Friend of Nixon Is Identified as Backer In Purchase of Western White House

\$625,000 Borrowed Company Is Set Up to Hold Property

> By WALLACE TURNER Special to The New York Times

WASHINGTON, May 25 . White House said today that the bulk of President Nixon's estate at San Clemente was controlled by an unnamed investment company formed by Robert H. Abplanalp, a multimillionaire businessman who is a close friend of the President.

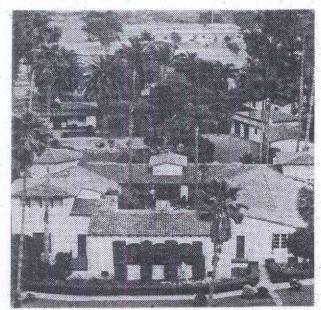
The White House statement said the company had been formed by Mr. Abplanalp "for

Statement on Nixon house is printed on Page 10.

the purpose of acquiring and holding" all but 5.9 acres and ton Cotton estate with a \$100- then Presidential counsel, said the house on the 26-acre prop- 000 down payment and they that about three quarters of erty, and that it paid \$1,249,-000.

dence that the property has in personal notes. been legally divided. A wall, ing there.

also said that Mr. Abplanalp, major part of the 21.6 acres the sale was closed and that owner of an aerosol valve that made up the former the Nixons had been required manufacturing company, aided Hamilton Cotton estate. the Nixons in 1969 when they At a news briefing on May bought the \$1.4 million Hamil- 12, 1969, John D. Ehrlichman, Continued on Page 10, Column 3



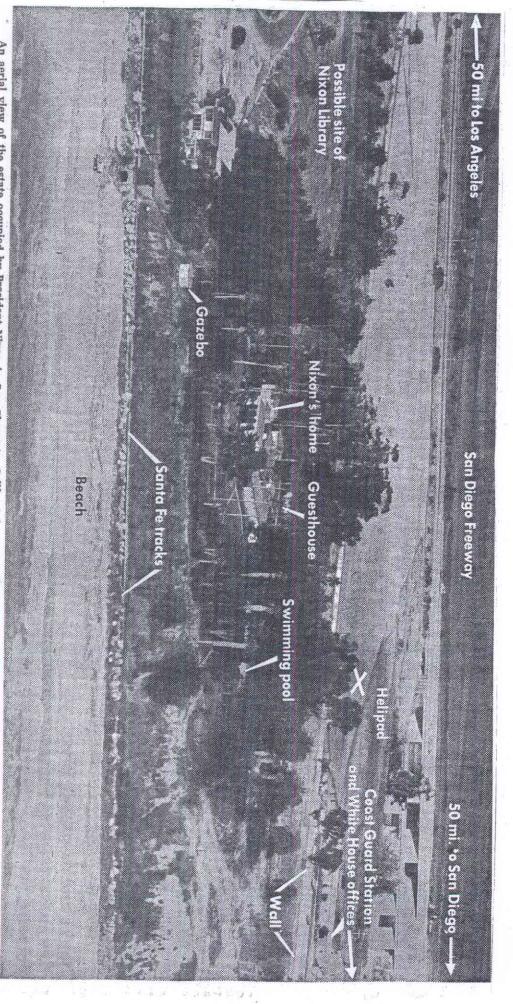
The main house at San Clemente has a center courtyard

were not able to find financing the property was being held as expected. As one point, the "for the beneficial interest of But Orange County, Calif., White House said, the Nixons the President at the present property records show no evi- owed Mr. Abplanalp \$625,000 time-in other words, we are

paid for by the Federal Govern- Mr. Nixon in 1969, just before chaser of the balance." ment, has been built around he switched his voting registhe entire 26 acres, and the tration from New York to Cali-distribution racks in the White Nixons are the only ones resid- fornia. The account given at House press office today said that time hinted that some un- that "no compatible buyer had The White House statement named owner would take the been found" by July, 1969, when

retaining the capacity to deter-The mansion was acquired by mine who will be the pur-

> The statement placed on the to find money to acquire the



An aerial view of the estate occupied by President Nixon in San Clemente, Calif., and surrounding areas. At bottom left is a private home, not on the property.

Nixon Friend Helped Buy The Western White House

entire tract temporarily.

Abplanalp, and at one point specifying how much was owed on what property.

