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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 multi-millionaire 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 the house on the 26-acre property, and that it paid \$1,249,000.

But Orange County, Calif., property records show no evidence that the property has been legally divided. A wall, paid for by the Federal Government, has been built around the entire 26 acres, and the Nixons are the only ones residing there.

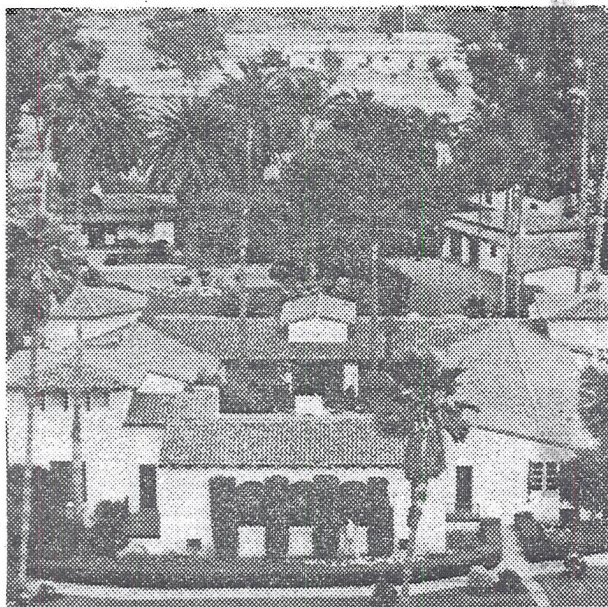
The White House statement also said that Mr. Abplanalp, owner of an aerosol valve manufacturing company, aided the Nixons in 1969 when they bought the \$1.4 million Hamilton Cotton estate with a \$100,000 down payment and they were not able to find financing as expected. As one point, the White House said, the Nixons owed Mr. Abplanalp \$625,000 in personal notes.

The mansion was acquired by Mr. Nixon in 1969, just before he switched his voting registration from New York to California. The account given at that time hinted that some unnamed owner would take the major part of the 21.6 acres that made up the former Hamilton Cotton estate.

At a news briefing on May 12, 1969, John D. Ehrlichman,

then Presidential counsel, said that about three quarters of the property was being held "for the beneficial interest of the President at the present time—in other words, we are retaining the capacity to determine who will be the purchaser of the balance."

The statement placed on the distribution racks in the White House press office today said that "no compatible buyer had been found" by July, 1969, when the sale was closed and that the Nixons had been required to find money to acquire the



Associated Press

The main house at San Clemente has a center courtyard

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entire tract temporarily.

The Nixons turned to Mr. Abplanalp, and at one point owed him \$625,000. Mr. Abplanalp held "their personal promissory notes bearing interest at 8 per cent," the statement related.

The Nixons, meantime, had also acquired another small tract adjacent to the old estate. This 2.9-acre parcel was brought for \$100,000, of which \$20,000 was in cash and \$80,000 in a mortgage, according to the statement.

On Dec. 15, 1970, the Nixons and Mr. Abplanalp moved into a new phase in their financial relationship. Mr. Abplanalp created an investment company, according to the narrative of today's statement, and it acquired and held the entire property except for a 5.9-acre tract on which the mansion is located.

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 would not discuss the land transaction 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 company or any of its operations, he replied, "no," adding: "I'm not trying to evade anything but I just haven't seen the statement the White House has put out."

For more than a year, questions have been raised about the amount of money that Mr. Nixon invested in the San Clemente property. The White House had responded by directing attention to the 1969 press statement in which Mr. Ehrlichman, who recently resigned as a result of the Watergate scandal, said the Nixons had put up \$100,000, assumed a mortgage of \$240,000 and taken control of the property.

In a financial statement is-

sued Sept. 17, 1972, the White House said that Mr. Nixon had debts of \$518,038 on property in California and Florida, not specifying how much was owed on what property.

Then on May 13, an article in The Santa Ana (Calif.) Register quoted an unnamed investigator for the Senate's Watergate committee as saying that he suspected money left from the 1968 Nixon Presidential campaign had been used to buy the San Clemente property.

When that article was picked up and distributed by news agencies on May 14, the White House press office immediately described it as "a total fabrication." On May 15, the press office said that President Nixon

still owed \$630,000 on the San Clemente property.

The press office announced that night that it would produce a complete accounting on May 15 of Mr. Nixon's land transactions. The accounting was put off three times until today.

When the statement was made available today, no White House spokesman were available, and the secretaries said they had been told that no questions would be accepted about the statement which, they said, "spoke for itself."

While the statement answered the question of where Mr. Nixon got the money to control an estate purchased for \$1.4 million, it raised other questions without giving answers.

Some Open Questions

Some of those questions are the following:

What is the name of the investment company Mr. Abplanalp organized and that the White House now says owns the land around the Presidential home in San Clemente? Mr. Abplanalp was said by his associates in the Precision Valve Corporation to be at his island retreat in the Bahamas. He did not respond to attempts to 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 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 im-

improvements 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 office; it did not respond.

