

Nixon Pal Got Airline 'Illegally'

WASHINGTON — (AP)— A federal agency has charged C. Arnholt Smith, close friend and financial supporter of President Nixon, with illegally taking control of a California air taxi firm.

Civil Aeronautics Board's Bureau of Operating Rights said yesterday that Smith illegally acquired control of Golden West Airlines while in control of various surface transportation interests, including the Yellow Cab Co. of Los Angeles.

Because this, the bureau said, Smith must not be allowed to acquire the assets or operating authority of the bankrupt helicopter airline Los Angeles Airways.

'Final Link'

"The instant application represents the latest in a series of attempts spanning four years in which the Smith combine has sought to acquire Los Angeles Airways for the purpose of forging the final link of a chain to monopolize airport-related short-haul transportation in Southern California," bureau counsel Elliott M. Seiden said.

"This proceeding is not the first time the Smith financial combine has sought to acquire control of Los Angeles ways," he said.

The bureau brief will be considered by the examiner along with the arguments of the applicants and of other parties in the preparation of a decision for final action by the CAB.

Business Interests

Smith is chairman of the board of the United States National Bank, San Diego, the 10th largest in California, with assets of more than \$750 million.

He also is chairman of Westgate California Corp., a conglomerate with annual sales of \$175 million and with \$215 million in assets including hotels, real estate,



ARNHOLT SMITH
Accused

insurance, a tuna fishing fleet, a cannery and airport cabs in several cities. In addition, Smith owns the San Diego Padres baseball team.