

By Ronald Kessler

Washington Post Staff Writer

With the release of his income tax returns and assorted deeds, mortgages, canceled checks and legal agreements, President Nixon has probably made the fullest disclosure of personal finances in the history of the presidency.

Mr. Nixon said he hoped the disclosure would put to rest "most of the questions outstanding in the public mind today" concerning his finances.

But while the material released by the White House clears up some questions, it leaves most of the issues surrounding Mr. Nixon's finances unresolved.

Mr. Nixon appeared to take note of that fact when he said he would allow a congressional tax committee to examine tax questions raised by his transactions. Mr. Nixon said he would abide by the committee's decision on whether he owes more taxes than he has paid.

The tortuous path that led to this weekend's unique presidential disclosures began almost as soon as Mr. Nixon assumed the presidency in 1969. It was in May of that year that the White House notified the press that Mr. Nixon would buy an estate in San Clemente, Calif. The initial White House statement said the President would purchase only a portion of the entire estate and would pay \$100,000 down toward the \$340,000 purchase price.

After a California newspaper published an allegation this year that campaign funds might have been used in the San Clemente purchase, an entirely different story began to unfold.

It turned out that Mr. Nixon had purchased the entire estate in 1969, and that instead of paying \$340,000, as the White House had said, he paid \$1.5 million. Instead of a \$100,000 down payment, Mr. Nixon put no cash down because he received a loan from his close friend, Robert H. Abplanalp. The balance of the estate had been sold at an apparent profit in 1970 to a partnership set up by Abplanalp and Charles G. (Bebe) Rebozo.

The White House has never explained the discrepancies involved in the San Clemente dealings, and since they became apparent, other questions have been raised about almost every aspect of Mr. Nixon's financial affairs.

Why did Abplanalp and Rebozo contribute so gener-

ously to Mr. Nixon's San Clemente estate purchase? How was Mr. Nixon able to buy that estate and two Florida homes within six months of each other? Wasn't his income insufficient to cover the mortgage payments and operating expenses of the three homes?

Did a \$100,000 contribution from Howard Hughes go into the San Clemente transaction?

Why did the General Services Administration spend taxpayers' money to buy furnaces and furniture for the San Clemente home?

How did Mr. Nixon become nearly a millionaire?

The questions about Mr. Nixon's taxes have been equally numerous. Did Mr. Nixon pay a capital gains

tax on the purchase of the balance of the San Clemente estate by his two friends? Was his \$482,019 tax deduction for the gift of his vice presidential papers to the country legal? Even if it was legal, was it otherwise proper for the leader of the country to pay little or no taxes?

The President's disclosure makes it clear that he had more than sufficient income to cover his real estate and other expenditures during his years in the White House. During the 4½ years covered by the audit, Mr. Nixon received total cash of \$2.9 million and spent \$2.3 million, the reports show.

The income consisted largely of the President's salary and expense allowance totaling some \$1 million for the period, loans, money due from his former law firm in New York, and profits on the sale of his New York apartment, two vacant lots on Key Biscayne, and stock in a company that owns Fisher Island off the Miami, Fla., coast.

Mr. Nixon's expenditures consisted of payments on loans, operation and improvement of his residences, and personal expenses of some \$300,000.

The difference between the President's income and expenditures left him with cash of \$373,122. Together with the money he had when he entered the White House, he had \$432,874 in bank accounts last May 31.

But President Nixon's disclosures still left many questions unanswered.

The audit did not deal with the question of whether Rebozo and Abplanalp paid for the San Clemente purchase with their own funds, the funds of their companies, or some

other source.

A White House official said Abplanalp had taken a loan from a New York bank to cover the loan he made to Mr. Nixon for the San Clemente transaction. This assertion was not documented, but if it were, experienced investigators say only a full audit of Abplanalp's and Rebozo's books could definitely show the origin of the money.

The audit showed that Mr. Nixon's total federal income tax payments for the four years beginning in 1969 were \$78,650, of which \$72,682 was paid in 1969.

