Nixon's Taxes

An Interview With Mortimer Caplin

Mortimer Caplin was Internal Revenue Service Commissioner under Presidents Kennedy and Johnson and is currently a Washington lawyer. He was interviewed by Washington Post writers Haynes Johnson and Ronald Kessler. The following is an edited transcript of the interview.

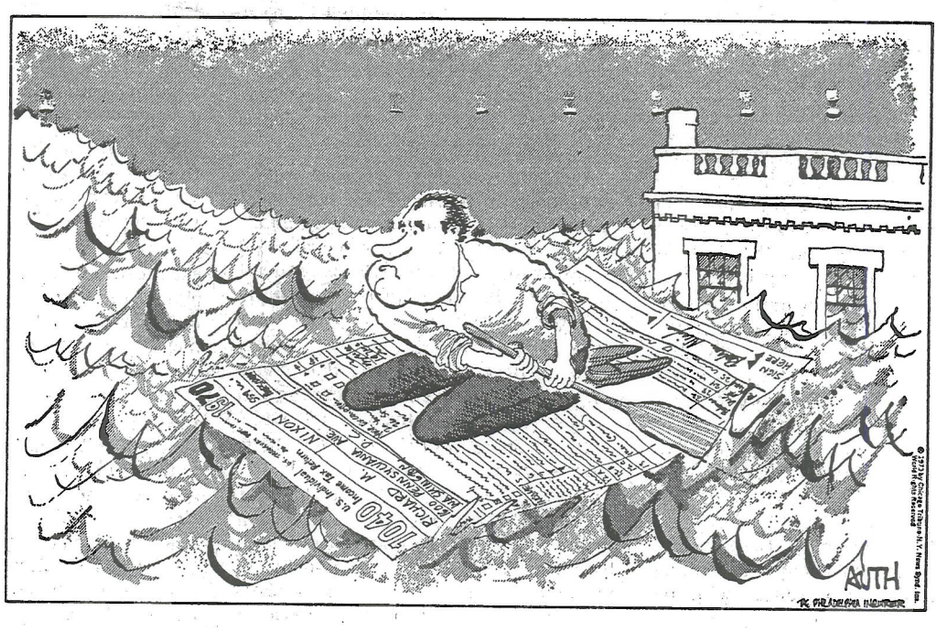
Q: *If you were still IRS commissioner and the Nixon tax return had been thrown out by the computer, what would you do with it?*

A: For one thing, I'd obviously be concerned. Anybody of prominence—particularly the President—who has received publicity about his tax return would represent a special challenge to the whole tax administration of the United States. I'd be impelled to refer this to competent revenue agents to make sure that a full and proper examination were made.

Now, this is difficult to say about a President's tax return. I can't think of any immediate precedent. I do recall that in the Bobby Baker case we did order an immediate meeting of the staff to make sure that all tax questions were fully explored and audited, and that we did everything required under the law to make sure that there be no criticism of the IRS. That's the only comparison I can make, although they're obviously different types of cases.

Q: *Let's assume that this return had been filed by the ordinary taxpayer rather than the President. What item would most stand out as being open to question in your mind?*

A: I think the so-called charitable contribution of Nixon papers in 1969 would be a red flag immediately. The item is so large. Under the reguations, the return would have to point out that it was not in cash but in property, to show how it was valued and circumstances surrounding the gift. Inevitably, that would be sufficient, in my view, to spark an audit. I would think that would be examined very carefully in the case of the normal taxpayer.



Q: *What would the audit consist of?*

A: At the very least, a complete examination of all details pertaining to that gift.

Q: *Would that include interviews with all the participants?*

A: Well, its hard to detail what an experienced revenue agent would do. He'd probably examine the whole return; usually if you have a significant item on a return, one of this size, it would call for a total examination. But so far as the gift itself is concerned, I think you would check through all the elements of the gift, particularly the timing in this case, because we all know that under the congressional change in the law, July 25, 1969, became a crucial date. A revenue agent would first have to decide from all the facts, exactly when the gift was made, if it was made. Was it a valid gift? Was it accepted? What was the value of it? Each of those questions involves extensive investigation.

