

President Nixon's Personal Finances (II)

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AT DISNEY WORLD a couple of weeks ago, President Nixon discoursed briefly and vaguely on the manner in which he had become a wealthy man between 1960 and 1968, his years out of federal office. For anyone attempting to weigh the meaning and merit of the President's subsequent financial disclosures—the voluminous materials released at the White House over the weekend—that eight year period is crucial. In it, by his own account, Mr. Nixon amassed the considerable holdings that enabled him, in 1969, to make his investments in Key Biscayne and San Clemente. That period, however, is dealt with only tangentially and indirectly in the documents Mr. Nixon has now made public, which deal with the years 1969 to 1972.

We make this observation, first, by way of caveat: voluminous as the released material is, it does not include those records that may be essential to an understanding of the President's current financial status. Nonetheless, enough is revealed concerning the period to affirm one enduring and distinctive aspect of Mr. Nixon's ascent to a position of great wealth over the past decade or so: he appears, oddly, never to have risked—much less lost—any money in the process. Others consistently seem to have taken the risks and covered the losses for him. Mr. Nixon has been, throughout, protected and/or subsidized by his friends.

"I have earned every cent," the President said at Disney World. "I have earned everything I have got." How? one wonders, if not as a consequence of his holding public office or having the prospect of holding it. And yet, here too, the President is insistent: "I have never profited, never profited from public service." What then can account for his impressive accumulation of resources over the period in question and for his all but loss- and risk-free financial life? We do not know the answer; but the President's exceptional good fortune is well worth documenting.

- In 1958, while he was Vice President, Mr. Nixon permitted a \$25,000 trust fund to be established for his 12-year-old daughter, Tricia, as a gift from Elmer Bobst, then chairman of the Warner-Lambert Pharmaceutical Company, at a time when this company was urgently seeking to influence government decisions concerning the pharmaceutical industry.

- The proceeds of this gift from Mr. Bobst accounted for about half of the purchase price of two undeveloped lots in Florida which Mr. Nixon bought in 1967. Mr. Nixon borrowed \$20,000 from his daughter and the balance of the \$38,000 purchase price from the company from which he was acquiring the property. The price he paid was substantially less than others were paying for similar lots in the development. In 1972, he sold these lots to an associate of his friend Robert Abplanalp for a total price of \$150,000, thus realizing for himself and his daughter a profit of more than \$111,000.

- In 1967, Mr. Nixon purchased stock in a development company on Fishers Island in Biscayne Bay, a company whose major stockholder was Charles G. Rebozo, another good friend. He borrowed most of the money (\$124,000) to make the \$199,891 purchase and bought the stock at one dollar a share. Two years later, he sold the bulk of his stock back to the company at

two dollars a share—a price arranged by Mr. Rebozo—and realized a profit of \$184,891.

- When the President and his wife decided to buy a homesite consisting of two parcels of real estate in California in 1969, for a total cost of more than \$1,500,000, Messrs. Abplanalp and Rebozo were to figure prominently in the transaction. Mr. Abplanalp loaned the Nixons \$450,000 to make the down payment on the first and larger tract of San Clemente property and loaned them \$175,000 more one year later to make the first mortgage payment on that tract. According to the accounting provided by the White House, the Nixons had put up only \$42,054 of their own money. Yet, by December 1970, even with the payments they had made themselves and those they had made with Mr. Abplanalp's help, the Nixons still owed \$964,000 on their California property. At that point, the Nixons sold the bulk of the San Clemente real estate to the B & C Investment Company, a joint enterprise consisting of Mr. Abplanalp and Mr. Rebozo. The sale wiped out the Nixon's total debt to Mr. Abplanalp along with their total debt on the smaller of the two San Clemente parcels and it reduced their overall debt on the real estate to \$340,000. In short, the San Clemente transaction would have represented a real risk and a potential fiasco—had it not been for the massive financial assistance the President got from Mr. Abplanalp.

"I have earned every cent . . . earned everything I have got"—we repeat the assertion and also the question that flows from it: how? It is possible that the mysteries surrounding the bounty of Mr. Nixon's friends will never be dispelled, that we will never know substantially more than we do now about these unusual transactions and the apparently guaranteed, pre-arranged way in which Mr. Nixon seems to have acquired his wealth. But it seems to us that, even in outline, enough is known about these transactions already to suggest the wisdom of a moratorium on the President's role as lecturer to the poor and to the making-ends-meet middle class, as sanctimonious champion of the "work ethic" for other people, and as remorseless and often insensitive critic of the way other less fortunate citizens seek to acquire their security.

If we learn nothing else of Mr. Nixon's financial and tax arrangements we now know this much: that the man who only a little over a year ago was describing the average American as "the child in the family" ("You give him some responsibility and he is going to amount to something . . . you make him completely dependent and pamper him and cater to him too much, you are going to make him soft") has taken a ride, virtually free of risk or responsibility, to millionairehood on his friends' munificence. This phenomenon is of a piece with Mr. Nixon's approach to the tax breaks and expense account advantages that a person in his position might seek. Thus the man who made such an issue of government "doles" and self-reliance and asking not-what-government-could-do-for-you - but-what-you-could-do-for-yourself, left no stone unturned and no deduction untried in seeking to exploit the available largesse of the American government—at the expense of the American taxpayer.