

sibility of having accidentally erased "four to five minutes" of the tape by mistakenly pressing the "record" button, evidently while keeping her foot on the pedal that advanced the tape. Presidential Chief Counsel J. Fred Buzhardt buttressed the theory, testifying that he had re-created a loud hum on the erased tape by using Miss Woods' electric typewriter, high-intensity lamp and Uher 5000 tape recorder.

Last week, however, the six-man panel of electronics and acoustical experts scuttled the White House theory. After studying the tapes for 13 days, they told Federal Judge John J. Sirica in a preliminary report that neither the lamp nor the typewriter was "a likely cause" of the hum.

Significantly, the experts added that "yet to be confirmed by further study are some indications that the Uher re-

authenticity and integrity of the tapes in general."

Sirica himself has been listening to subpoenaed tapes to determine which parts can be turned over to Special Watergate Prosecutor Leon Jaworski and the grand jury. Jaworski and the grand jury sought them as evidence in determining whether to indict more people in the Watergate case. Last week Sirica delivered to Jaworski a single reel of tape, which contained conversations regarding Watergate excerpted from two presidential tapes.

Jaworski also reported that the White House surrendered two subpoenaed tapes to him, as well as a number of written documents. Nobody would disclose what they concerned. But the action signified a new spirit of cooperation by the White House, as did the Administration's decision to let Ja-

New Doubts

In making public the voluminous data on his personal finances, President Nixon somewhat blithely announced that the tangle of figures raised only two questions, and that both of them could be settled by the Congressional Joint Committee on Internal Revenue Taxation. Last week the committee, headed by Arkansas Congressman Wilbur Mills and Louisiana Senator Russell Long, agreed to review Nixon's tax returns for the past four years. The legislators, however, will not just look into the two points that the President chose to cite, but they say that they will comprehensively examine the whole tax strategy that has helped make him a millionaire. That should make them busier than an accounting firm in April. As he has in so many of the other controversies swirling about his Administration, Nixon in baring his financial record sorely underestimated his—and his critics'—capacity to raise new questions (see THE PRESS).

Nixon insisted that the only matters open to inquiry involved his donation of some of his vice-presidential papers (diaries, memos and the like) to the Government and his failure to report any capital gain on the sale of part of his property in San Clemente, Calif. There are indeed questions still to be answered in those transactions, plus many more in other areas. Among them:

Did Nixon donate his papers to the Government in time to claim the tax privileges that he took? A tightening in the tax laws ended deductions for gifts of such material, effective July 25, 1969. On that date, according to a General Services Administration investigation performed at the request of Connecticut Senator Lowell Weicker, the President's documents were being kept at the National Archives in an area reserved for "courtesy storage," and they were neither sorted nor formally valued until later in the year. The President still retains control over access to all the papers, which are stored in the Archives. The deed for the material that Nixon's appraiser eventually chose to give was not delivered to the Archives until April 10, 1970—almost nine months after the cutoff date. Senate investigators are looking into the possibility that the deed, which was signed by Nixon legal aides rather than the President himself, might have been predated. Over the next four years Nixon used the gift of the papers to avoid \$235,000 in income taxes that he otherwise would have owed.

Did Nixon realize but not report a capital gain on the sale of 23 acres of his San Clemente property in 1970? The White House has admitted that the President's financial advisers differ on this point. Coopers & Lybrand, the firm called in recently to audit Nix-



ORPHAN ANNIE CARTOON STRIP RAISING THE SUBJECT OF WATERGATE-ERA MORALITY

The decision will be made by "the people in the drugstores."

corder could have produced the buzz." That means somebody could have deliberately erased the tape on the Uher. In response, an Administration spokesman said that the White House has only one Uher 5000 recorder and that only Miss Woods used it. But the Secret Service has at least three of the machines that have been borrowed from time to time by members of Nixon's staff.

In court, White House Chief of Staff Alexander M. Haig said that he had "heard" that "several sources" in the Administration had discussed the theory that Miss Woods could have accidentally pressed the fast rewind pedal, which would erase the 18-minute segment in a few seconds. But that operation would have left a high-pitched whine on the tape, not the hum that is present, and would have required Miss Woods to have played the segment—as she testified she did not—before rewinding and erasing it.

Single Reel. In their report, the experts held out little hope that the conversation can be recovered. But they must run further tests to be sure, as well as to determine if the tape was erased, spliced, edited or whether it is the original recording or a doctored copy. Many questions about the tape will be answered, at least partially, when the panel of experts makes its final report to Sirica shortly after Jan. 1. Afterward, Sirica said, the panel will continue "its comprehensive study of the

worski's assistants comb White House files for more Watergate-related documents. Even so, other documents that Jaworski requested, including some concerning activities of the White House plumbers, cannot be found.

