanted to talk to him or not but he should at least know my experience. A similar call came from Steve Smith who told me, "This fellow Drosnin is very persistent and said you urged him to contact me. If so, I'm willing to see him." I told Steve Smith my experience, as I had advised Arthur Krim. I received a call from Joe Napolitan who said, "This fellow Drosnin has said that you've recommended he contact me, that he's in interviews with you and you told him I could be helpful." I filled him in. I think there were others. I had reached the conclusion that while it had been ridiculous for me to subject myself to this experience without knowing Drosnin's background, having had the experience, in fairness to those who inquired of me regarding him I should describe the experience I had and they could make their own decision regarding him.

(Interruption)

- O: As I stated, my recollection is that Drosnin did make some preliminary contact that would lead up to the suggested February interview. That triggered my feeling that I should determine who this fellow was. My security director, Jack Joyce, who handled all NBA security would be an obvious person to check this fellow out. First of all, a *New York Times* print-out on Drosnin showed he had been the recipient of a large number of Hughes files from the Hughes Company that had been stolen in a break-in of a building where these files were stored in California. In the investigation of the break-in certain arrests were made and trials were upcoming. Drosnin became known to have stolen property in

his possession and he was subpoenaed. He disappeared from California and it was reported that he had surfaced in New York. Efforts by the California courts to subpoena him in New York through court reciprocity failed because he couldn't be located in New York. The end result was he had avoided the trial that resulted from the break-in.

That he was in possession of this material was known at the time of this trial, as I was to learn that Drosnin visited the Los Angeles FBI office in July of 1976, represented himself as a reporter from the *New York Times* and offered to exchange information he had regarding some crime figures in return for the FBI's information on a person by the name of Donald Woolbright who he was interested in. He was told that the FBI did not engage in this kind of activity but would appreciate any information he was willing to give them regarding crime figures. The following day Mr. Drosnin called the supervisor in charge of the Woolbright case--this man was the defendant in the break-in trial--and he made the same offer again to the government's supervisor in charge of the case and was given the same answer. Prior to these contacts with the Los Angeles FBI office, Drosnin had contacted the Los Angeles Police Department with the same offer and, of course, with the same results. In 1978 Drosnin was continuing to duck a subpoena in the Woolbright case and the case was finally dismissed on June 16, 1978. The authorities were unable to serve a subpoena on Drosnin either in California or New York. He had skipped to avoid service.

But that didn't end it. He became known around New York once he was off the hook in California. He was described in the report I received from a reliable, confidential source as "a surly, irresponsible, abrasive, obnoxious, anti-establishment individual who enjoys embarrassing celebrities, politicians and persons identified as being with the establishment." The report continued, "On August 28, 1973 this fellow Drosnin was arrested with Abbie Hoffman, Diana Peterson--described as a self-employed handicraft worker--and Carol Raymer, a twenty-four year old secretary who resided in New York. They were charged with selling three pounds of cocaine to undercover policemen at a Times Square hotel. I believe the exchange was in the vicinity of thirty-six, thirty-eight thousand dollars. Hoffman and the others allegedly sold an additional eighth ounce of cocaine to undercover officers in August of 1973. They were incarcerated for a brief period and subsequently indicted. As the indictments dragged on, Drosnin came up with a defense for his presence with Abbie Hoffman. He again went before a grand jury, at which time--

Tape 2 of 2, Side 1

O: --he had found a witness to appear before this grand jury named Lewis H. Lapham. He was the managing editor of *Harper's* magazine. Lapham proceeded to testify that he could account for Drosnin's presence with Hoffman when the deal was made as an effort by Drosnin to pursue an article he was writing supposedly under Lapham's direction on drugs. Lapham did not indicate that the article would be finalized and appear in the magazine. The grand jury bought this con job and Drosnin's indictment was dismissed. It was of interest for my people to note that no such article ever appeared in *Harper's*

magazine.

