

Nixon Wants Scrutiny of His Taxes

Knight News Service

WASHINGTON — President Nixon, acknowledging that "questions and controversies" will continue about his personal finances, offered yesterday to let a Democratic-controlled Congressional committee examine his tax returns to make sure they are fair and proper.

If the committee finds anything wrong, particularly with his controversial deduction for his vice presidential papers, the President said he will pay the back taxes and interest, which could amount to as much as \$375,000.

Nixon made the offer as his lawyers and accountants released a mass of charts and documents detailing his and Mrs. Nixon's income and expenses since they entered the White House.

Reporters were permitted to inspect copies of the President's tax returns for 1969-72 to verify the figures compiled by his lawyers and accountants, but the returns or copies of them were not allowed to be taken out of the White House, nor were they allowed to be photographed.

The extraordinary disclosures were made by the Watergate-weakened President in an effort to convince Americans that he is not, as he put it last month, "a crook."

"The confidentiality of my private finances is far less important to me than the confidence of the American people in the integrity of the President," he said in a statement yesterday.

The documents show:

- Nixon's net worth more than tripled during his years in the White House. He was \$681,381 richer in 1973 than he was when he took office in 1969.

- His wealth is due to profitable real estate ventures, the help of wealthy friends and massive tax deductions, including the controversial gift to the government of his vice presidential papers.

- Thanks to these deductions, the Nixons paid only \$78,651 in federal taxes over four years on an income of \$1,670,810 — an effective rate of less than five percent.

- They paid no state income taxes for those four years. Although their "domicile" for voting purposes is in California, the President's lawyers declared that their "residence" for tax purposes is Washington, D.C. And as an

elected official, the President is exempt from District of Columbia taxes.

- The Nixons also paid no capital gains tax on the 23 acres of their San Clemente estate which they sold to his friends, C. G. (Bebe) Rebozo and Robert Abplanalp, in 1970.

The President's auditors, Coopers and Lybrand, figured that he made a capital gain of \$117,370 on the sale, but his personal accountant, Arthur Blech, figured that he made no gain. He accepted the Blech opinion.

At the same time, Nixon confirmed that his chief asset — the 5.9-acre estate he and Mrs. Nixon purchased at San Clemente in 1969 — would be donated after they die to the government for use as a conference center, guest facility for visiting dignitaries and a working base for future pres-

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idents. Its value is \$571,167, Nixon said.

IRS sources said Nixon could claim the gift as a tax deduction as well, but White House press secretary Ronald L. Ziegler said it was "unlikely" that the President would do it.

- There are questions about the validity of Nixon's gift of 600,000 papers from his vice presidential years, valued at \$576,000, to the national archives.

The President claimed the gift was made on March 27, 1969—three months before the law permitting tax deductions for such gifts expired.

But the deed of gift was never signed by the President, only by one of his lawyers and the notary who witnessed the signing failed to record it at the time.

The appraisal was not completed until the next year, and the deed was not delivered to the Internal Revenue Service, until May 23 of this year, during an audit of the President's taxes.

If the Joint Congressional Committee on Internal Revenue Taxation, headed by Rep. Wilbur Mills (D-Ark.), disapproves the gift, the Nixons could be assessed as much as \$299,000 in federal and California taxes, plus interest of approximately \$75,000.

Legally, the statute of limitations on taxes for 1969 has expired and the Nixons could not be forced to pay about \$90,000 of these back taxes. But his tax lawyer, Kenneth W. Gemmill, said he was sure the President would pay the entire sum, if required.

A spokesman for the committee said it would honor Nixon's request.

In his statement yesterday, Nixon said no other President has made "so comprehensive and exhaustive a disclosure as I am making today."

"Questions and controversies may continue as a consequence of these disclosures," he conceded. "Even the men who have advised

me in these matters and who have prepared my financial records, statements and tax returns have disagreements of professional opinion among themselves.

"But most of the questions outstanding in the public mind today should be put to rest with the publication of these documents."

Nixon noted that the Internal Revenue Service made a special audit of his 1971 and 1972 tax returns on May 23 of this year.

His payments were not challenged by the IRS after the audit, Nixon noted.

White House officials said it was an exhaustive audit and resulted in the IRS leaving unchanged Nixon's returns. Officials said the IRS agents were convinced the vice presidential papers contribution was legal by a deed provided by Nixon's accountants.

But details of the transaction were withheld from newsmen. Officials said all the facts would be given to congressional investigators.

"Nevertheless, questions will continue on these matters," the President said. "It will not be easy to resolve public doubts without an independent review."

For that reason, he said, he has asked Mills, who also heads the tax-writing Ways and Means Committee, to arrange a special study of his tax returns by the Joint Taxation Committee.

"I will abide by the committee's judgment," the President said.