Jaworski also has won the cooperation of Congress. Senate Democrats have been so impressed by his performance that they shelved bills to set up a special prosecutor's office independent of the Executive Branch.

For Nixon, the crunch comes early next year, when Congress is likely to decide whether to press for his impeachment. Last week Vice President Gerald Ford urged the House Judiciary Committee to speed up its leisurely pace and get the impeachment question out of the way before the congressional election campaign begins in earnest. He said that if the issue is not resolved by April, "then you can say it is partisan." Indeed, some Democrats would like to have the committee's proceedings drag on into the year to embarrass the G.O.P.

Like Ford, White House aides are confident that Congress will not have hard evidence of "high crimes and misdemeanors"—the Constitution's grounds for impeachment. But some legal scholars claim that the President may be guilty of up to 78 impeachable offenses. Whether Congress tries him on any of them, however, will depend largely on what members learn about grassroots sentiment during their holiday.

Over Nixon's Finances

on's accounts, figured that he had a capital gain of \$117,370. But Nixon followed the counsel of his usual tax accountant, Arthur Blech, who reckoned that there was no gain. Blech made some admittedly arbitrary valuations of the 5.9 acres of property and the grand house that Nixon retained. On the basis of those valuations, Blech concluded that Nixon originally had paid as much for the remaining land as he later sold it for—thus, no capital gain. Further, because Nixon could have claimed more than he did that year for the gift of his vice-presidential papers, the White House points out that he could have absorbed a sizable capital gain in 1970 without being liable for any more taxes than the absolute minimum of \$792.81 that he actually paid.

Critics of the deal counter that since the President recouped about 80% of his original investment by selling 80% of the land, the mansion that he kept on the remaining 20% in effect came free. Also, the current owner of the 23 acres, Nixon Pal Robert Abplanalp, has promised merely to hold the property for as long as his friend is President, thus providing Nixon with the gift of a sanctuary around his home.

Did Nixon skirt other capital gains taxes in the sale of his New York City apartment in 1969? After winning the election, the President sold the Fifth Avenue co-op where he had lived while practicing law on Wall Street. The price was \$312,500, or \$142,912 more than his original purchase price plus the value of improvements and incidentals. The law allows homeowners to avoid

such profits as long as they reinvest them within a year in another "principal residence." The President claimed that he had done so by using the \$142,912 to help buy his San Clemente home. Yet in order for Nixon to escape paying state income taxes in California, his lawyers later argued that the President occupies San Clemente merely "for brief periods of time [that] would not aggregate more than a few weeks in each year" and claimed that his principal residence is the White House. In that case, Nixon should have paid capital gains taxes on the apartment. As it is, the President seems to be claiming two principal residences. Says Stephen W. Porter, chairman of the Washington, D.C., Bar Association's tax section: "He tries to play it two ways."

Both of California's Senators and all of its 43 Congressmen reported that they pay state income taxes. Governor Ronald Reagan, who suffered deep political embarrassment by admitting that through legal shelters he paid no state income tax at all in 1970, defended Nixon. Legislators, said Reagan, "are supposed to maintain residence here, they're supposed to represent an area. The President is the one man who represents 50 states."