That was the background of this fellow who had, as it turned out, attempted to sell a book based on this stolen material to at least six book publishers. He had, I believe, requested a hundred thousand dollars as an advance and he was turned down by all six publishers at prior times on the grounds that he could not and would not and did not respond to the question of how the material came into his hands. He refused adamantly to do so. The fact that the material was stolen would concern responsible publishers. The fact that they didn't know how he received the material or what legal problem might result would concern them and he failed to peddle it. However, he made a comeback at a later date and finally succeeded.

(Interruption)

- O: When I had my experience with him he was in the process of writing the book under an agreement he had reached with Holt, Rinehart. The book ultimately was published and it was just what you would have anticipated by virtue of my experience with him.

The book was heavily promoted by ABC television program "20/20." That brought me to having contact from a fellow who was with "20/20" at that time named Geraldo Rivera.

(Interruption)

- O: I received a letter from Rivera, who was senior producer and correspondent for "20/20," in which he requested an interview. He posed in writing--now this is December 1984--a series of questions that would refer to Hughes that we have previously discussed. For example: what was your relationship? There is no need in repeating all of this. I responded to all his questions. "Your recollection of Bob Maheu as a person" and "What was it like to work for Hughes?" My response says, "I have no idea in the world because I had never had any contact with Hughes, obviously." And then, "What did you do for Hughes?" "Was your relationship with Hughes the real reason for the DNC break-in?" "What was the length of the contract? When did the Drosnin interview take place and what were the circumstances of it?"--which I responded to in detail.

The result was Rivera visited with me and spent hours trying to persuade me to appear on the "20/20" program with this fellow Drosnin. He said he appreciated my candid written response to all his written questions and the discussion he and I had regarding all of this for a period of several hours in my apartment in New York. But I declined to go on the program for a good reason, as I saw it. I told him there was no way I would allow myself to be brought to the level of a Drosnin by appearing in some format on "20/20" with a person of his ilk. Rivera hated to take no for answer and asked me to keep thinking about it. This went on for weeks. I was in London, I remember, and I once again told Rivera by phone that I had not changed my view nor would I. Rivera, just prior to filming the segment, called me from the ABC studios here in New York and asked if I

had changed my mind--he'd send a car or a camera crew. I said, "No, I'm not going to alter my position." He replied, "Well, I'm going to say some nice things about you because I respect you and admire you and I don't want this situation to cause a friendship that I feel has developed between you and I to be harmed in any way."

The program went forward and it was again what you'd anticipate, certainly the Drosnin aspect of it. Rivera pointed out I had refused to participate in the program and also stated I did indeed get Wilbur Mills to change his view and protect the Hughes Medical Center in some compromise legislation in the Senate, something to that effect.

At this point I hadn't seen the book. I'd been told by Rivera much of what was in the book in reference to me. It bothered me that my old friend Wilbur Mills if by any chance he saw this program, he would think, "What in the hell? O'Brien never talked to me or tried to position me in any way on any foundation tax legislation." So I decided I ought to call Wilbur Mills and I did. I asked him if he saw the show; he hadn't. I said, "Before anybody mentions it to you"--he interrupted, "You're too late. A *Los Angeles Times* reporter has already called me on the comment supposedly attributed to you. Knowing this was something you would never do, that it was misinformation, I promptly told the reporter, 'I never heard of it. I don't know anything about it. It never occurred.'" So that was a relief to me in my relationship with Wilbur Mills.

Another aspect of this burglary at the Hughes warehouse: at the trial evidence was presented and it was widely known that the burglars had tried to make a deal with the Hughes people for the return of the material for a million dollars. What was Drosnin's role in that, I don't know. The fact is this is the material Drosnin was able to peddle to a supposedly reputable publisher. The Hughes people had no interest in paying anyone a million dollars. So it had dragged on and the second stage was where can we peddle it and how can we peddle it? Drosnin had the proceeds of the burglary in hand and peddled them for money finally by way of a book.

