

Presidential Homes

Putting a Halt to the Spending

NYT Sunday 8/15/73

The House of Representatives last week passed and sent to the Senate legislation that would require committee approval in both Houses before any more public money is spent on the residences of a President. At the same time, Representative Jack Brooks, Democrat of Texas, chairman of a House Government Operations subcommittee, said he would try to subpoena Government records of work already done on President Nixon's homes. The following report is by New York Times Correspondent Wallace Turner, who has done extensive investigative reporting on Mr. Nixon's San Clemente estate.

SAN CLEMENTE—Why did he want it at all? Five bedrooms, ten rooms in all. Badly in need of repair. All that land. In fact, he couldn't really afford it.

Besides, as President, he had two great places to live—the White House and Camp David. And, before taking office, he had bought a fine vacation retreat at Key Biscayne, Fla. His friends and leisure-time companions, Charles G. (Bebe) Rebozo and Robert H. Abplanalp, owned houses on the same street. Grand Cay, Abplanalp's island, was only a helicopter flight away, and a helicopter was only a finger-snap away.

But Richard M. Nixon wanted a California house. He sent H. R. Haldeman, Herbert W. Kalmbach and France M. Raine, who was married to Bob Haldeman's sister, looking for a house on the coast south of Los Angeles.

The new President, elected from an address in a cooperative apartment in New York, wanted to be a California voter for a good political reason. Gov. Ronald Reagan had used the California delegation in 1968 as the base for the only strong attempt to snatch the Republican Presidential nomination from Mr. Nixon, and if California Republicans were to have a favorite son in 1972, it would be the incumbent Republican President.

The house found for him was offered to Mr. Nixon for \$1.4-million. The sellers wanted \$400,000 down. To have swung it would have used up most of his money.

The solution to the Nixons' problem was described by John Ehrlichman, then special counsel, at a press briefing on May 12, 1969. The Nixons were to pay down \$100,000, assume a \$240,000 mortgage for the house and

some of the acreage, and someone else would buy the remainder of the land.

"Some of this cash he has on hand obviously is going to go into repairing that house, furnishing it, and it needs a paint job," Mr. Ehrlichman said to the press that day. "He has got a substantial expense there."

The statement about the expenses, it has turned out, was entirely accurate, but that is not the case with what Mr. Ehrlichman said about how the bills were going to be paid. Since that day, at least \$826,000 has been spent on improvements; and it has been disclosed that Mr. Nixon borrowed \$625,000 from his friend Bob Abplanalp—who made a lot more than that by inventing and selling the aerosol valve used on spray cans—to enable him to buy the house.

The disclosure was fascinating to those who had tried to trace the deal from the beginning and had been frustrated by a short trail of records that ended in the cul-de-sac of a trust. The Title Insurance and Trust Company ran the trust. It paid the taxes, and made payments to the sellers under the [concealed] terms of a \$1-million mortgage that was owed after the \$400,000 downpayment.

The new explanation was issued last May 25, ten days after the White House press office first promised it. The statement also revealed that on closing day, July 15, 1969, Mr. Nixon came up short of cash, a not uncommon experience, and turned to Mr. Abplanalp, an uncommon friend, who helped him meet the down payment.

There were other loans until the Nixons owed Mr. Abplanalp a total of \$1,249,000. That debt was taken over in December, 1970 by an invest-

ment company organized by Mr. Abplanalp. The White House press official said the investment company was formed to assume ownership of the portion of the San Clemente property that the Nixons did not want.

What investment company? the reporters asked. Name? Whose money? Other investors in it? Other properties it owns? When formed? Where? What came back were bland statements that were not answers, reminiscent of the persistent White House denials about Watergate that were eventually interred with the epitaph, "inoperative."

The May 25 explanation is still operative. What it revealed was that Mr. Nixon was secretly and heavily in debt to Mr. Abplanalp and might be in debt to others whose names are unknown. No subdivision of the property has been made despite the claim that all but 5.9 acres of the 24.6 acres have been sold to Mr. Abplanalp's investment company.

An \$85,000 golf course, gift of "the Golfing Friends of the President"—76 wealthy businessmen—has been built there. A pathway, including a bridge, crosses the property from the course to the beach.

Tax revenue was used to build that pathway and the bridge and the walls that shield them from view, and the beds of flowers that improve the view. Eventually, if it comes to pass that Mr. Nixon and Mr. Abplanalp's investment group make an actual division of the property, they will work from a survey that tax revenue paid for.