Q: *What's your judgment now, from what you've read about this gift of presidential papers? Is it valid? Is it legal?*

A: I think it will take a full audit to give you a definitive answer on that. My own view, based on the documents I've seen, would lead me to believe that an effective, unconditional gift was not made, for tax purposes by July 25, 1969.

First, you must have an unequivocal intent on the part of the President to make a gift, and perhaps that might be present in this case. A second element is the idea of an unconditional delivery by the end of July 25, 1969, one which would transfer title to the U.S. government, one which would make the papers no longer subject to the dominion or control of the President, and one which was not revocable. My feeling is that this transfer did not meet these standards of being unequivocal, unconditional and irrevocable.

Finally, of extreme importance is the fact that there is no evidence of acceptance by July 25 through the Archives or any other agency. That's important here because the Archives performs two major functions: One is as a custodian and another as a recipient of particular donations. In this case, where there were a variety of conditions surrounding the transfer, and these conditions had to be accepted by someone; the rules of the Archives call for written acceptance. That was the procedure Mr. Nixon followed in 1968, when he donated papers for that year, so he knew all this.

See TAXES, Page B5

TAXES, From Page B1

By Dec. 30, 1968, there was a deed, there was a delivery, there was an acceptance in writing. But for 1969 we have a deed prepared by the lawyers and not signed by Mr. Nixon, kept in the lawyers office, and no delivery until after the July 25 cutoff date. And even then we have no evidence of any acceptance by the government. So it's very difficult to see that there was unconditional physical delivery or constructive delivery through the deed. In my own view, the deed is a nullity from a legal standpoint. There was no final exhibit attached before July 26. But even if you had itemized everything and had properly signed it as donor, but you hadn't delivered the deed as a constructive delivery of the papers, the deed wouldn't be effective at all.

Q: *Do you see any indication that there might be reason to conduct a criminal investigation if this were an ordinary taxpayer?*

A: Well, I don't know enough about this case—questions of motivation, intent, willfullness—but there's nothing to lead me to believe that there is any criminal act on the part of the President.

Q: *What else on the Nixon tax return would strike you as questionable if you were still at IRS?*

A: Another item, of course, is the sale of the San Clemente property and whether there was any gain when Mr. and Mrs. Nixon sold some 23 acres to the B & C Investment Company, which was a partnership comprised of Messrs. Rebozo and Abplanalp. This property was all purchased for approximately $1.5 million. It included 26 acres purchased first and 2.9 acres bought later. Then the Nixons carved out what they wanted to maintain, permanently, I presume—the so-called "filet" of the property, including the house—and sold off 23 acres for about $1,250,000.

Now, under the tax law you are required to prorate your investment and compute gain on the sale of each element. For example, if I bought two adjacent lots for a total of $900,000 and one was double the value of the other, I would have to allocate my cost as $600,000 for one and $300,000 for the other. If I then sold only the lesser lot for $450,000, it wouldn't be a wash—I'd have a gain of $150,000. That's the question here: How do you allocate the original cost of the Nixon property?

In the original tax return, the California accountant treated it as a wash; he used some rather unusual method of computing the original cost and said there was no gain. On the other hand, Coopers & Lybrand went over it and felt there was a gain of $117,370 on the sale of the B & C Investment Company. This certainly should be examined by revenue agents.

I also would look into another question, a legal question. In May, 1969, the President sold his apartment in New York at a gain of approximately $143,000. Under the tax law, if you reinvest the proceeds of the sale into a new principal residence, you don't have to pay a tax on your gain from selling your original home. This is in the law for the average person who, after selling his house, must use the money he receives to buy a new home. Congress thought it was unfair to tax him on that rollover.

Well, Mr. Nixon used this provision in regard to the sale of his apartment—and he did it by treating San Clemente as his new principal residence. There can be questions on what is a "principal residence," particularly where the new residence is located away from a person's place of employment. So there is a question whether it was correct to defer the gain at all. The question next that arises is whether Mr. Nixon should have reduced the original-cost calculation in the San Clemente property by $143,000—the gain from the apartment—and allocate that between the 23 acres he sold and the amount he retained in his house. It is not clear whether that $143,000 must reduce the original cost of just the retained house property or the whole thing. The matter is complicated further because the President claimed that 25 per cent of his house was used for business purposes and took tax deductions for these expenses. All of this would have to be examined by a revenue agent.