Abplanalp held "their personal Then on May 13, an article Abplanalp held "their personal promissory notes bearing interior in The Santa Ana (Calif.) Regisest at 8 per cent," the state-ter quoted an unnamed invesment related.

brought for \$100,000, of which the San Clemente property \$20,000 was in cash and \$80, When that article was pic

and Mr. Abplanalp moved into described it as "a total fabria new phase in their financial cation." On May 15, the press relationship. Mr. Abplanalp office said that President Nixon created an investment com- still owed \$630,000 on the San pany, according to the narrative of today's statement, and it acquired and held the entire that night that it would pro-

The President and Mrs. Nixon own this tract and the house, subject to a mortgage, the amount of which was not set out in the statement.

Reached by radiotelephone in the Bahamas, Mr. Abplanalp they saction except to say "what I heard on the radio is correct,' The Associated Press reported.

Asked if he would divulge the name of his investment combut I just haven't seen the statement the White House has put

For more than a year, questions have been raised about the following: the amount of money that Mr. Nixon invested in the San Clemente property. The White alp organized and that the House had responded by direct- White House now says owns statement in which Mr. Erlich- tial home in San Clemente? Mr. man, who recently resigned as Abplanalp was said by his asa result of the Watergate scandal, said the Nixons had put Corporation to be at his island up \$100,000, assumed a mort-retreat in the Bahamas. He did gage of \$240,000 and taken not respond to attempts to control of the property.

In a financial statement is-

Continued From Page I, Col. 3 sued Sept. 17, 1972, the White House said that Mr. Nixon had debts of \$518,038 on property The Nixons turned to Mr. in California and Florida, not

tigator for the Senate's Water-The Nixons, meantime, had gate committee as saying that also acquired another small he suspected money left from small tract adjacent to the old the 1968 Nixon Presidential estate. This 2.9-acre parcel was campaign had been used to buy

When that article was picked 000 in a mortgage, according up and distributed by news to the statement. agencies on May 14, the White On Dec. 15, 1970, the Nixons House press office immediately Clemente property.

property except for a 5.9-acre duce a complete accounting on tract on which the mansion is May 15 of Mr. Nixon's land located.

May 15 of Mr. Nixon's land transactions. The accounting was put off three times until

When the statement was made available today, no White House spokesman were available, and the secretaries said they had been told that no would not discuss the land tran-questions would be accepted about the statement which, they said, "spoke for itself."

While the statement swered the question of where pany or any of its operations, control an estate purchased for he replied, "no," adding: "I'm \$1.4-million, it raised other not trying to evade anything questions without giving an-Mr. Nixon got the money to

Some Open Ouestions

Some of those questions are

What is the name of the investment company Mr. Abplaning attention to the 1969 press the land around the Presidensociates in the Precision Valve reach him there.

Whose money financed the \$1,249,000 capital that the statement implies is in the investment company? Why did not the President's statement of net worth last fall make clear the facts of his occupancy of the property known as the Western White House?

Where are the documents that illustrate the transactions described by the White House? (As of two days ago, property



The New York Times

Robert H. Abplanalp in his Yonkers office in 1969

ownership records showed the San Clemente property to be encumbered by a mortgage of \$1-million, and not to be divided into the two parcels described by the White House statement.)

Who paid for improvements, the Government or the President and Mrs. Nixon. The statement said that "the Nixons have spent, to date, \$123,514 for improvements to the house and the 5.9 acre home site.'

A year ago, The New York Times examined all the available public records about improvements made on the estate after it came under the President's control. Attempts were made to discover which imoffice; it did not respond.

But interviews with tractors, whose names were discovered through building permits on file at San Clemente City Hall, showed that thousands of dollars of public funds had been spent on permanent improvements to the property.

The White House statement did not say whether the claim is that someone compensated the public treasury for these expenses, which involved a

seven-foot masonry wall, summer houses, ornate walkways to the beach, heating systems and the like.

Among California politicians it was assumed in 1969 that one of the reasons Mr. Nixon acquired the San Clemente estate was that he felt the need at that time to forestall a 1972 drive for the Presidency by Gov. Ronald Reagan of California.

In 1968, Governor Reagan went to he Republican National Convenion as the chairman of the California delegation that was pledged to him as a favorite son. The delegation was his base for a futile campaign for the nomination.