I had people proceed through the Drosnin tome. He had gotten a great promo to launch it on "20/20." Rivera, in his effort to convince me to join in the activities, told me about his interviews with Drosnin. He said he finally located him but he was a recluse and, as Rivera described it, he had a room in the Lower East Side containing a mattress and ping pong table. He described him in a way I felt was Rivera's attempt to persuade me I could take care of Drosnin on "20/20," which I wasn't buying. I referred to the Mills aspect of "20/20." I had further contact by Rivera in which he said, "Didn't you think I did well by you last night on the program?" I thought I'd take the occasion to tell him, "As long as we're talking, let me point out you went 180 degrees in quoting me on Wilbur Mills and the foundation tax matter." There was dead silence for a moment and he responded by saying, "Oh, my God, I think you're right. It was inadvertent. I just"--he said, "The difficulty now with correcting it is we have to go through the legal department." He went on, "Let me see if I can't find some way to correct it because if you contact the network and the legal department it's a very intricate procedure." Well, I had no intention of doing that anyway. I must say for Rivera following that conversation, I

received a letter from him apologizing for the inadvertency or his misunderstanding. He had gone back to his notes and admitted I had said the opposite of what he quoted. But he put some of the blame on me. He added, "This wouldn't have happened if you had come on the program." That ended the Rivera episode.

Then it came to reviewing the book from a legal position, the libel/slander aspect. I had it reviewed in detail and it was replete, as you would envision, with misinformation: venom throughout, misquotations, misstatements of time and places. In the context of that review I think it's well to summarize the Hughes matter and my relationship to Hughes Enterprises.

(Interruption)

O: As I stated previously, a contractual relationship came into being between Hughes Nevada Operations and O'Brien Associates by virtue of a confirming letter of December 24, 1969, from Bob Maheu to O'Brien Associates--in care of Lawrence F. O'Brien--confirming a two-year contract. Reimbursement would be paid on a monthly basis and the contract could be terminated only by mutual agreement of both parties. The contract was retroactive to October 1, 1969. In writing to Bob Maheu's successor, Chester Davis, I terminated the contract in mid-contract on February 11, 1971. I stated in the letter to Chester Davis,

When you contacted me late last December and I reviewed with you the management consulting and public relations services provided under the contract, you indicated a desire to continue these services. However, my son informs me there have been no further payments to the account in close to three months; the account is now close to three months in arrears. Also he tells me that in this period no requests for services have been forthcoming.

And then I said, "In view of this I feel it advisable to chronicle the events that led to this agreement and to summarize the services rendered." I detailed the record. I went through it in detail because obviously I didn't know Chester Davis as I had known Bob Maheu. Following this chronology of activities, I summarized, "The areas of consultation and recommendation extended from below ground to the moon." That was because, as I recount in this litany of services rendered, there was the matter of Hughes interest in underground testing and the matter of the Hughes satellite, Halo, which the Hughes people were most anxious to promote as helpful to the Hughes image. This included the commercial future of the Hughes TV network which I have recounted at an earlier stage, the long-range outlook for cable television in the satellite program, the area of activity, actual and potential, of the Hughes Medical Center which they were endeavoring to promote, indeed, the image of Hughes personally in terms of public recognition of his record. They wanted to revive the old Hughes glamour in aviation. I also recalled being with Bob Maheu in trying to achieve a settlement of the TWA suit.

Then I commented, "So much for the past." And I add, "There is no indication

you and your associates intend to further utilize the services provided under our contract."
And further,

Even though O'Brien and Associates by choice does not provide governmental or political services to clients, even though I am no longer managing the firm, perhaps my position as the Democratic chairman may be a source of embarrassment to you and your associates. This would be understandable because I assume it is essential in your new responsibilities to maintain the best possible relationship with the current Republican administration. But whether this is the case or it is simply a matter of no need, we must look at the facts and we have concluded that although the existing contract is legally binding, there is no desire on our part to continue to enforce it and we want now to take whatever steps are necessary to terminate this contract which requires mutual consent.

