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Senators Will Recall Dean On Nixon Estate Purchase

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WASHINGTON, July 3—John W. Dean 3d will be recalled by the Senate Watergate committee this fall to testify about President Nixon's personal financial dealings in his purchase of his \$1.5-million estate in San Clemente, Calif., the committee's chief counsel said today.

Samuel Dash, the counsel, said in a telephone interview that Mr. Dean would be questioned to determine, among other things, whether any Republican re-election campaign funds had been involved in the purchase.

Meanwhile, in San Clemente, Ronald L. Ziegler, the President's press secretary, denounced as "malicious, ill-founded and scurrilous" newspaper articles that suggested wrongdoing in the purchase of Mr. Nixon's estate there.

Sources close to Mr. Dean have said that the former White House counsel was prepared to testify during his televised Senate appearance last week that he was convinced the White House had "covered up" the full financial affairs behind the purchase of the estate. However, the question never came up during Mr. Dean's five days of testimony.

'Big Cover' Charged

Mr. Dean's associates told a reporter before he made his Senate appearance that "the White House has not made a clean breast" of the arrangements behind the purchase.

"John didn't think that the whole thing had been flushed out," one source close to Mr. Dean said in reference to a White House statement May 25 on San Clemente. That statement acknowledged that an unnamed investment company controlled most of the property.

"It's another big, elaborate cover," the source said of the statement.

Although questions about Mr. Nixon's personal finances were never specifically asked during

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last week's hearings, Mr. Dean referred on at least two occasions to his working knowledge of the President's affairs.

In response to questions last Tuesday about his functions as White House counsel, Mr. Dean caustically said that "the title was probably the best part of the job." Then he declared, "Some of the work of the counsel's office was really related to technical legal problems, making sure that the I's were dotted and the T's were crossed on certain documents."

"I had a number of dealings," he added, "with the persons who were working on the Nixon Foundation and did some personal work on the President's San Clemente properties and other personal things like that for the President, where I was the conduit to the law firm that was handling this for the President."

One of the partners in that firm, Herbert W. Kalmbach, also served as Mr. Nixon's personal attorney until his involvement in the cover-up payments to the Watergate defendants became publicly known.

Testimony Recalled

Mr. Kalmbach and a partner, Frank Demarco Jr., were involved in the purchase of the San Clemente estate in 1969, according to published records, and also handled Mr. Nixon's personal income tax.

In his Senate testimony, Mr. Dean said, "I was often the conveyor of information to Mr. Kalmbach for the President. They dealt with the personal side of the President's. . . I know his partner, Mr. Demarco, and I would always take the tax return in to be signed."

Asked about Mr. Dean's assertions of a White House cover-up in the San Clemente statement, Mr. Dash said that the seven members of the Senate committee agreed before last week's testimony to limit all questioning to the Watergate bugging and cover-up.

"We stayed away from that [the President's personal financial affairs] in the first round," Mr. Dash said, "because we're going to get into it in another phase of the hearings."

"I've already told Dean that I want him back to discuss San Clemente and other aspects" of his testimony that were not related to Watergate, Mr. Dash said.

San Clemente may become a very important issue," the counsel added, "but not at this point."

Firm Decision Expected

Within the next few weeks, Mr. Dash indicated, the Senate committee will make a firm decision whether to open the next stage of its inquiry with public testimony about political sabotage or campaign financing. He said that the inquiry would begin in late September, after the current inquiry into Watergate and the cover-up had been completed.

The Watergate counsel specifically referred to reports that leftover Republican campaign funds had been utilized in the initial purchase of San Clemente and said that this area would be investigated.

In May, the White House denied a report in the Santa Ana (Calif.) Register alleging that Senate investigators believed that Mr. Nixon had used leftover 1968 campaign funds to buy the house.

Two weeks after that story was published, the White House issued a 1,000-word statement saying that an investment company formed by Robert H. Abplanalp had purchased — for more than \$1.2-million — the bulk of the estate. At the time, it was reported that local courthouse records did not indicate that the property had been legally divided and that the Nixons were the only ones in residence there.

Mr. Abplanalp, a multimillionaire businessman and inventor who is a close friend of Mr.

Nixon's, has refused to respond to queries about the investment company or to list its owners and other assets, if any. The White House statement also said that at one point Mr. Nixon owed Mr. Abplanalp \$625,000 in personal notes in connection with the purchase.

Loan Reported Canceled

This loan was later canceled, according to the White House statement, when the property was purchased by the investment company in December, 1970. The White House statement did not say whose money had initially financed the investment company's purchase.

On May 29, The New York Times reported that nearly \$2-million in unspent 1968 Republican campaign contributions was placed into trust funds at the direction of Mr. Kalmbach, who has also served as a key campaign fund raiser for Mr. Nixon since 1960.

The Times also reported that at least \$350,000 and possibly more in Republican funds subsequently ended up after the election in the control of France M. Raine Jr., of suburban Los Angeles, a realtor and brother-in-law of H. R. Halde- man, the former White House chief of staff. Court records show that Mr. Raine also participated in the purchase of San Clemente in 1969, along with Mr. Kalmbach.

One of Mr. Dean's associates, while discussing these facts

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shortly before the White House counsel's Senate appearance, commented cryptically:

"This little Santa Ana paper didn't even know where they were. They turned on a 100-watt bulb when a searchlight was needed."

"If the committee made Dean talk about this," the associate said "it would be another guide-marker on the President."