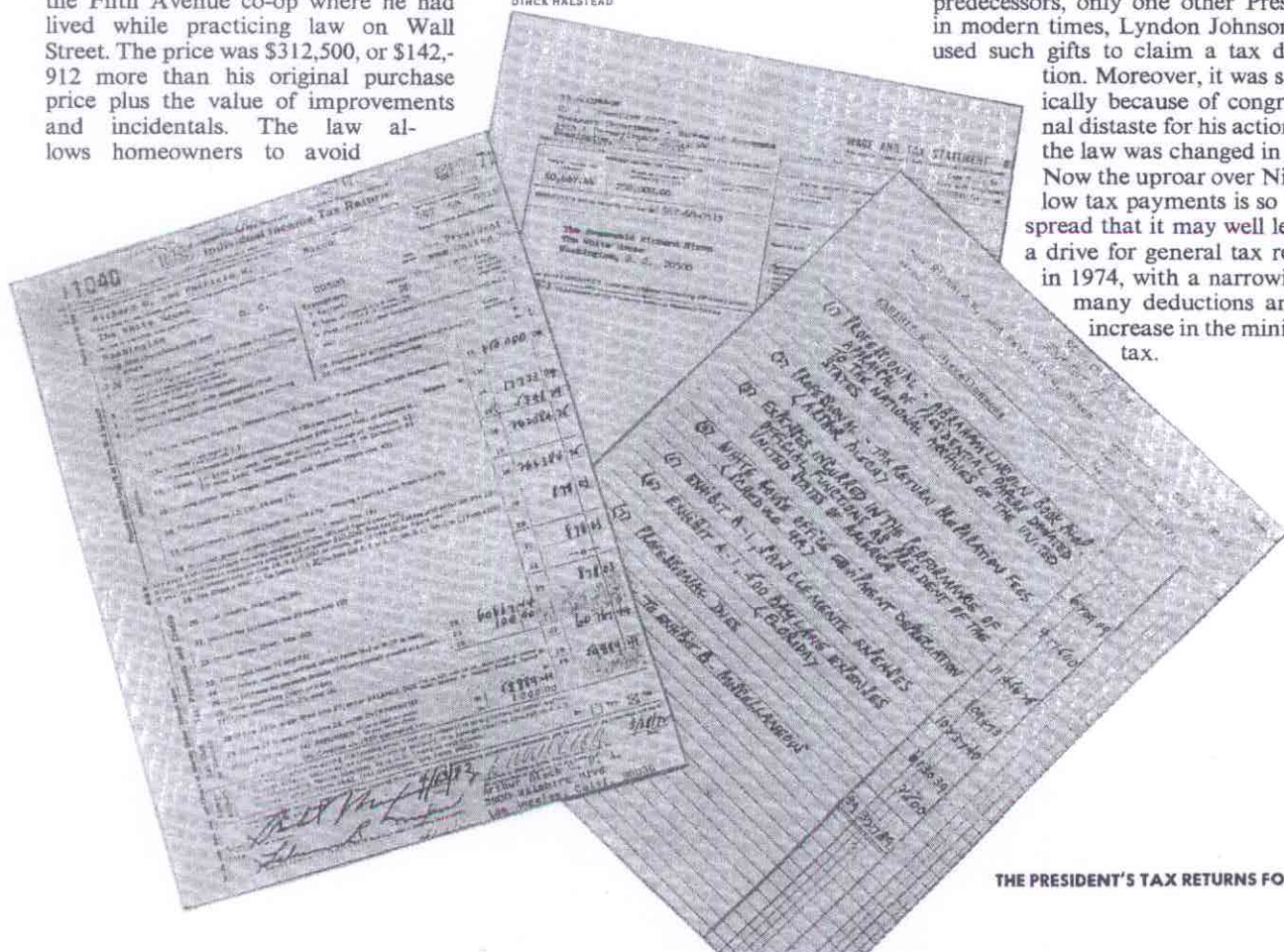
Were all of Nixon's expense claims justified? The President has kept meticulous records of expenses that

DIRCK HALSTEAD

could be used as income tax deductions. In one year he took off the cost of a tree that he donated to the state of Connecticut (\$25) and he annually claims about \$1,000 in "depreciation of personally owned White House office furniture," including the table used at Cabinet meetings. Some of his larger expense deductions may be dubious—especially \$56,954.97 claimed over the four years for "costs incurred in use of property for official purposes" at San Clemente and Key Biscayne, Fla. Nixon charged off the full upkeep of his Key Biscayne office (but not his home) and 25% of the upkeep on his San Clemente home, which contains an office. Congressman Charles A. Vanik, an Ohio Democrat, complained that under the Internal Revenue Code "personal tax deductions for voluntary visits to [Nixon's] personal vacation homes seems highly questionable."

Nixon has staunchly maintained that he "never profited" from politics and did not rely on "interest or all of these gimmicks" to save on taxes. In fact, he claimed deductions for \$257,000 in interest payments over four years. He also profited hugely from a gimmick available at the time to a fraction of the population: the right to escape large amounts of taxes by donating papers to the public. Without commenting on the legality of the matter, Wilbur Mills said last week: "Frankly, had I been the President's attorney, I would have advised him not to take the deduction."

Though Nixon claimed that he was merely following in the footsteps of his predecessors, only one other President in modern times, Lyndon Johnson, has used such gifts to claim a tax deduction. Moreover, it was specifically because of congressional distaste for his action that the law was changed in 1969. Now the uproar over Nixon's low tax payments is so widespread that it may well lead to a drive for general tax reform in 1974, with a narrowing of many deductions and an increase in the minimum tax.



THE PRESIDENT'S TAX RETURNS FOR 1971

THE PRESIDENCY/HUGH SIDNEY

Weighing the Rising Odds Against Nixon

There is a growing conviction among many responsible men of both parties that Richard Nixon will not finish his term.

This conviction is based not only on the arguments now in progress about his guilt or innocence on specific charges but also on a sense of the nation. There is a deep current running against him, both in the affair called Watergate and in the conditions of American life.