The details of this spending on the Nixon property came out mostly by accident and through a mistake in judgment of one of the President's

spokesmen. After the subject of the transaction was reopened on May 25, The New York Times White House correspondent on duty with the President in Florida on Memorial Day weekend asked about Federal money that had been spent in improving the San Clemente property. He was told that it amounted to less than \$40,000.

The figure fascinated other reporters who had never been able to reconcile the grandeur of the place with the poverty of information. They turned up building permits that pushed the total spent on improvements above \$100,000. Tradesmen told of being paid by the Government for work done on the house and grounds. The stories poured out. The total climbed: It was \$200,000, then \$400,000. The General Services Administration announced it would issue a complete accounting.

On June 18, in San Francisco, the G. S. A. made public detailed records of how it had spent \$703,367 on improvements and operations at the Western White House. The next day, in Atlanta, G. S. A. showed invoices for \$1,180,522 spent on the President's home in Key Biscayne.

In Washington the Administration issued only summary sheets which attributed the spending to "Presidential security." It is not an explanation reasonable persons would quarrel with; the assassination of President John F. Kennedy comes too readily to mind. But the detailed G. S. A. records did take issue with it implicitly.

Under a 1968 law, the G. S. A. is required to spend money for security precautions requested by the Secret Service, and what the Secret Service asked for when Mr. Nixon came to

office, the President got. There is no record of any questions asked.

But others are asking now. For example, the detail sheets show more than \$100,000 worth of landscaping at San Clemente. The Secret Service said that it was necessary to create screens of bushes to shield the President from a rifle shot while he walks on his lawn. The invoices for the landscaping, however, showed purchases in the fall of 1969 for hundreds of plants of poppies, begonias, calendulas, stock, snaps, columbine, violas, primroses, geraniums and roses. The flowers cost only \$404, but they would not provide even that much cover for a man walking across a lawn in the gunsight of an assassin.

There are other, more substantial items about which questions are now being asked. For example, \$1,684 was paid for the survey of property lines when Mr. Nixon bought the house in 1969. The Secret Service said it did not order the survey, but the G. S. A. said it was necessary to locate the \$57,000 security wall. In May, 1969, John Ehrlichman had said that "the President has to go through the process of having the property surveyed in order to get a legal description for that piece he is actually buying out of the total."

Thus an expenditure of \$1,684 originally described as something "the President has to go through," was actually borne by the taxpayers and will ultimately benefit Mr. Abplanalp and, if they exist, his partners in the investment company. The heating system in the house was changed at a cost of \$13,500. The Secret Service said the old one was dangerous.

It has been estimated by one offi-

cial familiar with the transactions that a stiff audit—the kind done by the Internal Revenue Service on taxpayers it questions—would show that Mr. Nixon should be responsible for \$300,000 to \$400,000 of the cost incurred at San Clemente.

The G. S. A. is still compiling the total it spent on Mr. Abplanalp's island in the Bahamas, and on the home in Washington Mr. Rebozo bought for David and Julie Eisenhower to live in. Funds were also spent on the apartments where Edward and Patricia Cox live.

In California, a controversy is building over the suggestion by officials that the San Clemente property has been so much under-assessed that the Nixons have escaped as much as \$60,000 in property taxes in four years.