So I terminated it.

Davis wrote me perhaps about a month later saying, "I was unable to reach you upon my belated return to the office"--his office was in New York at 120 Broadway--"and I'd like to talk to you with respect to your letter." And he suggests, "Let's see if we can't get together." We did meet at my apartment at which time Davis said, "You expressed concern about nonpayment for a period of months and I've checked that out. That's purely a matter of office incompetency, the changeover. We have no desire to terminate this contract. We want to see it through. We want to fulfill our obligation." He went on in a pleasant vein but, nevertheless, we ultimately agreed that my termination letter was effective and he made some adjustment for some back payments. He emphasized he was reluctant to do this but it was clear I was adamant and I was. It was costly to me as I had lost some clients when I first went back as chairman who decided not to stay with the firm. I must say for Chester Davis he asked, "Would it be all right if I contact you from time to time for advice?" I replied, "Sure, Chester, you can call me any time." There were no future calls except the one I referred to when he told me about the pressure put on him by the Ervin Committee to furnish any files or materials regarding me and the Hughes organization.

So now to a quick overview of the book called *Citizen Hughes*.

(Interruption)

- O: Part of the Rivera comments regarding me on "20/20" was that "lobbying to save a loophole, Larry O'Brien told me he made a personal visit to Wilbur Mills, chairman of the powerful House Ways and Means Committee. It was classic Washington lobbying and apparently it paid off. The loophole was left intact." It sounds pretty innocuous and it is not definitive; it's just a guess. But by the same token my sensitivity to my long-time friendship with Wilbur Mills is what caused me to be concerned.

This, however, is not answering what--

(Interruption)

O: Finally regarding the book written by Drosnin; I am not going to attempt to go through every reference in the book that is inaccurate or libelous but rather focus on some of the more important elements. For example, the initial meeting between O'Brien and Maheu. The Drosnin myth conjures up a Machiavellian conspiracy by Howard Hughes following the assassination of Robert Kennedy to put Larry O'Brien on the "payroll," with Hughes as O'Brien's "new boss," as part of an effort by Hughes to "buy the government of the United States," unquote. Further, Drosnin states that Robert Maheu, Hughes' chief aide, sought to recruit O'Brien by showing O'Brien a handwritten Hughes memo in which Hughes expressed hatred for the Kennedys. "The Kennedy family and their money and influence have been a thorn relentlessly shoved into my gut since the very beginning of my business activities," the memo said. Mr. Drosnin asserts that Mr. O'Brien, "in his eagerness to take the job," misread the memorandum and interpreted it as a eulogy to Robert Kennedy. The facts:

Mr. Drosnin's construction of events involving me represents a conscious attack by the author on my integrity based upon factual falsehoods. The facts are these: Robert Kennedy was assassinated in Los Angeles early in June 1968. During the difficult emotional weeks that followed the assassination, I decided to open my own public relations consulting firm. In late June, I received a telephone call in his Washington office from a man who identified himself as Robert Maheu.

I go on from there, through the initial Maheu contacts, the turndown and the change of direction on my part that led to the ultimate client relationship.

My agreement to take on Hughes Enterprises as a client in my public relations consulting business did not make Howard Hughes in any sense my boss. Nor was I in any way part of an effort to buy the U.S. government. Furthermore, contrary to Drosnin's assertions I was to provide public relations management advice and not lobbying or political work.

And then I say,

I never saw any Hughes memo calling the Kennedys "a thorn in Hughes' guts" or expressing any criticism of the Kennedys. I specifically told Mr. Drosnin in a 1977 interview that I had not seen such a memorandum. Maheu has stated that Mr. O'Brien was not shown such a memorandum and has further stated any claim to the contrary is not only a lie, it is ludicrous. I have a letter from Mr. Maheu which I'm quoting from that states that he was aware of Mr. O'Brien's dedication to the Kennedys and that the memorandum I was shown was "not derogatory to the Kennedys."