Q: *How does this relate to the question of whether he should have paid California taxes?*

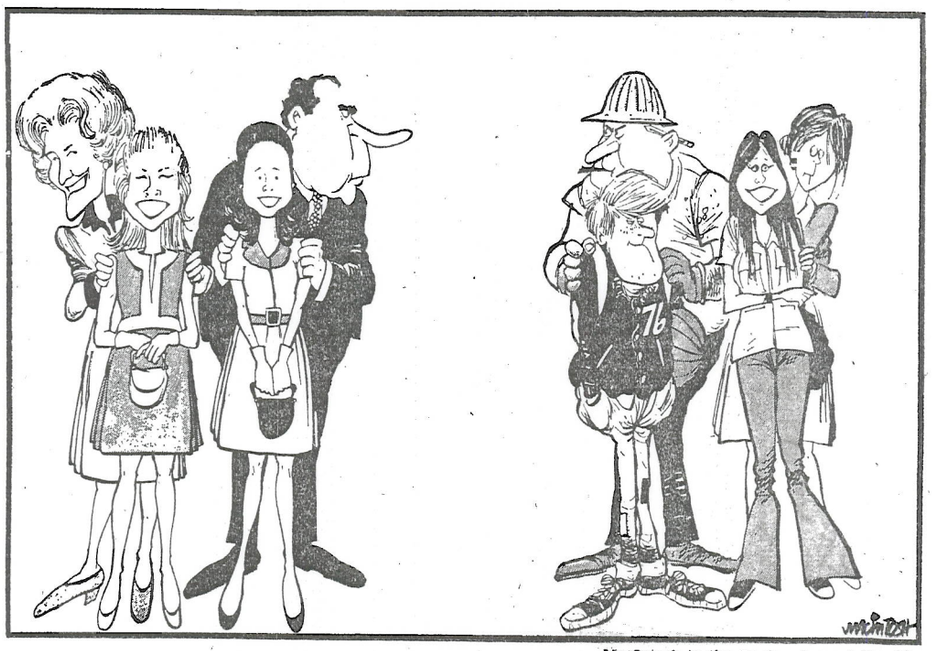
A: I don't pretend to be especially knowledgeable about the California income tax law, but if President Nixon's designation of San Clemente as his principal residence was correct in federal tax form 2119, then San Clemente should consistently be treated as his principal residence.

Q: *Would you say that either he would have to pay California taxes or he would have had to declare a capital gain on the New York apartment sale?*

A: That's right. He just shouldn't have it both ways. It seems to me that, although one is state law and one is federal law, the philosophy and underlying principles involved would put it that very way: Either you pay a federal tax in 1969 on the $143,000 gain or you pay a California income tax on all of your income on the assumption that this was your principal residence.

Q: *Is there anything else in the Nixon tax return that you would want to take a close look at?*

A: I haven't dissected it completely, but there is the transaction involving the Florida lots where the President has some arrangement, an oral arrangement, with his daughter Tricia. I find that a rather interesting transaction.



MacIntosh in the Dayton Journal Herald

"Question: Which family paid the higher income taxes?"

There was a very simple promissory note given by the President to Tricia, who had just turned 21. It simply said that, on demand, I will pay to the order of Tricia $20,000, with interest at 6 per cent from July 1, 1967. There is nothing in the note about any joint venture, partnership or the like. Now, according to the newspaper releases, in May of 1967 there was an oral agreement with Tricia to guarantee her that $20,000 in all events, and to give her a 40 per cent interest in the profits of this land transaction. The money apparently had come to Tricia through the publicized Bobst trust when she turned 21.

Now, in 1972 this property was sold for $150,000, and there was a profit of some $111,000. The question is: Whose capital gain is it? Is it the President's? Is it part Tricia's? I don't see any ownership interest in Tricia. I don't see any capital investment by her. She made a loan and she was guaranteed that loan money back. She was entitled to interest, and there was an oral understanding that she might get some extra interest if the President realized any profit. It would appear that the full capital gain should have been taxed to the President and none taxed to Tricia. However, the President should have been entitled to an interest deduction, and Tricia should have had to pay ordinary income taxes on the interest received. All this would call for a detailed examination of facts, and I would think the IRS would want to go into it.

