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Assessor Backs San Clemente Tax

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Allegations that President Nixon received favorable tax treatment on his property at San Clemente, Calif., as the result of under-assessment have been called "outright lies" by Rep. Andrew J. Hinshaw (R-Calif.), who was Orange County assessor from 1965 to 1972.

The Orange County Register reported July 2 that the county assessor had valued the estate at \$1,087,600 in 1970 despite the fact that Mr. Nixon paid \$1.5 million for it in 1969 and that \$700,000 has been spent for improvements.

The newspaper said undertaxing saved Mr. Nixon at least \$25,000 over the past three years, and quoted Abe Goldman, of the California board of equalization, as saying that the President's property "hasn't been assessed at anywhere near its real value."

Along with a 26-page explanation of how Mr. Nixon's estate was valued, Hinshaw released a telegram from Goldman denying he made the statement.

"I have no knowledge of the current assessed value of the San Clemente property nor have I any knowledge of the full market value of this property," said Goldman's telegram. "Without knowledge of these two elements of property taxation, it is impossible . . . to draw any inference such as that incorrectly attributed to me by news stories now in circulation."

Sam Campbell, associate editor of the Register, said his newspaper would stand

by its report and said he believed that Goldman "repudiated his statements because there is a division on this issue at the state board of equalization."

Goldman, reached by telephone, would not comment further except to confirm that the telegram to Hinshaw "is mine and is correct."

William Bennett, chairman of the equalization board, said he will urge it at its next meeting July 30 to open a formal investigation into the assessment of the Nixon property.

"I believe that the mathematics of the purchase price and the assessment require an examination of the assessment," said Bennett. "No one is charging impropriety," said Bennett, "but the mathematics make the assessment at least questionable."

In his statement, Hinshaw said there "were no details as to the financing of such a nature that could be relied upon by the assessor as the sole basis of a valuation judgment."

In addition, said Hinshaw, building permits dealing with improvements—obtained by him at the time—showed work totaling only \$90,060. He said his evaluations of property value were based on physical inspections of the property, and said it was a "truism in the appraisal profession that cost alone is not necessarily synonymous with market value."

Hinshaw said it was his understanding that the government has the option of removing property owned by it, and that even if improvements are left at the site, they are not taxable so long as they are used in Mr. Nixon's official capacity.