In short, Drosnin had made a vicious attack on my integrity with no basis for asserting that

the memorandum he found in Hughes papers was in fact ever shown to me and obviously it never was.

The second myth was a meeting to bribe President Johnson. The Drosnin myth: Drosnin asserts that Howard Hughes directed Maheu to offer President Johnson a million dollar bribe in an effort to cancel an underground nuclear bomb test in Nevada. Drosnin asserts as fact that Mr. O'Brien set up a meeting between Maheu and Johnson in which the alleged bribe was to be offered. In addition, Drosnin's manuscript states that I had been told that the purpose of the meeting was to bribe the President. Drosnin contradicts himself as to whether the meeting I am alleged to have set up between President Johnson and Mr. Maheu actually occurred. Drosnin writes on one page that the meeting took place, page 276. On page 279 Drosnin writes that LBJ refused to have the meeting. The facts: I did not set up or try to set up any meeting between Maheu and Johnson at any time. I was never told of any bribe for President Johnson or any plan to bribe President Johnson. Mr. Maheu had stated that he never told me about Hughes' bribery proposal, that he never asked me to arrange any appointment, and he, not I, made an appointment with the President at the LBJ Ranch in which Mr. Hughes directed that a one million dollar payment be discussed with President Johnson. Mr. Maheu states that, in fact, he never raised the subject with LBJ.

Furthermore, the contents of the Hughes-Maheu memoranda republished at page 276 to 279 of the Drosnin diatribe are totally inaccurate insofar as they state or imply that I knew about any such bribe attempt or that I was actively involved in any effort to have the December 1968 bomb test canceled. I managed Vice President Hubert Humphrey's presidential campaign through early November 1968, took a vacation in Ireland thereafter and remained DNC national chairman until early 1969. I simply played no role in this matter. So once again Drosnin's statements about me have no factual basis. At best they are erroneously based on memoranda that Drosnin and Holt, Rinehart knew to be unreliable, knew they were, in fact, false and were never checked with Maheu to determine their accuracy.

I might add that I received a letter dated January 28, 1985, from Bob Maheu. It's a fairly lengthy letter but in part it says,

Dear Larry,

I continue being amazed at the complete disregard for truth which is being utilized by Michael Drosnin, author of *Citizen Hughes*. In his quest for sensationalism during repeated interviews he disjointedly mixed varied inputs so as to discredit very honorable people. What makes this technique even more despicable is that he continually states that he has researched the Hughes episode in great depth. I am really disturbed that you have become involved in Drosnin's misrepresentation. During the interview he flashed a memorandum from Hughes which is very critical to the Kennedy family and claims I showed you this document at the first meeting which you and I had in Las Vegas. This is not only a

lie, it is ludicrous. I was fully aware of your dedication to the Kennedys. Having anticipated that you might find it strange not being able to see or talk to Hughes I have a very vivid recollection of instructing my son, Peter Maheu, to review documents in an attempt to locate a memo containing your name which was not derogatory to the Kennedys. He found such a document which mentioned Bob Kennedy has surrounded himself with able people and which specifically referred to you. Logic never seems to prevail in the world of a Drosnin. Please rest assured that if such a document as that to which I refer above had not been found, no memoranda would have been produced for you to read. Larry, I'm truly sorry for all the consternation which this book must have caused you. Incidentally,

--this is the P.S.--

you must be surprised that Drosnin also ties you with my trip to the LBJ Ranch. I made those arrangements directly with the White House and Hughes did not tell me the purpose of my visit until five minutes before my departure by jet from Dallas. Again, the record shows that the assignment was not carried out. Instead the President and I discussed a nominal contribution to the Johnson Library which, in fact, was never made.