Q: *The note that you mentioned is on a plain piece of paper without any witnesses, without any notorization. How would the IRS look on a document like that?*

A: I don't have difficulty with that. The revenue service accepts documents of that sort, depending on the credibility of the person who wrote it. And this is the President of the United States.

Q: *Apparently the audit that was conducted by the IRS took about a week. How does that square with your understanding of the facts in this case and of what IRS procedures normally would be?*

A: I don't know whether time alone is the proper criterion is a case like this. It's a question of how many people were involved in the examination and what was done, and I really don't know what was done. I would assume that the gift item would be the primary area of focus, since it's so crucial. It's the underpinning of the entire tax plan that is evident in the President's returns.

It would seem that, at the very minimum, you would have to be interviewing each of the people involved in this transaction. You would have to talk to the people in the Archives or the GSA. You would have to know exactly what their understanding was. Did they accept the papers? How did they physically handle all this? In addition, there would have to be a similar examination of Mr. Neuman — who is the evaluator — of what he did, his appraisals, the authority of the people who were ostensibly speaking in the name of the President. I would think this would be a rather detailed study. Certainly in my own experience I've seen matters involving only $10,000 or $15,000 sometimes go on for weeks in an examination.

Q: *Let's talk for a moment about the standards that are set. Here's the President of the United States, who earned $525,000 in two years and paid $1,600 in taxes. How does that affect ordinary citizens and the confidence in the tax structure—the ethics of it, not the legality?*

A: That's a question that goes to the heart of our system and involves legal considerations and judicial considerations and views of government and life. It's been pointed out by an eminent jurist, Judge Learned Hand, that no one need pay more taxes than the law demands, and that there's nothing wrong in trying to minimize your federal income taxes. On the other hand, you have statements by great judges like Oliver Wendell Holmes, who once said, "I like to pay taxes. With them I buy civilization." It all depends on where you place your bets and what philosophy you follow.

I think a President is legally entitled, as is any other citizen, to take every deduction the law allows. The question is: How clear-cut is that deduction? Is it marginal? Are you giving yourself the benefit of the doubt? Here's where I think the stance of a prominent public figure becomes different from the average citizen. A President is a moral leader. He helps establish the values in our society. He's an example.

I think a President obviously must give consideration to the impact his conduct will have on our society. One would think that the President would want to make sure that every "i" is dotted and every "t" is crossed.

If, on the gift transaction, a clear-cut, unequivocal deed was signed and accepted with physical delivery, all by the July 25 cut-off date, I suppose one would say that Congress drew the line at that point and he should be entitled to the deduction. On the other hand, where you have this questionable set of facts, one would think the President might want to pause over that—particularly when Congress is pinpointing this type of transaction as an abuse that won't be allowed after July 25.

I think the President is following the right road today by saying he is prepared to pay any taxes that some impartial body finds are due.

The other point implicit in your question is the idea of the President paying only $792 in taxes in 1970, which is less than someone with taxable income of $4,400; only $878 in 1971, which is less than someone with $5,400 of taxable income; and only $4,298 in 1972, which is less than someone with $19,800 of taxable income. To me this illustrates the questionable state of our tax law. It shows the limited effect of our so-called 10 per cent minimum tax. That provision, placed in the law in 1969, did apply to Mr. Nixon in 1970. But, he really had zero taxable income in 1970, and he paid a minimum tax of only $792. This is why Congress is again focusing on this problem.

