



ELMER H. BOBST
... "honorary father"

Tricia Deal Explained By Nixon

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Associated Press

Angered by a published suggestion of tax cheating by daughter Tricia Cox, President Nixon removed the wraps yesterday from what he described as a secret real estate partnership that netted him and his daughter \$111,270.

Mr. Nixon's aim was to show that he and Mrs. Cox separately reported their profits on their income tax returns. Newsweek magazine recently reported that investigators were trying to determine if the daughter escaped taxation by allowing her father to offset the entire gain against the large deductions he has claimed on recent returns.

In making public a stack of documents relating to the transaction, Mr. Nixon asserted that his daughter loaned him \$20,000 to finance a land deal in which she was to collect 40 per cent of any profits, to his 60 per cent. The President said he guaranteed Mrs. Cox against any loss on the investment.

One of the documents showed Mr. Nixon was to pay his daughter 6 per cent interest on the loan but White House officials said

he never made any interest payments.

The land involved—two undeveloped lots on Key Biscayne, Fla.—was purchased in Mr. Nixon's name alone in April, 1967, for \$38,080 from Cape Florida Development Co.

The \$20,000 loan from his daughter, obtained the following month, apparently covered the immediate cash outlay for the properties inasmuch as a financial statement released by Mr. Nixon listed payment of a \$22,100 debt to Cape Florida Development Co. at an unspecified date subsequent to Jan. 1, 1969.

The White House said Mrs. Cox — then Miss Nixon—raised the money by selling stock from a trust fund set up for her in 1957 by Elmer H. Bobst, then chairman of Warner-Lambert Pharmaceutical Corp. and its biggest individual stockholder.

[Bobst, 89, is possibly the closest friend of the President, who has referred to him as his "honorary father." Bobst has said that the President "is like a son to me," and that the President's daughters "call me Uncle Elmer."

[The President and Bobst met at a dinner in 1953. The drug tycoon, now honorary chairman of Warner-Lambert, contributed an undisclosed sum to Mr. Nixon's 1960 campaign; last year he was listed for \$100,000 before a disclosure law took effect and \$50,000 afterward.]

The two lots were sold Dec. 28, 1972, to William Griffin, a Yonkers, N.Y., attorney and business associate of Nixon friend Robert Abplanalp. Griffin paid \$38,500 at the time of the purchase and the balance this year.

The White House made public a copy of the section of the joint tax return of Mrs. Cox and her husband reporting a 1972 capital gain of \$11,617 and said their 1973 return should show a further gain of \$32,891.

Deductions Kept Taxes Low

DEDUCTIONS, From A1
of pre-presidential papers valued at \$576,000.

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White House officials said the official expenses at Mr. Nixon's San Clemente estate involved 25 per cent of the cost of such items as utilities, fire insurance, gardening, maintenance and annual depreciation.

The president has also written off the full cost of maintaining one of his two houses at Key Biscayne, which White House officials said is used as a presidential office.

The write-offs for upkeep at San Clemente amounted to \$32,167.86 during 1969-72 and at Key Biscayne, \$24,787.11.

Each year, Mr. Nixon has also claimed deductions for "unreimbursed official expenses" such as entertainment of visitors, special

Christmas greeting cards and gifts to foreign dignitaries. These totaled \$47,765.99 from 1969 through 1972.

White House officials said \$3,331.56 in deductions for "depreciation of personally owned White House office furniture" stemmed largely from Mr. Nixon's purchase of a table in the Cabinet room and, apparently, a second desk in his suite at the Executive Office Building.

"The old table in the Cabinet room wasn't big enough," a White House spokesman said. "The new one is used fulltime."

Besides his \$200,000-a-year salary, Mr. Nixon also gets a \$50,000-a-year expense allowance, although he drew only \$36,468 of it in his first year in office.

In any event, he added the \$186,468 in expense payments to his income and claimed job-related expenses—such as the depreciation on White House furniture and partial upkeep at San Clemente—as deductions in pursuit of official duties totaling \$108,052.

The Internal Revenue Service set aside the President's

1971 and 1972 tax returns for an audit, the White House said, and cleared them in June, 1973. IRS District Director William D. Waters of Baltimore wrote Mr. and Mrs. Nixon that the check "revealed they were correct."

Aside from Mr. Nixon's deductions for the gift of pre-presidential papers, the President's biggest deductions were for interest expenses, meticulously listed down to a \$1.24 finance charge at Garfinckel's department store. They totaled \$257,376.15 in the four-year period, with the biggest chunk going for payments on San Clemente.

White House officials said the President was apparently unaware of this at his Nov. 17 press conference before Associated Press managing editors in Orlando, Fla.

Mr. Nixon said then that his nominal taxes for 1970 and 1971 resulted from his gift of the papers and "not because of the deductions for, shall we say, a cattle ranch, or interest, or all of these gimmicks . . ."

The \$576,000 gift of pre-

presidential papers has been criticized by public interest tax lawyers who contend that it was never validly made before Congress severely limited tax deductions based on such donations in 1969. Tax legislation passed that year restricted deductions for gifts of letters and memoranda by federal officials to the cost of the paper on which they are printed.

Mr. Nixon's papers were valued at \$576,000 by Chicago appraiser Ralph G. Newman. The President deducted \$12,583.24 in payments to Newman as well as the major portion of the value the appraiser assigned to the papers themselves.

Other deductions by Mr. Nixon included charitable contributions that reached a high of \$7,512 in 1970 to a low of \$295 last year during his re-election campaign.

Data made available by the White House indicated that Mr. Nixon cut back sharply on charitable gifts last year, excluding even such regulars as the East Whittier Friends Church and the Duke University Loyalty Fund.