

Nixon's Interest in His Tax Deductions



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CONFIDENTIAL White House documents show that President Nixon, contrary to the statements put out in his name, has taken an intense personal interest in wangling every possible tax deduction he could get away with.

He even inquired in 1969 about deducting his payments to his daughter Julie as a business expense. He wanted to count money he was contributing to her support as salary for her work as a White House tour guide. Yet the White House had already put out publicity that she was a "volunteer."

The President also wanted a tax break for using the den at his San Clemente estate for an office. He asked what tax write-offs were available, too, for permitting others to use his California and Florida houses.

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HE THOUGHT he should be permitted to charge off wedding gifts, funeral sprays and similar items, because he felt these were "business expenses" for a politician. Most of his entertaining, he also contended, should be deductible. "He wants to be sure," instructed aide John Ehrlichman in a confidential memo, "that his business deductions include all allowable items."

This differs with the picture the White House has tried to portray of a President too busy to bother with the details of his tax returns. Press spokesman Gerald Warren has implied Mr. Nixon was so preoccupied with the presidency that he left the preparation of his returns entirely to his lawyers.

Documents now in the hands of the Joint Congressional Committee on Internal Revenue Taxation, however, prove that the President was not at all removed from the preparation of his returns. On the contrary, he pulled every possible string to increase his tax deductions.

Ehrlichman relayed the President's wishes to Edward Morgan, the White House aide who handled the President's taxes. For example, a Ehrlichman memo, dated June 16, 1972, asked Morgan:

"The President proposes to personally pay Julie for her work in the White House this summer and deduct it as a business expense. Would you please determine whether he can properly do this."

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MORGAN took the problem up with the Internal Revenue Service's Deputy Chief Counsel Roger Barth who served as political impresario for Julie and Tricia Nixon during the 1968 campaign and is now the Nixon man inside the IRS.

Barth responded a month later with a memo, carefully stamped "Confidential," advising: "Legally we might justify deduction as a business expense for a salary paid to Julie as a tour guide this summer. However, . . . I MOST strongly recommend that this should not be done. . . ."

Barth advised instead that the President should "make a gift at the end of the summer to Julie. Although it would not be deductible to him, it would be tax-free to her."