Q: *I keep coming back to this fellow who earned $4,400, and he finds out the President paid less taxes than he did. I can well imagine the frustration and anger he's feeling: Hell, why shouldn't I do it?*

A: Well, it does affect everyone. The American tax system, you know, is one of the wonders of the world. No other nation has the level of compliance we have. And I'm talking about nations close to our traditions—England and Canada and many others. Sure, we have a very tough statute with criminal penalties and broad investigative powers in the hands of revenue agents. But there is a tradition of tax compliance in this country going back to the revolution. We were born with the cry of taxation on our lips, and we've been a very tax-conscious nation. We had a whiskey rebellion one time when we didn't like excise taxes on corn liquor

We do have a high level of education, and we do have a religious streak in the country. But mainly the people, I believe, are essentially honest. I say this after traveling all over the country, studying statistics on millions of returns. I think Americans are an unusually honest people, despite the ills of the day. But they do cry for leadership, and they do want to make sure they're not being taken advantage of. They like the fact that their neighbor is paying his fair share, too. And if the fellow down the street is somehow beating the game, it has a corrosive effect. This is why a public figure has to think very carefully about the impact of his conduct on this very important institution of our government.

Q: *We heard in Watergate testimony that the Nixon administration would use the IRS to bring people into line. Is that tied up with what we're talking about?*

A: I'm not convinced that there was harrassment of individuals by the IRS under the Nixon administration. I am convinced that pressures were exerted. I am convinced that there was an attempt to place political appointees in the revenue service. But I do think that, on balance, the IRS has done a very good job.

At the same time, I think its reputation has suffered from the publicized intentions of some people in the White House. This has made the public uneasy, and I think it's important that the IRS demonstrate that it is an impartial, even-handed organization.

Q: *Is there any way to insure that, in the future, a President's finances will be open to public inspection and possibly audited by some independent or quasi-independent commission.*

A: I don't think it's necessary to have an independent audit. I think it's a question of attitude in the revenue service. It has not been usual in the past to engage in a detailed audit of a President. The President files a tax return much like any other citizen, and when his name is on the return it obviously is going to be recognized as a sensitive tax return. Frequently there are special groups of agents assigned to this type of task, some to examine the return of congressmen, some the returns of Presidents and Vice Presidents, maybe some for other important officials. I think it must be part of IRS training that these people should be audited like anyone else.

With the President, for example, there is no reason why the revenue service, through the commissioner, shouldn't communicate with some White House representative to advise him that it would like to audit the President's affairs. There would be no problem having revenue agents visit here in Washington or in California or in Florida or anywhere. The President wouldn't have to appear; his representatives could appear, just as individuals can have representatives or lawyers or accountants. The revenue agent would have the ultimate authority to ask to interview the President himself in appropriate circumstances. If it were necessary to have a personal interview—which, I think, would be an extraordinary request—I would think that the revenue agent might well want to confer with the commissioner again and make special arrangements.

