

Presidential Property

The latest White House statement concerning President Nixon's residential properties in Florida and California paradoxically succeeds in clarifying some questions while deepening the surrounding mystery.

If all the facts are as the auditor's report suggests, the mystery is why the White House deliberately set forth misleading versions of the facts in 1969 and 1972. Mr. Nixon's understandable desire for privacy might explain saying little or nothing, but it would not justify deception.

The White House, for example, issued a formal statement on May 12, 1969, declaring that Mr. Nixon had an equity of \$71,800 in the two houses he had recently bought in Key Biscayne. The auditor's report, on the contrary, shows that he bought those properties with mortgages and promissory notes and at that time had no equity in them at all.

Similarly, the 1969 statement in discussing the San Clemente property said: "The President's portion of the property will be purchased for approximately \$340,000. He will pay \$100,000 down, the balance over five years." The auditor's report now shows that the President actually bought the entire property, not a portion of it and purchased an adjoining parcel as well for a total cost of \$1,500,000. It also indicates that he lacked funds of his own for a down payment, and had to borrow \$450,000 from businessman Robert H. Abplanalp.

Inasmuch as the President could not sustain this enormous financial burden, he had recourse in 1970 to a second loan from Mr. Abplanalp. Later that year, he sold the greater portion of the San Clemente estate to him and C. G. Rebozo. Since Mr. Rebozo's friendship with the President is a familiar fact, why has the White House kept secret his part in this transaction so long? As recently as last October, White House officials stated that no buyer had yet been found for the acreage surrounding the San Clemente house when, in fact, it had been sold to the President's two close friends two years earlier.

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Mr. Nixon made a substantial profit when he sold the San Clemente land to Mr. Abplanalp and Mr. Rebozo. In 1969, he bought a house and two parcels of land totaling 28.9 acres for a combined purchase price of \$1,500,000. In 1970, he sold 23 acres to his two friends for \$1,249,000. The difference between the two figures is \$251,000. But since the acres which the President kept are not only the improved portion of the lot but are also the choice ocean-front land, they and the house were worth much more than \$251,000 in December 1970. So it would seem that Mr. Abplanalp and Mr. Rebozo paid considerably more for the unimproved land than Mr. Nixon had paid for it a year earlier.

Does the President's original 1970 tax return record this profit, either as capital gain or as straight income? If it does not, here may lie the explanation for the secretiveness with which the White House surrounded these financial transactions between the President and his two wealthy friends.

General Eisenhower and Adlai E. Stevenson in the 1952 campaign set the proper example of how to lay to rest recurring rumors and suspicions of this kind. When the issue of private slush funds arose, they made public their income tax returns for the previous several years. Mr. Nixon and Senator Sparkman, then the opposing Vice Presidential candidates, followed suit. The President would do well to adopt the same course of action by making public his income-tax returns now. Only full disclosure can settle the disturbing issues that the White House's past mystifications help to evoke.