But interviews with contractors, 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 the Republican National Convention 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 convention delegation that was pledged to the renomination of President Nixon, then a registered voter from San Clemente.

Text of Statement on Nixon Home on Coast

Special to The New York Times

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 apartment, 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 located, 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 the 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 their personal promissory 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 of the outstanding loans from Mr. Abplanalp (with the exception of accrued interest) 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 delivering 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

Total cost	\$1,623,514
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Less: purchase price of surrounding land as described above	\$1,249,000
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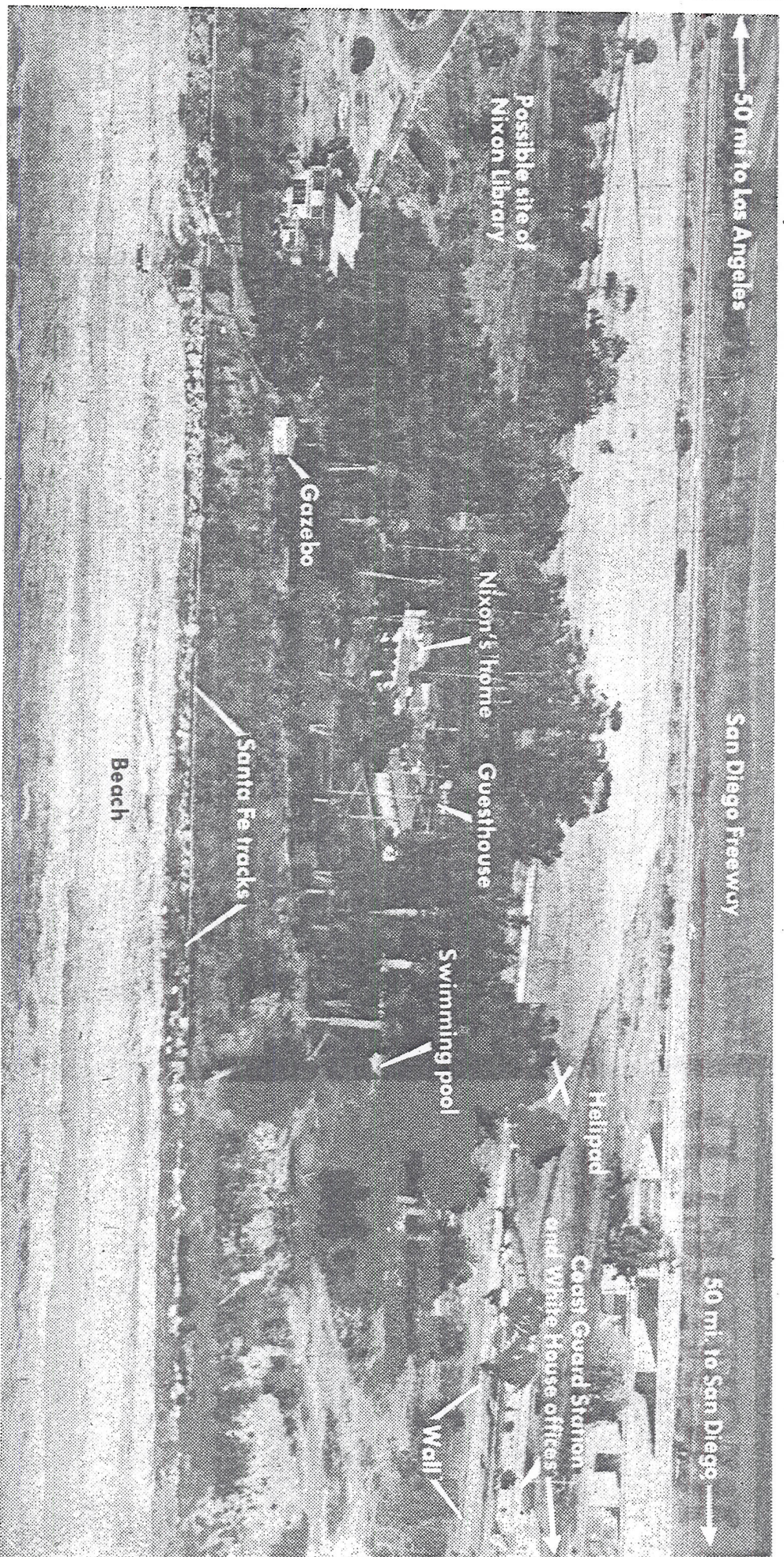
Net investment by the President (5.9 acre home-site area)	\$ 374,514
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KEY BISCAYNE PROPERTY

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

In order to provide Presidential support such as office space, communications and security, the Government Services Administration 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 the family of A. Edward Campbell, the former owner.

The ownership of these properties and the mortgages on them are a matter of public record.



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.