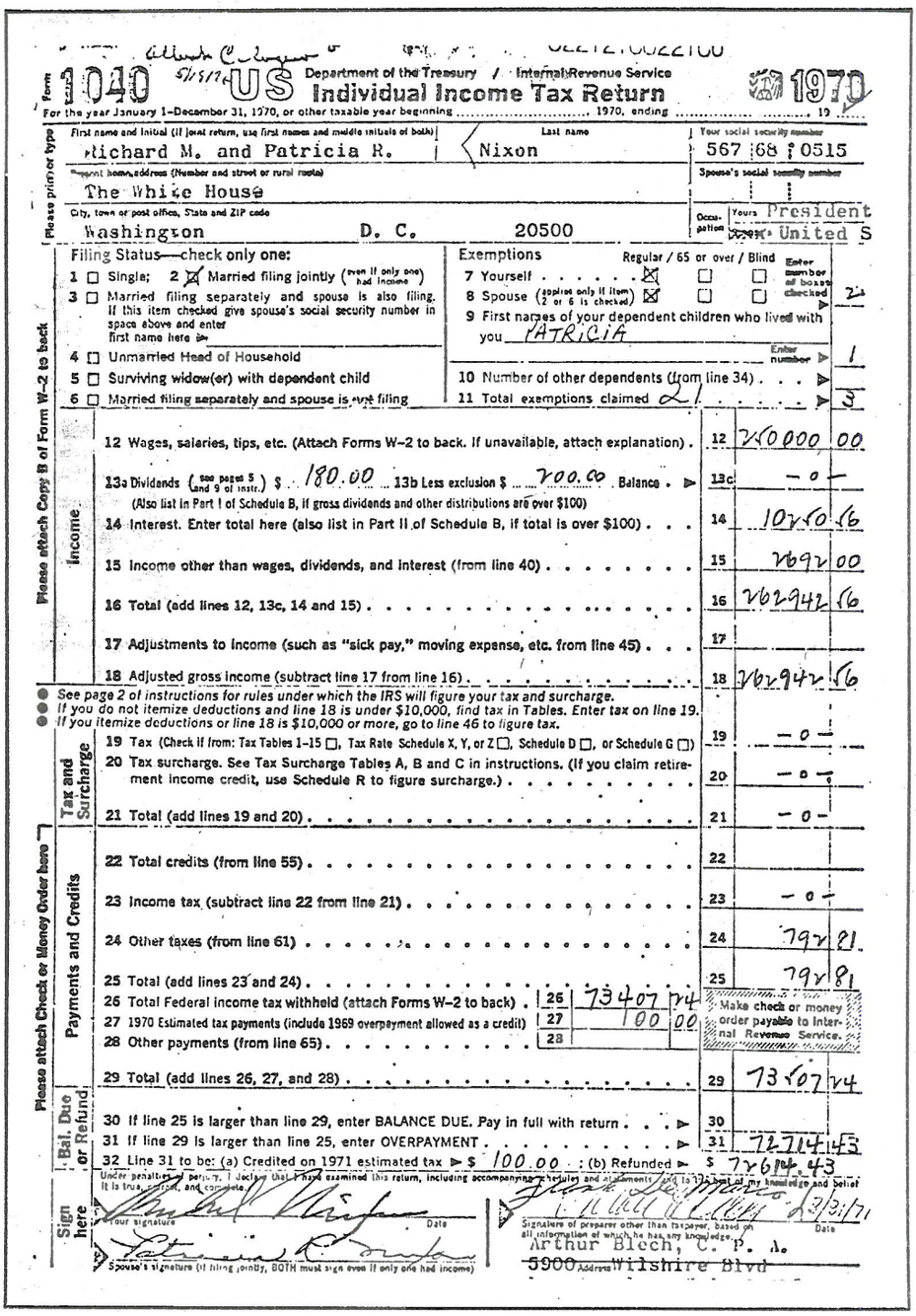
Q: *You've said that some of the deductions on the President's returns shouldn't have been allowed. Yet the IRS has said it audited his returns and sent him a letter, I think last June, saying they were correct. Does that indicate that there should be some better method of auditing the returns?*

A: I think the returns examined were for 1970 and 1971. I think what happened was that the gift question, which is the vital one, was viewed as a 1969 transaction and that the revenue agents just assumed there was a valid carry-over of a charitable deduction. If your 1969 charitable deductions exceed 30 per cent of your adjusted gross income, you carry over the excess deductions. I think that was one thing involved.

Second, I think that perhaps this examination was handled with kid gloves and should have called for a more detailed examination. It seems to me that the letter sent was routine, almost a form letter. But I don't really know how far they went.

Q: *What do you think of the President's decision to have the Joint Tax Committee review his returns and of the committee's acceptance of that request?*

A: I think this is a positive move and one that I would accept under these extraordinary circumstances. The three-year statute of limitations is closed on the return for 1969, which would have been filed by April 15, 1970. The return for 1970 will be closed April 15, 1974; the revenue service would have to move very rapidly for 1970. Now, presumably the President is prepared to pay back taxes and interest if the Joint



Form 1040 US Department of the Treasury / Internal Revenue Service
Individual Income Tax Return 1970

For the year January 1–December 31, 1970, or other taxable year beginning ..... 1970, ending 19

Please print or type

First name and initial (if joint return, use first names and middle initials of both): Richard M. and Patricia R.
Last name: Nixon
Your social security number: 567 68 0515
Present home address (Number and street or rural route): The White House
Spouse's social security number:
City, town or post office, State and ZIP code: Washington D. C. 20500
Occupation: Yours President; Spouse's United S

Please attach Copy B of Form W-2 to back

Filing Status—check only one:
1 ☐ Single; 2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately and spouse is also filing. If this item checked give spouse's social security number in space above and enter first name here ▶
4 ☐ Unmarried Head of Household
5 ☐ Surviving widow(er) with dependent child
6 ☐ Married filing separately and spouse is not filing

