

Fuller column filed Watergate.

SFChronicle
Merry-Go-Round

JUN 12 1973

Nixon or Aides Must Pay the Taxes

**Jack Anderson**

THOSE RESPONSIBLE for the Watergate crime may have to pay taxes on the \$1 million in campaign funds that were laid out for break-ins, hush money, legal fees and political sabotage.

Tax experts tell us President Nixon himself is liable if he had knowledge of the disbursements. Even if his aides kept him in the dark, he may still be held legally responsible for the tax obligation.

This is the import of a still-secret General Accounting Office study on the Nixon campaign committees. Quoting tax rules, the study declares that "the expenditure of political funds for other than campaign or similar purposes will be considered a diversion of such funds requiring inclusion in income."

★ ★ ★

NOW President Nixon's campaign collections have been diverted into improper pockets and spent for illegal purposes. Our tax advisers say someone must pay taxes on the \$460,000 at least that was paid to the waterbuggers to buy their silence and to compensate their lawyers. In all likelihood, the hundreds of thousands spent on illegal campaign activities are also taxable.

If the President can't be stuck with the tax obligation, then the campaign aides who made the pay-outs are clearly liable. They would include finance chairman Maurice Stans, the President's personal lawyer Herbert Kalmbach, former Attor-

ney General John Mitchell, White House staff chief, H. R. Haldeman, presidential adviser John Ehrlichman and campaign aide Jeb Magruder.

Our tax advisers say the President may also be in tax trouble over the financial help he accepted from aerosol king Robert Abplanalp to buy the San Clemente retreat.

The Nixons signed personal notes, which Abplanalp later tore up, for \$625,000. In return, Abplanalp is supposed to own most of the 26-acre tract around the presidential compound.

★ ★ ★

THE first family got the deal approved by the local Internal Revenue Office, but our tax experts insist the Nixons should pay taxes on the \$625,000. As they interpret the law, the tearing up of the personal notes — in other words, the cancellation of the debt — makes the \$625,000 taxable income.

They point out that the Nixons are using the entire 26-acres, that property records show no evidence the acreage has been legally divided and that the whole deal appears to be a gimmick to benefit the Nixons.

A spokesman for the President assured us, on the other hand, that Abplanalp is the legal owner of the land around the Nixon compound and that it is a profitable investment for Abplanalp.

If anyone but the President were involved, Internal Revenue surely would be investigating. A spokesman refused to tell us, however, whether IRS is investigating the President or any of his aides on tax matters. [From column as carried by Washington Post.]