Asked yesterday if it was politically or morally wise for a President to pay only minimal taxes, a White House spokesman said Mr. Nixon's tax accountants took the deductions that they felt were justified. "The people who dealt with the President's tax returns dealt with them without talking to the President," he said.

The spokesman acknowledged, however, that the President was aware of the amount of taxes he paid.

The disclosure shows that the primary reason for Mr. Nixon's low tax payments was a deduction of \$482,019 claimed over a four-year period for his gift of vice presidential papers to the government.

The deduction has been a major source of controversy, revolving around the question of whether the gift of the papers was made before

Congress legislated the deduction out of existence.

The latest disclosure sheds little new light on this issue. The White House said an appraiser designated the papers to be donated before the cutoff date, and a deed conveying the papers was prepared by Mr. Nixon's tax lawyer before the crucial date.

But the White House also acknowledged that the deed did not specifically list the papers being donated until after the cutoff. Neither did the appraiser prepare a list of the documents until after the cutoff date, the White House said.

Although some tax experts have said that property cannot be transferred unless it is described, White House officials said yesterday that a descriptive deed was not necessary in this case because the papers

were in the physical possession of the government.

While the White House disclosure statements did not substantially increase public knowledge about the vice presidential papers deduction, they did reveal new details on the question of whether Mr. Nixon should have declared his sale of the majority of his San Clemente estate as a capital gain (profit).

For the first time, the White House explicitly said that Mr. Nixon had not declared a gain on the sale. It said Mr. Nixon's tax accounting firm, Arthur Blech & Co. of Los Angeles, had determined that the original cost of the property sold was the same as the price paid for it a year and a half later. If the price was the same as Mr. Nixon's original cost, the President would not have realized a profit,

and therefore no tax could be levied.

The White House said the determination was made by an accountant who had knowledge of the land in the San Clemente area. A spokesman later said the accountant had consulted two appraisals in making his determination.

But the White House also reported that a different accounting firm, Coopers & Lybrand, which audited the San Clemente transaction, had come to the conclusion that Mr. Nixon did realize a profit on the sale. The amount of the gain, the firm said, was \$117,370. The White House said this firm based its opinion on the two appraisals made in 1969.

If Mr. Nixon had, in fact, realized a profit, and if his vice presidential papers deduction were found to be illegal, the back taxes he

would owe to the federal government and California would total \$299,000 for the first four years of his presidency, the White House spokesmen said. This would be exclusive of any interest assessed on the back taxes, they added.

Another unresolved question was whether Mr. Nixon's daughter, Tricia, has properly paid taxes on the profit she received from the sale of two lots Mr. Nixon purchased in Key Biscayne in 1967.

Mr. Nixon's accountant said that because of an oral agreement between Mr. Nixon and his daughter, she had an interest in the property when it was first purchased.

The White House officials said her profit on its sale was therefore a capital gain, and was reported that way on her tax returns. But the

officials also acknowledged that it could be argued that the profit was not a gain but regular income, which would be taxed at a higher rate.

Other questions that remain only partly answered include:

- Why was the deed for one of the Key Biscayne lots left unrecorded for four years? White House officials quoted a Miami lawyer as saying the title, or ownership, to the lot was not clear. But land records in Dade County (Miami) show the legal instruments covering the lot to be the same as those covering an adjacent lot that Mr. Nixon also purchased, and the deed to this second lot had been recorded without delay.

- Tax stamps on the deeds for the two Key Biscayne lots show Mr. Nixon paid \$53,100 for them. The White

House statements say he actually paid \$38,000. A spokesman said the sellers placed the additional stamps on the deeds, perhaps to make it appear to other buyers that the lots were more valuable. However, the sellers have not disclosed the reason themselves, and they have declined to discuss the matter.

In part, the conflicts and controversy in Mr. Nixon's finances reflect the state of government financial disclosure requirements.

The requirements differ for congressmen, judges, senators, and cabinet appointees. Often, the requirements appear to be designed more to obscure than illuminate.

The biggest loophole is for Presidents. There is no requirement that they make any financial disclosure of the kind Mr. Nixon made this weekend.