Exemptions — Regular / 65 or over / Blind — Enter number of boxes checked ▶ 2
7 Yourself . . . . . ☒ ☐ ☐
8 Spouse (applies only if 2 or 6 is checked) ☒ ☐ ☐
9 First names of your dependent children who lived with you PATRICIA — Enter number ▶ 1
10 Number of other dependents (from line 34) . . . ▶
11 Total exemptions claimed 2 . . . . . ▶ 3

Income

12 Wages, salaries, tips, etc. (Attach Forms W-2 to back. If unavailable, attach explanation)	12	200000 00
13a Dividends (see pages 5 and 9 of instr.) $ 180.00 13b Less exclusion $ 200.00 Balance ▶ (Also list in Part I of Schedule B, if gross dividends and other distributions are over $100)	13c	-0-
14 Interest. Enter total here (also list in Part II of Schedule B, if total is over $100)	14	10760 56
15 Income other than wages, dividends, and interest (from line 40)	15	7692 00
16 Total (add lines 12, 13c, 14 and 15)	16	218452 56
17 Adjustments to income (such as "sick pay," moving expense, etc. from line 45)	17	
18 Adjusted gross income (subtract line 17 from line 16)	18	218452 56

● See page 2 of instructions for rules under which the IRS will figure your tax and surcharge.
● If you do not itemize deductions and line 18 is under $10,000, find tax in Tables. Enter tax on line 19.
● If you itemize deductions or line 18 is $10,000 or more, go to line 46 to figure tax.

Tax and Surcharge

19 Tax (Check if from: Tax Tables 1–15 ☐, Tax Rate Schedule X, Y, or Z ☐, Schedule D ☐, or Schedule G ☐)	19	-0-
20 Tax surcharge. See Tax Surcharge Tables A, B and C in instructions. (If you claim retirement income credit, use Schedule R to figure surcharge.)	20	-0-
21 Total (add lines 19 and 20)	21	-0-

Please attach Check or Money Order here

Payments and Credits

22 Total credits (from line 55)			22
23 Income tax (subtract line 22 from line 21)			23 -0-
24 Other taxes (from line 61)			24 797 81
25 Total (add lines 23 and 24)			25 797 81
26 Total Federal income tax withheld (attach Forms W-2 to back)	26	73407 74	
27 1970 Estimated tax payments (include 1969 overpayment allowed as a credit)	27	100 00	
28 Other payments (from line 65)	28		

Make check or money order payable to Internal Revenue Service.

Bal. Due or Refund

29 Total (add lines 26, 27, and 28)	29	73507 74
30 If line 25 is larger than line 29, enter BALANCE DUE. Pay in full with return ▶	30	
31 If line 29 is larger than line 25, enter OVERPAYMENT ▶	31	72714 43
32 Line 31 to be: (a) Credited on 1971 estimated tax ▶ $ 100.00 : (b) Refunded ▶	$	72614 43

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Your signature — Date
Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer, based on all information of which he has any knowledge. — Date 2/3/71
Arthur Blech, C. P. A.
5900 Wilshire Blvd — Address

Committee comes up with a deficiency in his taxes. So in a way you have an extraordinary remedy being provided, permitting them to go back to 1969.

But in the future this is not a very good practice. I think it places an extreme burden on the Committee, which does not usually involve itself in specific administrative acts. I think also it's unfair to the revenue service; it tends to raise questions about its competence and impartiality. I think the revenue service could have done this job—and perhaps it still will. There's nothing to preclude the commissioner from ordering in writing that the President's 1970 and 1971 returns be reopened for reexamination, and that his 1972 return be examined, too. Of necessity, the revenue service would have to review the 1969 gift to the Archives; but, in the absence of fraud, it would not be in a position to assess an additional tax for 1969. Under the President's agreement with the Joint Committee, however, it could assert a tax for that year—which provides some justification for the Joint Committee procedure.

Form **1040** US Department of the Treasury / Internal Revenue Service
Individual Income Tax Return
1972

For the year January 1–December 31, 1972, or other taxable year beginning ..., 1972, ending ..., 19..