In 1972, Governor Reagan was the chairman of a convendelegation that pledged to the renomination of President Nixon, then a registered voter from San Clemente.

provements had been paid for by the Government, through the General Services Administration.

Spokesmen for the G.S.A., which has provided much of the service staff for the Western White House as well as the adjacent office complex on the adjoining Coast Guard base, refused to answer questions. The inquiries were referred to the White House press

Abplanalp, Nixon Friend, A Millionaire Industrialist

WASHINGTON, May 25 — admirer of Mr. Nixon, whom Robert H. Abplanalp, identified he once called "a real intellecas the financial backer in the purchase of the Western White House, is President Nixon's sea fishing than on politics. millionaire friend, shyer and not so well-known Abplanalp was moved to deas Charles Rebozo, but at least clare publicly his support for as wealthy.

(the name, pronounced ABsonal fortune reportedly as against the war. high as \$100-million since he invented the aerosol valve 24

years ago.

He is now the sole owner of the Precision Valve Corporation of Yonkers, which sells about 60 per cent of all the aerosol

valves in the world.

burly six-footer, heavily to Mr. Nixon's unsuc-been transferred after some of in 1960, the two men did not smoking marijuana, the Navy become personally acquainted reported today. until 1963, after Mr. Nixon had moved to New York to practice ond time this month that Navy

on's second attempt for the gated for marijuana use. Presidency in 1968, the two men developed a close personal Navy said, indicates that the relationship, lunching together sailors were smoking marijuana frequently, as well as a profes- away from the Sequoia during sional one. Mr. Abplanalp re- off-duty hours. tained the President's old law firm to handle the overseas af-quoia, which is moored in the fairs of his corporation.

Grand Gay and Walker's Cay, meetings aboard the yacht. Mr. Nixon became a frequent the President can relax combeing reassigned pending an in-pletely," a former White House vestigation into charges that

aide has said.

Mr. Abplanalp, a strong con-James L. Buckley's 1970 Senatorial campaign in New York, and is also a friend of J. Daniel Mahoney, a co-founder of ferred had normally been as-the Conservative party in New signed to duties about the York State.

Mr. Abplanalp, who was born in the Bronx and is 51 years TREES, LAKES, GREEN GRASS. old, has long been an ardent

At least once, however, Mr. wealthy.

The son of an immigrant the President's policies. In 1970 the joined the "Tell It to Hanoi Swiss Machinist, Mr. Abplanalp Committee," a short-lived organization formed by a number PLAN-ALP, means "from flat of Mr. Nixon's closest associates mountain", has amassed a per- as a response to the movement

12 SAILORS SHIFTED IN NIXON YACHT UNIT

WASHINGTON, May 25 (AP) Twelve sailors in the unit Although Mr. Abplanalp, a that maintains President Nixcontributed on's yacht, the Sequoia, have cessful Presidential campaign them were discovered to be

The incident marked the secmen assigned to jobs near the In the years before Mr. Nix- President have been investi-

The initial investigation, the

Mr. Nixon has used the Se-Potomac River in Washington, When Mr. Abplanalp bought for evening cruises. Occasion-his two Bahamaian islands, ally, he holds high-level staff

On May 8, the Navy disclosed visitor there, a practice he has that 28 Marines and 18 sailors continued since becoming Pres- assigned to the Presidential reident. "It's one place where treat at Camp David, Md., were vestigation into charges that some were smoking marijuana. In both the Camp David and servative, has said he gave the Sequoia incidents, the Navy "several thousand dollars" to said that there had been no seto said that there had been no security violations.

A Navy spokesman said that 11 of the 12 sailors being transsigned to duties aboard the Presidential yacht.

THE FRESH AIR FUND

Text of Statement on Nixon Home on Coast

WASHINGTON, May 25-Following is the text of a statement issued by the White House today on the financing of President Nixon's home in San Clemente, Calif.:

A newspaper on the West Coast recently published a totally unfounded news account concerning the funds with which the President's home in San Clemente was

purchased.

The Nixon's purchase of their San Clemente home was financed by a combination of proceeds from the sale of their New York apartment, a mortgage executed by the Title Insurance and Trust Company and loans from a personal friend. There were absolutely no other outside sources of funds involved in the purchase of the home.

The attached statement is a chronological summary of the transactions involved.