It is a curious time, rife with opportunity that might lift a President to greatness if he seized the moment, but paralyzing for a leader who appears to have something to hide or cannot find his way beyond his own interests to the hearts of the people.

Some time before Spiro Agnew quit, the political seer Richard Scammon was asked what was going to happen to the Vice President. "If he is guilty, he will hang," was Scammon's simple answer. That response contained a great deal of wisdom, experience and faith in the American sense of morality. It applies to Nixon too. If the anguish of Watergate has proved anything, it is that there is still a feeling for right and wrong in this country, and that a pretty good case can still be made that men who have committed crimes are detected. The crimes touch too many lives, leave too many clues, to be covered forever in an open society. Speaking of where the guilt lies, one former campaign aide who played a bit part in the Watergate drama says: "It is Nixon. He is the one. How Ehrlichman, Haldeman and Mitchell go on with this charade is incredible."

The path ahead for the President in Watergate appears to be filled with uncertainties. Beyond that is the growing perception of the incompetence and malfeasance of the Nixon Administration. The best that can be said about the President's Watergate defense is that it was a bungle. The dimensions of crimes committed under the Nixon banner are now known and understood in some way by almost all Americans.

The history of this nation suggests that when profound moral issues like this one settle in the national soul, nothing will deny a final, convulsive resolution. Certainly the Civil War was such an issue. No fancy legal footwork or geographic compromises or maneuvers by politicians could prevent the final act of war. Perhaps the civil rights upheavals of the 1960s were similar outpourings that would not be denied. If we have not passed the point of no return on the resignation or impeachment of Richard Nixon, we are very near to it.

Events are exploding in the spiritual and confidence vacuum left by Watergate. The economic and energy crises are producing fear and anger out of proportion to their threat to our way of life. In particular, as the economy turns down and jobs are lost in the months ahead, this anger is likely to be directed against Nixon.

The truckers who blocked the highways are the most recent and visible protesters. Airline pilots, upset by job cutbacks, threaten a Christmas boycott. Wherever one travels, there is a feeling of disillusion among the groups now being touched by crisis and material shortage. Bankers and finance men in Western cities ride along the raw edges of panic with their Wall Street colleagues. Many in the resort trade are petrified. The trade

conventions of men in the petrochemical industry are held under a cloud of doubt. The immense plastics industry is nearing a slowdown.

While bankers and manufacturers, truck drivers and jet pilots understand that Nixon did not bring on the Arab oil embargo, they also understand that the leadership in the energy crisis has been dismal to nonexistent until now. Ironically, nobody has insisted on presidential sovereignty in crisis management more than Nixon. He will reap the credit—and the blame.

Then there are the Republican Senators and Congressmen who are up for re-election next fall. Many of them are far more frightened and pessimistic about their own chances than they were even a month ago. Suddenly it has been discerned that a lot of anger is directed selectively at Republicans. Senators like Maryland's liberal Charles Mathias and Colorado's conservative Peter Dominick, who put some distance between themselves and Nixon a while ago, appear to be gaining ground. But there is still some doubt about their re-election, and larger doubts about those who, like Bob Dole of Kansas, are still counted in the Nixon tent. Most reporters in this city have lost count of the number of Senators and Congressmen who have said how much better off they think the country would be if Nixon would just resign.

The comforting presence of strong, decent, sensible Vice President Gerald Ford weighs against Nixon. So now, in a remote way, does Nelson Rockefeller, who has resigned as Governor of New York. Rockefeller will head the National Commission on Critical Choices for America, which cannot help focusing on the inadequacies of Nixon's domestic and political leadership.

Nixon's White House operation is like an albatross around his neck. While good men are trying to get on with the nation's business, they are often as not ignored, and Nixon turns to inexperienced, frightened aides for the little counsel that he accepts in his splendid state of isolation. The White House now faces a new parade of departures, headed by sound men like Melvin Laird and Bryce Harlow.

We are watching the assembly of a giant national mosaic. Many of the parts we can discern, and we can see how they fit together. Many other events and personalities are still only vaguely defined, and the pattern of the past suggests that there is much to come which we cannot even imagine.

If Nixon is a guilty man and if evidence or testimony linking him directly with crimes is about to come out, he probably will resign. Or if the mathematics of the House is such that impeachment seems inevitable, then the threat of unlimited subpoena powers to get any document and talk to any witness may be more than he can or will want to withstand.

We are in a kind of pause now. We are waiting to see how serious the energy crisis will become in our lives. Christmas, as always, has meliowed the nation and turned attention from our anguish to the hope in Christ's call to humanity. But the question of what to do about Richard Nixon lies at the heart of almost every other question before us. It is now quite apparent that we must resolve that before we can move on.