Please print or type

First name and initial (If joint return, use first names and middle initials of both)	Last name	Your social security number (Husband's, if joint return)
Richard M. and Patricia R.	Nixon	567 : 68 : 0515
Present home address (Number and street, including apartment number, or rural route)		Wife's number, if joint return
The White House		: :
City, town or post office, State and ZIP code	Occupation	Yours President of the United States
Washington D. C. 20500		

Please attach Copy B of Form W-2 here

Filing Status—check only one:
1 ☐ Single
2 ☒ Married filing joint return (even if only one had income)
3 ☐ Married filing separately. If wife (husband) is also filing give her (his) social security number and first name here. ...
4 ☐ Unmarried Head of Household
5 ☐ Widow(er) with dependent child (Enter year of death of husband (wife) ▶ 19)

Exemptions — Regular / 65 or over / Blind — Enter number of boxes checked ▶ 2
6 Yourself . . . ☒ ☐ ☐
7 Wife (husband) . . . ☒ ☐ ☐
8 First names of your dependent children who lived with you ...
Enter number ▶
9 Number of other dependents (from line 32) . . . ▶
10 Total exemptions claimed . . . ▶ 2

Income

11	Wages, salaries, tips, and other employee compensation. (Attach Form W-2 to front. If unavailable, attach explanation)	11	200000 00
12a	Dividends (see pages 6 and 13 of instr.) $ ... 12b Less exclusion $ ... Balance ▶	12c	
	(If gross dividends and other distributions are over $200, list in Part I of Schedule B.)		
13	Interest income. [If $200 or less, enter total without listing in Schedule B. If over $200, enter total and list in Part II of Schedule B.]	13	16797 94
14	Income other than wages, dividends, and interest (from line 45)	14	2484 60
15	Total (add lines 11, 12c, 13 and 14)	15	268777 54
16	Adjustments to income (such as "sick pay," moving expenses, etc. from line 50)	16	
17	Subtract line 16 from line 15 (adjusted gross income)	17	268777 54

● **Caution:** *If you have unearned income and you could be claimed as a dependent on your parent's return, see boxed Instruction on page 7, under the heading "Tax-Credits-Payments." Check this block* ☐.

● *If you do not itemize deductions and line 17 is under $10,000, find tax in Tables and enter on line 18.*

● *If you itemize deductions or line 17 is $10,000 or more, go to line 51 to figure tax.*

Tax, Payments and Credits

18	Tax, check if from: ☐ Tax Tables 1–12, ☐ Schedule D ☒ Tax Rate Schedule X, Y, or Z ☐ Schedule G or ☐ Form 4726			18	47981 7
19	Total credits (from line 61)			19	
20	Income tax (subtract line 19 from line 18)			20	47981 7
21	Other taxes (from line 67)			21	
22	Total (add lines 20 and 21)			22	47981 7
23	Total Federal income tax withheld (attach Forms W-2 or W-2P to front)	23	86030 40		
24	1972 Estimated tax payments (include amount allowed as credit from 1971 return)	24	1000 00		
25	Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	25			
26	Other payments (from line 71)	26			
27	Total (add lines 23, 24, 25, and 26)			27	87030 40

Bal. Due or Refund

28	If line 22 is larger than line 27, enter BALANCE DUE IRS. Pay in full with return. Make check or money order payable to Internal Revenue Service ▶	28	
29	If line 27 is larger than line 22, enter amount OVERPAID ▶	29	82732 73
30	Line 29 to be REFUNDED TO YOU ▶	30	81732 73
31	Line 29 to be credited on 1973 estimated tax ▶ 1000 00		

Foreign Accounts

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.) ▶ ☐ Yes ☒ No

Note: Be sure to complete Revenue Sharing (lines 33 and 34) on next page.

Write soc. sec. no. on Check or Money Order. Attach here ↑

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

× Your signature ... Date 4/4/73

× Wife's (husband's) signature (if filing jointly, BOTH must sign even if only one had income) ...

Preparer's signature (print name if not signing) ARTHUR ELECH & COMPANY Date 4/4/73

CERTIFIED PUBLIC ACCOUNTANTS Preparer's Emp. Ident. or Soc. Sec. No.

6200 WILSHIRE BLVD.