

Financier Mixes Sports With Politics

By ROBERT J. COLE

Ask almost anyone who C. Arnholt Smith is. If he knows — and the chances that he will are very slim — he will probably say that he's the guy that owns the San Diego Padres, a somewhat less than successful baseball club.

But at the advanced age of 74, Mr. Smith, despite a penchant for maintaining a low profile, has managed to leave his mark.

After a banking career spanning 56 years, he stepped down earlier this month as the chief executive officer of one of California's leading institutions, the United States National Bank of San Diego.

Still its largest individual stockholder, the banker-industrialist-sports patron continues as the bank's board chairman.

Mr. Smith is also board chairman and chief executive officer of the Westgate-California Corporation, a diversified company with interests in seafood, taxicabs, airlines and buses.

The Securities and Exchange Commission suspended trading in Westgate stock in the over-the-counter market on May 11.

Those who know him best describe Mr. Smith as one of the oldest and closest friends of President Nixon. Their friendship is said to span nearly 30 years.

Earlier this month, John J. Caulfield, a former White

House aide whose name has figured in the Senate Watergate testimony, was said to have tried without success three years ago to convince an agent for the Internal Revenue Service to give the White House a dossier that it had compiled on the banker.

Mr. Caulfield was also said to have tried to get the agent to report the information to John Alessio, a one-time race track operator who has been identified as Mr. Smith's closest business associate. Mr. Alessio later went to prison for income-tax evasion.

Just five days before last Christmas, while Mr. Smith's various businesses were under scrutiny by the Department of Justice, the Civil Aeronautics Board and the S.E.C., the Nixon campaign quietly returned \$50,000 in unreported donations that Mr. Smith had made in a series of checks of around \$3,000 each.

No Help Sought

Mr. Smith is not known to have ever sought political help in exchange for his contributions.

In addition to his difficulties with the S.E.C., Mr. Smith still faces a Justice Department antitrust suit to prevent Pacific Southwest Airlines (PSA, Inc.) from buying Westgate's 81 per cent stake in Air California for nearly \$11-million.

The S.E.C. also suspended over-the-counter trading in Air

California after the company's auditors withdrew their certification of its 1971 financial statements and of the airline's financial statements for 1971 and 1972.

Earlier this week, Mr. Smith arranged to sell the Padres for \$12-million — subject to the breaking of a lease with the San Diego Stadium that still has 15 years to go. The outcome is still in doubt.