

The Question of Taxes On San Clemente Land

Washington

President Nixon indicated yesterday that he had paid no capital gains tax on a \$1.24 million sale of some of his property at San Clemente. He said the Internal Revenue Service had not ordered him to make any changes in his income tax returns.

In answer to a question about his personal finances at a press conference, Mr. Nixon conceded that there was some difference of opinion on whether he had realized any capital gain on a sale of 23-acres of San Clemente property to his millionaire friends Robert H. Applanalp and Charles G. (Bebe) Rebozo. He referred to it as a "difference between accountants."

However, he said that the IRS had audited his tax returns for 1971 and 1972 and, after its audit, "did not order any change." Presumably, this meant that Mr. Nixon had not declared any cap-

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ital gains on the sale.

If the IRS had ordered a change, Mr. Nixon said, "I would have paid the tax."

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Mr. Nixon said that he did not resent questions about his personal property but added that he did resent the "implications" that his property at either Key Biscayne, Fla., or San Clemente "was enriched because of what the government did."

Questions have been raised about expenditures of \$10 million in federal funds in the name of presidential security and safety at Mr. Nixon's private properties.

Mr. Nixon asserted that "as a matter of fact, what the government did at San Clemente reduced the value of the property."

In a reference to security installations at San Cle-

mente, Mr. Nixon said "if you see three Secret Service gazebos and if you see some of the other fences that black out the rather beautiful view to the hills and the mountains that I like, you would realize that what I say is quite true. It reduces its value as far as a residential property is concerned."

Mr. Nixon said that the audit of his real estate transactions by a public accounting firm, released last week by the White House, "gave the lie" to reports that he had paid for his property in San Clemente with "a million dollars worth of campaign funds."

The President complained that these reports were printed in eight-column headlines in most of the papers of this country" but that the retractions "ended back up with the corset ads for the most part."

Mr. Nixon said that he had bought all his property with money that he had borrowed and still owes.

Listing his property holdings, the President mentioned two pieces of property in Florida at Key Biscayne, the San Clemente property and "a house on Whittier boulevard in which my mother once lived. I have no other property and I owe money on all of them."

Mr. Nixon said he owns no stocks or bonds and added that he thought he was the first President since Harry S. Truman to own none.

The Internal Revenue Service, he said, had run a "full field review, or audit," of his income tax returns for 1971 and 1972, which, he said had included the San Clemente property sale to his friends.

Mr. Nixon purchased the 25.5 acre estate at San Clemente, including the lavish Spanish-style home for, \$1.4 million in 1969.

He bought an adjoining 2.6 acre parcel of land for \$100,000 four months later. Mr. Nixon borrowed heavily from Applanalp to finance

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the purchase, according to the White House.

Subsequently, Mr. Nixon and his wife, as owners of San Clemente, sold 23 acres of the property to the B & C Investment Co., owned by Applanalp and Rebozo, for \$1,249,000.

New York Times