

NIXON'S FINANCES

How Richard Nixon became a

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WASHINGTON — How did Richard Nixon become so rich during his five years as president?

Massive tax deductions, successful real estate investments, help from friends and sharp tax lawyers enabled him to acquire more wealth in office than he did in eight years as a corporate lawyer in California and New York.

In fact, his net worth has tripled since he took office and is now nearly \$1 million. Almost a third of that —

\$299,000 — was saved from the tax collectors by the donation of his vice presidential papers to the government.

When Nixon left office as vice president in 1961, he told editors at Disney World last month, his net fortune was \$47,000 "and a 1958 Oldsmobile that needed an overhaul."

On Jan. 1, 1969, shortly after he was elected President, Nixon's net worth was \$307,141.

Since then, according to the new White House summary, his net worth has grown three-fold. On May 31, 1973,

millionaire in 5 short years

it totaled \$988,522, a gain of \$681,381.

The bulk of the President's personal wealth consists of cash in the bank — a total of \$432,874 — and real estate, his homes at Key Biscayne and San Clemente and some property in his home town of Whittier.

The real estate has a total value of \$960,611, against which there are mortgages totalling \$470,681. This leaves Nixon with an equity of \$489,930.

One of the major keys to amassing his wealth was the massive income tax write-offs Nixon claimed during his years in the White House.

On a total income since 1969 of more than \$1.6 million, the President has paid income taxes of only \$78,651 — an effective rate of less than five percent. His salary is \$200,000, a year, plus \$50,000 in an official expense allowance.

Meanwhile, Nixon has both sold and purchased real estate in transactions that have generally increased his fortune. In some of the deals, his close friends Robert Abplanalp and C. G. (Bebe) Rebozo figured prominently.

Since taking office, the President has completed three major sales, according to the White House summary:

- In 1969 he sold all his shares in Fisher's Island Inc., a closely held corporation that includes Rebozo among the principal partners. The President almost doubled his original investment made before 1971, and realized a net profit of \$184,891. The purchaser of Nixon's stock was the Fisher's Island corporation.

- Again almost doubling his money, Nixon in 1969 sold his co-op apartment at 810 Fifth Ave. in New York City for \$312,500. The net profit, according to the White House, was \$142,912. The apartment had been purchased in 1963.

- Finally, the President roughly quadrupled his initial investment of \$33,080 in two vacant lots on Key Biscayne.

The lots, purchased in 1967, were sold in 1972 for a total of \$150,000 to William Griffin, an Abplanalp associate.

The White House summary indicates that another wealthy Nixon friend, Elmer Bobst, chairman of Warner Lambert Pharmaceutical Co., indirectly helped Nixon buy the lots in the first place from Cape Florida Development Co.

While Nixon was vice president, Bobst set up a trust fund, consisting of 500 shares of Warner Lambert stock, for Nixon's elder daughter, Tricia. The stock was sold in 1967 for \$25,242.

Tricia, who had just turned 21 when her father bought the lots, loaned him \$20,000 from the proceeds of her trust

fund in exchange for a 40 percent share of any profits that might eventually be realized on the land.

The White House summary said that, after the sale to Griffin, Nixon paid Tricia \$65,000—her original \$20,000, plus her share of the profit. Tricia paid taxes on her share.

After his election, Nixon made two major real estate purchases—his estate at San Clemente and his two homes in a compound on Bay Lane at Key Biscayne.

The Bay Lane houses were bought in December, 1968, for a total of \$253,455. The White House summary said that, as of last May 31, Nixon still owed \$161,000 on the properties.

The most complicated Nixon transaction was the 1969 purchase of San Clemente, made possible by massive loans from Abplanalp and also eventually involving Rebozo.

Operating through a trust, Nixon bought the 26 acre estate for \$1.4 million. His down payment was financed by a \$450,000 loan from Abplanalp.

The first \$175,000 mortgage payment was financed through another Abplanalp loan.

In December, 1970, Nixon sold a large part of the San Clemente acreage — but kept his villa — to an investment company formed by Abplanalp and Rebozo. The sale price was more than \$1.2 million.

As a result of that sale, the President was left with his home, 5.9 acres of land, cancelled notes for his loans from Abplanalp and a total mortgage reduced to \$340,000.

According to the White House summary, Nixon has since reduced that indebtedness to \$226,660, which is due to be paid off next July 15.