

Exclusive Coast Club Spurs Gifts Of Millions for Nixon and G.O.P.

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NEWPORT BEACH, Calif., Feb. 15—One of the most bountiful but least known sources of big campaign money for President Nixon is an exclusive club of California businessmen who like to boast that, without their efforts and generosity, he would not be occupying the White House today.

Made up largely of millionaires, the Lincoln Club of Orange County carries not only great political influence but also considerable social prestige in a seaside community where sleek yachts and racehorses abound and the wealthy live in walled beachfront compounds with uniformed guards at the gates.

According to former members who now oppose some of its policies, the Lincoln Club has 124 carefully screened members who pay dues of \$500 a year. They say its affairs are tightly controlled by a handful of Mr. Nixon's personal friends and Orange County neighbors who sit on the board of directors. Prominent in this inner circle are four or five men who, among them, have raised several million dollars for the Republican party.

Because many of the members are directors of large corporations throughout the country, the club serves as a

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"finder" or point of contact, influence and pressure in obtaining large campaign contributions. The donations — often split into unpretentious \$5,000 segments—are funneled into the party's national treasury through a variety of convenient committees set up for that purpose, in California and in the East.

Several of the Lincoln Club's older figures are original Nixonites who helped launch the President on his political career 26 years ago. They were among a group of old-guard California Republicans who picked him—an obscure young man just out of the Navy—to run for Congress against the Democratic incumbent, Jerry Voorhis. They have been giving generously to his campaigns ever since, in victory and defeat.

The Lincoln Club—it has no headquarters, only a post office box in nearby Fullerton—shuns publicity. Its membership roll is a secret document and its officers refuse to talk with reporters. Each person initiated into the club takes a pledge not to discuss publicly the organization's activities, even though the rank-and-file members know little or nothing about the real scope of those activities. They are not consulted in the selection of favored Republican candidates for state and local office, or the manner in which the club's largesse is distributed.

Since the President took office in 1969, a number of his policies have generated friction in the club. Through resignations there has been a net loss of 20 members, including one board member who was ousted when he demanded an outside audit of the club's financial affairs. Most of those who have resigned are right-wing Republicans critical of Mr. Nixon's decision to visit mainland China and his proposals for a guaranteed annual income and revenue sharing.

From such dissident sources it has been possible to piece together what appears to be a relatively complete picture of the club's internal working, part of it based on minutes of board of directors' meetings dating back several years.

All of the club's decisions, this material makes it clear, are made by the 18-man board, which is presided over by the club's perennial president, Arnold O. Beckman, a 72-year-old founder of Beckman Instruments, Inc., of Fullerton.

Mr. Beckman's right-hand man and adviser at the directors' Saturday breakfast meetings, held each month at the Balboa Bay Club or the Airporter Inn here, is a mild-spoken Newport Beach attorney, Herbert W. Kalmbach. Mr. Kalmbach is President Nixon's personal attorney on the West Coast and No. 2 man on the Nixon national fund-raising team headed by Maurice H. Stans.

The President's brother, F. Donald Nixon of Newport Beach, is a Lincoln Club member and is frequently seen in the company of Mr. Kalmbach at the latter's favorite luncheon spot here, a restaurant called The Quiet Woman. Donald Nixon is an employe of the Marriott Corporation, operator of motels and airline catering services and a client of Mr. Kalmbach's law firm, Kalmbach, DeMarco, Knapp & Chillingworth.

The Lincoln Club's membership is heavily weighted with bankers, land developers and real estate brokers, but there are others outside that category, such as John Wayne, the actor.

In its brief financial reports distributed to members, the Lincoln Club lists political donations to state and county party candidates that usually amount to \$60,000 to \$75,000 a year.

A report dated April 7, 1971, listed receipts for the preceding year totaling \$92,388.45, including \$54,900 in unidentified "contributions." Expenditures of \$78,300.47 were shown, including \$15,000 given to Senator George Murphy in his losing 1970 battle for re-election; \$28,000 to California Congressman William Teague, and \$10,000 to the Ronald Reagan-Ed Reinecke ticket for Governor and Lieutenant Governor in 1970.

But periodic accountings, according to a former member of the Lincoln Club, represent "just the petty cash drawer of the whole operation." Unreported, he said, are large contributions to the Republicans' national campaign chest by individual members. These do not pass through the club treasurer, Robert F. Beaver, but are made directly "ex officio" to Mr. Kalmbach, or, on occasion, to Mr. Beckman.

The former member said that in 1968 he contributed \$24,000 to the Nixon-Agnew campaign and was provided with the names of five different committees — two in California and three in the East — in order to circumvent the national \$5,000 limit on individual contributions. He alleged that, on



Arnold O. Beckman is the Lincoln Club president.

occasion, large sums had been delivered in cash, notably a suitcase containing \$45,000 in fifty-dollar bills said to have been sent to Washington by an unidentified Newport Beach businessman two years ago.

