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Washington Merry-Go-Round

by JACK ANDERSON

WASHINGTON — 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 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."

This dry language explains how the Internal Revenue Service is supposed to treat campaign funds that aren't spent for campaign purposes. The new requirement was adopted in 1968 after we revealed that the late Sen. Tom Dodd, D - Conn., had diverted tens of thousands of dollars from his campaign coffers into his own pockets. Dodd was censured, and misdirected campaign funds were made taxable.

Now 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 Attorney 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, that the land is going up in value 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.

FOOTNOTE: The secret GAO report also reveals that the financial arm of the Committee for the Re - election of the President is operating in technical violation of the law. Its charter says it would fold up on May 7, six months after the election. Yet it is still in operation. A party spokesman said the finance committee has had to continue in business in order to deal with cases pending in the courts.

LAVENDER HILL MOB: Under the innocuous title "Administrative Survey Detachment," retired military spies are continuing to snoop for the Army as civilians. More than 250 former intelligence officers, inconspicuous in mufti, are stationed around the world. They operate out of the Army's main intelligence center, Ft. Holabird, Md., under the direction of Col. Walter Cronin. At least 20 have been sent to Vietnam to run double agents against the north.

GIANT SHREDDER: The Internal Revenue Service, in an apparent economy move, has centralized its massive shredding operation at headquarters. This has ruffled the feathers of some IRS bigwigs who prefer the prestige of having their own office shredder. IRS Programs Chief Richard Wintrode, for example, recently requested a paper shredder for the audit division. Wintrode was told to use "the large shredder located in the basement." The huge Model 22 shredder, which stands nearly six feet high, can grind 600 pounds of confidential memos per hour.

PEROT'S WALL STREET: In March, we told how Texas financier Ross Perot was planning to "take Wall Street to Main Street" by giving a break to small investors at his brokerage house of duPont Glore Forgan. Unfortunately, the last few months have shown that Perot seems more interested in taking the small investor to the cleaners. Documents from inside duPont Glore disclosed that brokers there get 40 per cent commissions on big sales, but only 10 per cent of gross commissions on small sales. This encourages them to ignore small customers. Furthermore, we have discovered that duPont Glore has set up a subtle "goal" quota system for their low producing brokers which encourages them to "churn" stocks — buying and selling rapidly to bring in higher commissions. In New York, a duPont Glore spokesman defended their practices as no worse than those of other houses.