To check that out further I have a report from Linda Hanson of the LBJ Library Archives who responded to the request of Jan Akerhielm who asked her to check the daily log and back-up book for August 12, 1968, the date of the supposed meeting between Johnson and Maheu at the Ranch. And she reports there is no reference to who made that appointment or how it came about, just time of arrival of where they went and time of departure. Further, I contacted Jimmy Jones while he was member of Congress in 1985 to elicit his recollection because he was the appointment secretary for President Johnson at that time. He says,

The book indicates that I confirmed in an interview with Mr. Drosnin about seven years ago that you arranged an appointment for Mr. Bob Maheu with President Johnson in August 1968. I don't remember meeting or talking with Mr. Drosnin and I doubt seriously that you arranged that meeting. It was well known that you and President Johnson had strained relationships at that particular time because you had resigned as his postmaster general in order to run Bobby Kennedy's campaign. It is highly unlikely that you would have undertaken to arrange such an appointment. How and whether such an appointment was arranged is something you may want to pursue with the archives of the LBJ Library,

which I did.

As far as the other quote attributed to me--and I don't know what that is--I don't recall saying the words that were printed. However, I do remember

President Johnson stating that he felt the Howard Hughes organization "would not be fair with you."

Then another Drosnin myth, and that's the foundation tax bill. Although I referred to it previously I want to spell it out in more detail. Drosnin wrote that I was at the center of Howard Hughes' effort to win a special tax exemption that would apply to the Howard Hughes Medical Institute. In particular, he asserts that I was instrumental in convincing Wilbur Mills to support the exemption in question. He specifically claims that I met with Mills after a revised bill had been reported by the Senate Finance Committee which included the exemption. The facts: Drosnin's account is inaccurate in every respect. In general, I did not play a major role or even a significant role in the 1969 tax bill. I had nothing to do with either the foundation provisions or the capital gains provisions. A Washington law firm handled the lobbying activities in the tax bill for Hughes Enterprises. In particular, the lunch in question was held at Congressman Mills' invitation and he was the host. The discussion covered primarily subjects other than the foundation tax question. That was purely incidental. It was a little reunion of old friends. Claude Desautels, my associate over the years, was also present at that luncheon. I made only one brief mention of the foundation tax proposals and that was limited to problems that certain New York foundations, specifically the Ford Foundation, had with the provisions of the proposal. Neither Hughes nor the medical research center exemption was ever mentioned. I recall this lunch took place early in 1969, long before any bill would have emerged from the Senate Finance Committee, long before any House-Senate Conference and long before any discussion with Mills could possibly have had the strategic importance that Drosnin assigns to the lunch.

Another Drosnin myth: the trade of [G. Harrold] Carswell votes for Nevada nuclear test postponement. Drosnin reprints a memorandum that claims O'Brien participated in an effort to swap votes for Carswell in exchange for a postponement of a Nevada nuclear bomb underground test. The fact: I was never consulted by Hughes or anyone working for him about such an effort. I never had anything to do with such an effort. The memorandum in question, if it exists, was part of a correspondence with a mentally unstable individual. It is clear that Maheu ignored many orders from Hughes and that Maheu made many statements to Hughes that were not accurate. Under these circumstances, the repeated and indiscriminate reproduction of statements about me in memoranda as truth is obviously indefensible.

Inaccurate reporting of my assignments: Drosnin's manuscript reports a series of assignments that I allegedly worked on for Hughes. He implies that O'Brien was consulted on Hughes' bid for ABC, on Hughes' bid for Air West, which Drosnin describes as a plot to swindle the stockholders, and on an effort to prevent unfavorable publicity for the space program. Drosnin asserts Maheu plotted with me to strike at the bankers, to retaliate for a court judgment against Hughes in connection with TWA, that I worked extensively in late 1968 to delay the Nevada Nuclear Test Program, that I worked on CBA hearings with respect to the Air West takeover, that I worked to win passage of legislation making it possible for Hughes' opponents to secure triple damages in TWA

suits.