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A Lincoln Club member who has given large sums to promote Mr. Nixon's fortunes is C. Arhholt Smith, San Diego financier whose conglomerate holdings include banks (the United States National, with branches throughout Southern California) a baseball club (the San Diego Padres), hotels, a tunaboat fleet, shipbuilding has insurance companies, an airline (Air California), and a virtual monopoly of California taxicab franchises.

Mr. Smith is said to exert a strong influence in the councils of the club, with three officials of his bank on the board of directors and 13 officers of his various companies on the membership rolls.

The San Diego multimillionaire is reported to have raised more than a million dollars for the Nixon-Agnew ticket in 1968, including \$250,000 of his own money. On election night he sat with Mr. Nixon in the latter's New York hotel suite, watching the election returns on television.

One of the Smith lieutenants active in the club is Clement L. Hirsch, Newport Beach sportsman whose generosity and money-raising efforts in the President's behalf have been rewarded by several visits to the White House. He was one of a half-dozen wealthy supporters who were entertained at an unpublicized dinner aboard the Presidential

yacht, Sequoia, in July of 1970.

Mr. Hirsch, whose wealth comes principally from food processing, is whole or part owner of four ranches totaling nearly 8,000 acres, has two yachts and some 40 thoroughbred race horses including one named June Darling, for which he reportedly paid \$175,000.

The leaders of the Lincoln Club may be publicity shy but, in the privacy of their Saturday breakfast meetings, they evidently have very little modesty about what they have done for Mr. Nixon or their importance to his political well-being.

The club's annual dinner on April 9, 1969, was a belated celebration of Mr. Nixon's election and the minutes of the meeting show Mr. Beckman to have been in an expansive mood.

We elected Richard Nixon President of the United States," he told the Lincoln Club members. "Without California, Dick Nixon could not have won the election. And it was Orange County, with some help from San Diego County, that provided the plurality for him to win California."

He went on to say that Lincoln Club members spearheaded the Nixon-Agnew campaign in Orange County, had raised more than \$400,000 to give Mr. Nixon his biggest victory anywhere in the nation—a county plurality of 166,000 votes that represented nearly one-third of the President's nationwide plurality.

In charge of raising the \$400,000 was Victor C. Andrews of Laguna Beach, a wealthy land developer, a director of the Lincoln Club and a long-time friend of Mr. Nixon. He formerly was regarded as the club's principal "pipeline" to the White House, but his influence in recent months appears to have been overshadowed by that of Mr. Kalmbach.

Mr. Kalmbach, a sandy-haired, conservatively dressed man of 50 who is known hereabouts as a judge of good horseflesh, was vice chairman of the Nixon-Agnew National Finance Committee under Mr. Stans in 1968 and is scheduled for the same role under Mr. Stans in this year's campaign. In fact, he already is traveling much of the time on White House missions.

A Newport Beach businessman, not a member of the Lincoln Club, described Mr. Kalmbach as "a highly respected lawyer and citizen" whose law practice has mushroomed in the last four years "because of his well known influence at the White House and his personal

relationship with the President."

"If you have business with the Government and you want a lawyer you go to Herb, but you can't talk with him for less than \$10,000," the businessman added.

Since Mr. Nixon became President, the firm of Kalmbach, DeMarco, Knapp & Chillingworth has expanded steadily, with large suites of offices in the new Newport Center complex here and also in downtown Los Angeles. New clients attracted to the firm include Flying Tigers Airline, Dart Industries, United Air Lines, Travelers Insurance, the Marriott Corporation, the Music Corporation of America and the Nixon Foundation.

Mr. Kalmbach is secretary of the Nixon Foundation, which is headed by Leonard K. Firestone, the California Republican leader and tire manufacturer. The foundation plans to build a Presidential library adjacent to the Nixon estate and Western White House at San Clemente.

The Nixon-Kalmbach friendship is attributed, in part, to Mr. Kalmbach's long and intimate association with Robert H. Finch, the Presidential advisor. The two were classmates at the University of California following World War II. Mr. Kalmbach was Orange County chairman for Mr. Finch's successful race for California Lieutenant Governor in 1966. Mr. Finch has been a guest at several Lincoln Club breakfasts to discuss California and national campaign strategy.

The Lincoln Club was born in 1963 at a time of Nixon adversity, when Republican fortunes in California had plunged to an all-time low and the party was split into quarreling factions. Mr. Nixon had just suffered a stunning defeat in his attempt to wrest the Governorship away from Edmund G. (Pat) Brown.

"After that devastating 1962 election, a group of us got together and agreed that, regardless of the particular shade of Republicanism each of us favored individually, we had to unite if we ever were to win elections," Mr. Beckman once told the club's members.

Unity—and secrecy—was the foundation stone of the new Lincoln Club, at the expense of the democratic process within the organization.

"We decided to put the policy-making powers in the hands of a small group of persons," Mr. Beckman added. "This has worked very well. There is always the potential danger, of course, of building up an entrenched establishment."