

President's Worth: From \$10,000 to Nearly \$1 Million

By Ronald Kessler
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In the quarter-century Richard Nixon has been in public life, since being elected to Congress in 1947, his net worth has increased from about \$10,000 to the nearly \$1 million he reported publicly a week ago. Last month, at his televised press conference at Disney World, President Nixon said he had "earned every

penny" of his fortune.

Mr. Nixon's reported income has indeed been sufficient to account for his accumulated assets, a detailed review by The Washington Post of Mr. Nixon's finances from 1947 to the present time shows. In addition to his government salaries, Mr. Nixon earned a large income while out of office working as a lawyer in New York, and he has profited from a variety of real estate transactions over the years.

The review of Mr. Nixon's finances—based on real estate records, extensive interviews and Mr. Nixon's own disclosures—also shows, however, that he and his family have benefitted financially from several favors from private interests, including discounts on some of the real estate he has purchased, and loans and noncampaign gifts from businessmen.

Although Richard Nixon, in amassing his fortune, has been portrayed as the archetypical Horatio Alger who rose from penury to riches, he was not poor as a child, according to a second cousin who knew Mr. Nixon since he was born.

The cousin, novelist Jessamyn West, recalled recently that the Nixon family in Whittier, Calif., had a grocery store, a gasoline station, and two cars. "They never had a problem feeding the family," she said.

After graduating from Whittier College and Duke University Law School, Mr. Nixon practiced law in Whittier for about five years. In 1942, he worked briefly for the federal Office of Price Administration, then entered the Navy, where he learned to play a winning hand of poker. By his own account, Mr. Nixon left the Navy in 1946 with a net worth of \$10,000.

In the same year, Mr. Nixon was enlisted to run for Congress by a "Committee of 100" California citizens who wanted to defeat the incumbent, Jerry Voorhis. Mr. Nixon was elected, and during most of his career as a congressman lived in a rented Alexandria apartment.

During these years, Mr. Nixon's income, including fees for speaking engagements, ranged from \$12,500 to \$14,200, according to a column by the late David Lawrence, who indicated he had been given access to Mr. Nixon's tax returns.

In 1949, Mr. Nixon bought a house in Whittier in addition to his rented apartment here. Los Angeles County land records show he paid \$2,500 cash down on the \$12,500 purchase price.

Mr. Nixon was elected to the Senate in 1950, and was paid \$12,500 a year plus an expense account. He sold the Whittier home for a gross profit of \$4,000 and bought a home in Washington at 4801 Tilden St., N.W. D.C. land records show he

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paid \$20,569 cash towards the \$40,969 purchase price.

In 1952, while still in possession of Tilden Street house, Mr. Nixon bought another home in Whittier, this time paying \$4,000 cash down on the \$14,000 price, land records show. He sold this home in 1954 at a gross profit of \$500.

It was in 1952, while Mr. Nixon was running for vice president, that newspapers revealed he had received \$18,235 over more than a year from California businessmen during a period when he was not involved in a political campaign. A subsequent audit commissioned by Mr. Nixon showed the money had gone for such items as postage stamps in excess of Mr. Nixon's Senate allowance, Christmas cards to constituents, meetings and lunches in California, and photographs of Mr. Nixon and his wife.

Mr. Nixon defended himself against charges of impropriety in a television address that became known as the Checkers speech. The name derived from Mr. Nixon's statement that in addition to the money, he had received one gift he would not return:

"It was a little cocker spaniel dog . . . and our little girl, Tricia, the 6-year-old, named it Checkers," Mr. Nixon told the television audience. "And you know, the kids, like all kids, loved the dog, and I just want to say this, right now, regardless of what they say about it, we are going to keep it."

Mr. Nixon attributed the attacks on the fund to his fight against communism and corruption in government. "I know this will not be the last of the smears," he said.

When Mr. Nixon became Vice President in 1953, his salary became \$30,000 a year plus a \$10,000 expense account. In 1955, he received a congressionally voted raise to \$35,000 a year.

Following his re-election as Vice President in 1956, Mr. Nixon sold the Tilden Street home in Washington for \$42,000, giving him a gross profit of \$1,031. D.C. land records indicate. He purchased another Washington home at 4308 Forest La. NW, for \$75,000, of which \$25,000 was paid in cash.

In 1960, Mr. Nixon ran for President against John F. Kennedy. During the campaign, Mr. Nixon again became involved in financial controversy when the late columnist Drew Pearson revealed that Mr. Nixon's brother, F. Donald Nixon,

had received a \$205,000 loan from billionaire Howard Hughes. Four years after the loan had been made, Pearson wrote, it remained unpaid.

The disclosure was labeled a "smear" by Mr. Nixon's campaign aide, Robert H. Finch. He said the loan had not come from Hughes, and that Mr. Nixon knew nothing about it.

Donald Nixon subsequently confirmed that the loan had come from Hughes, but he insisted his brother had had nothing to do with it.

