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San Clemente Deal
Detailed by Nixon

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The White House said yesterday that industrialist Robert Abplanalp, a close personal friend of the Nixons who perfected the aerosol spray valve, lent the President \$625,000 in 1969 to help him buy his San Clemente, Calif., home.

Then in late 1970, an investment company set up by Abplanalp bought all but 5.9 acres of the 29-acre tract. The transaction, in which the loan to the Nixons was canceled, represented a net investment by Abplanalp of \$1.2 million and \$374,514 for the Nixons.

The White House announcement came in reply to a recent story in the Santa Ana (Calif.) Register, which claimed that unreported campaign funds were used to buy the San Clemente property.

At the time of the report, White House press secretary Ronald L. Ziegler called it "a total fabrication" and promised a detailed accounting.

"The Nixons' 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 Co., and loans from a personal friend [Abplanalp]," yesterday's statement said.



ROBERT ABPLANALP
... invested \$1.2 million

"There were absolutely no other outside sources of funds involved in the purchase of the home."

Reporters were handed copies of the three-page property statement as the President and his entourage were departing for Key Biscayne, Fla.

Abplanalp, a Bronxville, N.Y., industrialist, owns Grand Cay island in the Bahamas, which Mr. Nixon frequently visits while on trips to his home in Key Biscayne.

It was announced in May, See CLEMENTE, A8, Col. 1

CLEMENTE, From A1

1969, that the Nixons had sold their Fifth Avenue apartment in New York to Mr. and Mrs. Lewis Lehrman for \$326,000 and had purchased a home in San Clemente for about \$340,000.

John D. Ehrlichman, then counsel to the President, explained at the time that the Nixons bought the New York apartment in 1963 for \$166,860 and spent \$95,000 on improvements.

The San Clemente purchase was made from the Cotton estate, which insisted on selling it as a single unit.

"It was the Nixons' intention to seek a compatible buyer for all but the 5.9 acres on which the residence they wished to buy was located," the statement said.

When no compatible buyer was found prior to the closing date of the sale in July, 1969, "it was necessary for the Nixons to acquire, temporarily, the entire tract," the statement said.

To meet the larger down payment required to buy the entire tract, Abplanalp made the loan, charging the Nixons 8 per cent annual interest on it.

The Title Insurance and Trust Co. was appointed as trustee to buy the property and hold title. "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," the statement said.

The purchase was made for a total of \$1.4 million.

In September, 1969, the Nixons directed the title company to acquire from S. H. Elmore for \$100,000 an additional 2.9 acres adjacent to them "to provide better access and privacy."

"Thus, the total price of the entire property, consisting of the Cotton and Elmore tracts, was \$1,500,000," the statement said. "In addition, the Nixons have spent, to date, \$123,514 for improvements to the house and the 5.9-acre homesite."

In December, 1970, the Nixon "carried out the plan to sell the property they did not want" to an investment company which Abplanalp established.

The remaining mortgage on the Nixon property is \$340,000, according to the statement.

The White House statement said that Abplanalp's investment company purchased the property the Nixons did not want by canceling the outstanding loan to the Nixons' assuming a \$64,000 mortgage on the Elmore property, and assuming \$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 their 5.9 acres in accordance with their original intent," the statement said.

From the figures presented,

it appears that the Nixons have paid off \$116,000 of the mortgage loans on addition to interest, which means that the total Nixon outlay and indebtedness comes to \$456,000, less interest payments.

The White House release raised a number of contradictions, however. Most glaring is the contrast between yesterday's statement and repeated statements by high White House officials in the past 12 months that Mr. Nixon had not sold the 20-acre surrounding property.

In response to an inquiry by William Chapman of The Washington Post within the past year, John W. Dean III, then counsel to the President, said there had been no determination yet as to what would be done with the remaining acreage.

"The remainder of the site is totally in limbo," said Dean.

In October, 1972, Ehrlichman told Robert Toth of the Los Angeles Times that Mr. Nixon expected to find a buyer within the coming two years. Ehrlichman told Toth, according to an article printed Oct. 29, that \$1 million of Mr. Nixon's original \$1.4 million mortgage would come due in a final "balloon" payment.

There is no record of the sale to Abplanalp in the Orange County land records in Santa Ana. The records merely list a \$1 million mortgage in the name of the Cotton family and held by the trustees, Title Insurance.

In his Oct. 29 article, Toth quotes Richard Howlett, general counsel for Title Insurance and Trust Co., as saying that if the \$1 million had been paid off "it is without our knowledge . . . The entire amount of the indebtedness has not been paid off."

Under California law, apparently, the transaction would not have to be publicized or recorded as long as the property was in trust.

Another inconsistency lies in the White House statement that Mr. Nixon paid \$400,000 down for the property. In earlier releases at the time of purchase, and later statements by Ehrlichman the down payment was reported as \$100,000 on a purchase price for the homesite of \$340,000. Mr. Nixon was said to be paying 7.5 per cent annually on the remaining \$240,000, maturing in five years from purchase, or July 15, 1974.

At no time prior to yesterday would the White House explain the financing on the \$1 million promissory note held by the Cotton family. Details were shrouded in secrecy protected by its trust status. Mr. Nixon's name was even absent from the deed of sale in Santa Ana.

Charles E. Horning, attorney for the Cotton heirs, also could not be reached yesterday.

Unexplained also are Abplanalp's plans for the property, all of which is still being

used as part of the presidential compound and being policed by Secret Service agents.

The property, like all other land in Southern California, is said to have increased substantially in value in the four years the Nixons have owned it. A Los Angeles Times report last year indicated that the property has doubled in value in four years.

During last year's campaign, the White House said that the Nixon assets consisted of "cash, savings bonds, life insurance, personal property and real estate."

The accounting said that the San Clemente and Key Biscayne properties were valued at \$809,747 and were mortgaged for more than \$500,000.

The statement, issued in September, said that the Nixon assets totaled \$1,283,256 while liabilities totaled \$518,138.

Yesterday's statement noted that the Nixons own two houses in Key Biscayne.

C. G. (Bebe) Rebozo owns and lives in an adjoining house.

"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 Abplanalp and the house at 468 Bay Lane which is owned by Mr. Edwin H. Underwood," the statement said.