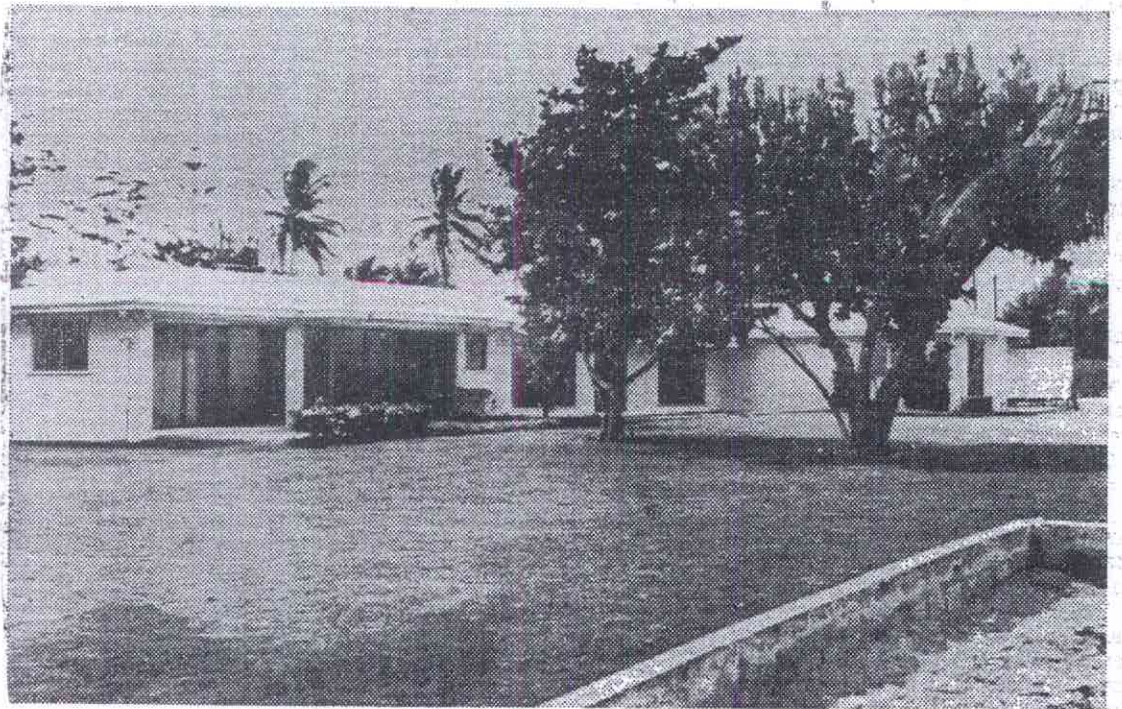
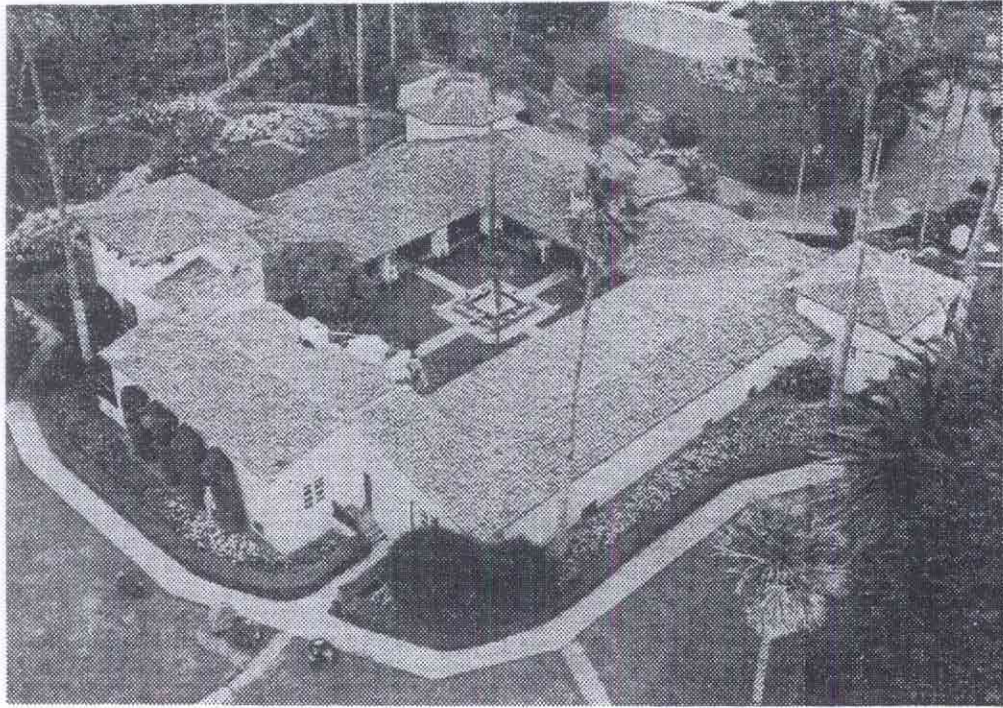
The Senate's Watergate committee has shown interest in learning in details of where the money came from to buy the house, and various committees, having to do with appropriations in both the Senate and House, have begun to ask questions.

For reporters who have been trying to trace the story of the purchase and renovation of the Western White House, there are two broad and not fully answered questions the investigators may profitably ponder:

First, why has the President, even at this late date and despite all the doubts created, not yet revealed all the facts about the financing of the purchase?

Second, to what extent was the security of the President used as an excuse to spend public money for his private pleasure rather than the protection every taxpayer wants him to have?

—WALLACE TURNER



Associated Press
Presidential retreats: The Western White House at San Clemente, Calif., left, and the Nixon home at Key Biscayne, Fla.