Tape 2 of 2, Side 2

O: The fact is I did not work on any of the matters mentioned by Drosnin. I was directly involved in several significant activities on behalf of Hughes enterprises, including the reorganization of the Hughes television network, the negotiations to settle the TWA lawsuit--the expansion and promotion of the Hughes Medical Institute and publicizing the launching of the Hughes satellite, Halo. I also recall discussing a long-range program to enlist public support for Hughes' anti-nuclear testing position and the possibility of producing a documentary film about Hughes highlighting his career in aviation and space.

(Interruption)

O: Mr. Drosnin lists projects that I did not work on and omits the matters I did work on. Now to the limited period of the consulting arrangement. Drosnin myth: Drosnin rarely makes clear the period of time that Hughes Enterprises was a client of O'Brien Associates. As it suits his purpose Drosnin states or implies that I carried out assignments or that "Mr. O'Brien's business relationship with Hughes Enterprises began in 1968 and at times hence that the relationship extended into 1972." The fact: my business relationship with Hughes Enterprises began when it became a client of O'Brien Associates in the fall of 1969. All work for Hughes Enterprises ceased effectively in November 1970 and the relationship was formally terminated in February of 1971.

Then he says the Hughes relationship is motive for the break-in of my office, another Drosnin myth. He states that President Nixon's assistant, Charles Colson, knew promptly that O'Brien's consulting relationship with Hughes Enterprises ended in the fall of 1970. Nonetheless, Drosnin still advances a thesis that the motive behind the break-in at the headquarters of the DNC was somehow tied to concern about O'Brien's knowledge of the Nixon-Hughes relationship. The fact: the break-in at the DNC, as we all know and I've recounted in detail, was June 1972. This was approximately one year and eight months after my activity with Hughes Enterprises had ceased. There have been many theories as to why persons in the employ of the Committee to Re-Elect the President broke into my offices and in the final analysis the only individuals who know the truth are the Nixon Administration officials who planned and authorized it. But I do state again, I have never seen any evidence that the break-in in Watergate was to determine what I might know about the personal and political relationship between Richard Nixon and Howard Hughes or to discover if there was any material in my files at the DNC concerning activities performed for Hughes Enterprises by O'Brien Associates during the approximately fifteen months during which a contractual agreement existed. Finally, in reference to the garbage in this book, I believe that evidence at Watergate trials and congressional hearings clearly indicates the break-in was carried out in the hope of attaining information that CREEP, President Nixon and his associates, could use against me in the 1972 presidential election in the hope of embarrassing me and the Democratic candidate who had not been selected at the time of the break-in. Then I review what

transpired and the suits I brought following that.

I've devoted more attention than is called for to this subject, but it is the first time and probably the only time that I will document for the record the venom that coursed through this book. The author certainly has a history of shady dealings and apparent inability to hold a legitimate job in journalism. Diatribes such as this are not uncommon; they crop up frequently. It is the price people pay for being considered "public figures" under existing law and that designation seems to extend to millions today. Under the decision of the courts in *New York v. Sullivan*, it is realistically impossible for a victim to prevail, as actual malicious intent must be proven. Efforts have been undertaken on many occasions to convince the courts to rule against unethical publishers and writers such as I contended with in this instance, without success. I'm a realist. I recognize there's little or no hope you can succeed. You must suffer the consequences and take your lumps. Many of my associates have been subjected to similar scurrilous attacks. They have suffered through them. They have not succeeded in securing a retraction or an apology for misstatements and malicious actions, not to mention favorable court determination. That's the price paid by those engaged in public service. You're defenseless.

Despite that, our democracy remains the best form of a government yet devised by man and it is a privilege to have an opportunity to serve. I enjoyed those years; they were most rewarding. I was very fortunate to have had the opportunity to participate. Despicable people such as this writer and his publisher I have referred to along with the contemptible Watergate group I encountered did not cause me to have any regret whatsoever that I was a participant.

Not long ago, a friend commented in reference to Watergate, "Larry, they punched away at you for a long time but they didn't lay a glove on you." I don't think that's quite accurate. I do carry some scars. But they failed in their effort to destroy me and I hold my head high.

End of Tape 2 of 2 and Interview XXXII