Statement on Financing

In July, 1969, having sold their New York City apart-ment, the Nixons bought their present home in San Clemente. The 5.9 acre home site that the Nixons wished to buy was part of a larger (26 acre) tract which the sellers insisted be sold as a single unit. It was the Nixon's intention to seek a compatible buyer for all but the 5.9 acres on which the residence they wished to buy was lo-cated, and this was announced at the time.

The recognized need for privacy and security for a President's home necessitated the search for a compatible buyer. It was thought that at some future date the Richard Nixon Foundation might be a compatible buyer of the property if it met the needs of the

foundation as a possible site for a Presidential library.

Prior to the closing of the sale in July of 1969, no compatible buyer had been found and, therefore, it was necessary for the Nixons to acquire, temporarily, the entire tract. To meet the larger down payment which this required, the Nixons received a loan from a personal friend, Mr. Robert Abplanalp. This loan, and a subsequent loan from Mr. Abplanalp in 1970, were the only outside financing used in the purchase of

the property.

The Title Insurance and Trust Company was appointed as the trustee to buy the property and to hold formal title to it in order to facilitate the disposal of the portion of the property the Nixons did not plan on keeping for their own use. Under this arrangement the portion of the surrounding property which the Nixons did not intend to keep could later be sold to a compatible buyer without renegotiating mortgage.

Balance of \$1-Million

On July 15, 1969, the trustee completed the purchase of the property for a total of \$1.4-million. The trustee paid \$400,000 cash, furnished by the Nixons, and executed a mortgage to the sellers for the balance.

Under California law, the mortgage was secured only by the property and involved no further personal liability.

In September, 1969, the Nixons directed the Title Insurance and Trust Company -acting as their trustee-to acquire from S. H. Elmore for \$100,000 an additional 2.9 acres immediately adjacent to the Cotton property to provide better access and privacy. The trustee acquired this property by paying \$20,-000 in cash, furnished by the Nixons, and by executing a purchase money mortgage to the seller for the remaining \$80,000. This mortgage and the mortgage on the Cotton property are recorded in Orange County, Calif.
Thus, the total price of the

entire property, consisting of the Cotton and Elmore tracts, was \$1.5-million. In addition, the Nixons have spent, to date, \$123,514 for improvements to the house and the 5.9 acre home site.

In order to provide temporary financing to meet the objective of the purchases as previously explained, the Nixons borrowed a total of \$625,000 from Mr. Abplanalp, and gave Mr. Abplanalp personal promissory their notes bearing interest at 8

per cent.

On Dec. 15, 1970, the Nixons carried out their plan to sell the property they did not want. It was purchased by an investment company set up by Mr. Abplanalp for the purpose of acquiring and holding this land. The price as \$1,249,000 which was paid as follows: The cancellation the outstanding loans from Mr. Abplanalp (with the exception of accrued in-terest) totaling \$625,000; the assumption of the mortgage on the Elmore property, which at that time amounted to \$64,000; and the assumption of \$560,000 of the \$900,000 remaining mortgage on the Cotton property. This left the Nixons responsible for only that portion of the mortgage covering this 5.9 acres in accordance with their original intent. This sale was accomplished by executing an assignment of an interest in the trust and deliving it to the trustee, the Title Insurance and Trust Company.

Therefore, the total cost of the San Clemente property, and the investment of the Nixons is as follows:

Cotton property.\$1,400,000 Elmore property 100,000 Improvements to date by the Nixons . 123,514 the Nixons ...

Total cost

\$1,623,514

Less: purchase price of surrounding land as described above \$1,249,000

Net investment by the President (5.9 acre homesite area) ...\$ 374,514

KEY BISCAYNE PROPERTY

As previous announced, the Nixons own the houses at 516 and 500 Bay Lane in Key Biscayne. Mr. C. G. Rebozo has owned and oc-G. cupied the residence at 450 Bay Lane for many years.

In order to provide Presidential support such as office spoce, communications and security, the Government Administration Services leases the two other houses in the compound, the house at 478 Bay Lane which is owned by Mr. and Mrs. Robert H. Abplanalp and the house at 468 Bay Lane which is owned by Mr. Edwin H. Underwood. Mr. Underwood is trustee for the Indiana National Bank of Indianapolis which in turn is trustee for th family of A. Edward Campbell, the former owner.

The ownership of these properties and the mortgages on them are a matter of pub-

lic record.