In recent interviews, Noah Dietrich, then a Hughes executive, said that it was Richard Nixon, while he was vice president, who requested the loan for his brother from Hughes. Dietrich, who later had a falling-out with Hughes, said in the interviews that he personally appealed to Mr. Nixon to withdraw his request. Dietrich said he remembered arguing that if the loan ever became public knowledge, Mr. Nixon's political career would be severely damaged, but that he was rebuffed.

"Mr. Dietrich," he quoted Mr. Nixon as replying, "I have to put my relatives ahead of my political career."

The loan was made to pay off debts incurred by Donald Nixon's restaurant chain, Nixon's Inc., which featured the Nixonburger. The loan was to be repaid within a year with interest at 4 per cent, according to a

partner of a Hughes lawyer involved in making the loan, who provided this information in response to questions posed in civil litigation in Los Angeles.

According to Dietrich, no one was to be held personally liable if the loan were not repaid. Instead, a vacant lot owned by Mr. Nixon's mother, Hannah, was put up as security for the loan. This meant that if the loan were

not repaid the lot could be acquired by the Hughes organization.

However, Los Angeles County records show that when the loan was made in 1956, the lot in Whittier was assessed at fair market value of \$52,000, about a quarter of the amount of the loan.

Both Dietrich and Phillip Reiner, an accountant involved in the transaction, said the payment to Donald Nixon amounted to a gift rather than a loan.

"In the back of his (Hughes) mind," Dietrich said, "There was no question it was to put the vice president of the U.S. under his obligation."

Reiner said that to give the transaction more of the appearance of a loan rather than a gift, a document covering the lot in Los Angeles County land records was backdated by some eight months.

Donald Nixon's restaurant failed less than a year after he received the loan, and land records show the lot was eventually acquired by the Hughes interests. Donald Nixon filed for bankruptcy in 1961, listing among his debts a loan on a 1960 Lincoln Continental.

According to Dietrich, the Internal Revenue Service granted a favorable tax ruling to Hughes a month after he made the loan to Donald Nixon. The ruling, granting tax-exempt status to the Howard Hughes Medical Institute, which owned the stock of Hughes Aircraft Co., had been twice refused previously by the IRS, Dietrich said.

Referring to the incident in his book, "Six Crises," Mr. Nixon asserted the lot had been appraised at an amount greater than the loan. Such an appraisal has never come to light.

After Mr. Nixon lost the 1960 presidential election to John F. Kennedy, he sold his Forest Lane home in Washington for \$103,000 in 1961,

giving him a gross profit of \$28,000. Mr. Nixon has said his net worth after selling the house was \$48,000.

Then Mr. Nixon moved to California, where he became a partner in a local law firm, began a campaign to become governor of California, and had a house built in a Beverly Hills development called Trousdale Estates. The real estate development was a joint venture of Paul W. Trousdale, a local builder, and Clinton W. Murchison Jr. of Dallas, Tex.

Murchison's family owns the Dallas Cowboys football team and at various times has controlled the New York Central Railroad and Investors Diversified Services Inc., manager of the large mutual funds.

Mr. Nixon first bought a lot in the Trousdale development for \$35,000, Los Angeles County land records show. The regular, listed price for the lot, at 410 Martin Lane, was \$104,250, according to Don W. Lewis, the Beverly Hills real estate broker who represented Trousdale Estates. Lewis said he had quoted the figure from the original price lists. The difference between that listed price and what Mr. Nixon was shown to have paid was \$69,250.

Lewis said he believes a 5 per cent discount was given to persons who paid for their lots in cash, as Mr. Nixon did. However, land records show that lots of similar size on the same street sold for about the same figure as the full amount quoted, by Lewis, although they also were purchased for cash.

Lewis said he understands the discount was given to Mr. Nixon because he was a celebrity who would spur sales of lots. He said some movie stars also were given price reductions, although the discounts were not as great as Mr. Nixon's.

Murchison did not return telephone calls, and Trousdale declined to comment for publication.

After he purchased the lot, Mr. Nixon had the Trousdale firm build a ranch house on it. The contract price was \$100,000, the amount Mr. Nixon received as a loan on the house from a local savings and loan association, according to his broker, France Miller Raine Jr., a brother-in-law of former White House Chief of Staff H. R. Haldeman. Raine later acted as Mr. Nixon's broker on his San Clemente estate purchase.

The cost of the construction of the Beverly Hills home, including installation of a swimming pool, was listed by the Trousdale firm on Beverly Hills building permits as \$135,875. However, it could not be determined if Mr. Nixon later paid more for the house than the initial price quoted by Raine. While the home was being built, Mr. Nixon and his family lived in a rented house.

When Mr. Nixon lost the governorship in 1962, he sold the Beverly Hills home to an old friend for \$183,100. Mr. Nixon's total profit on the sale cannot be determined with certainty because it is unknown if he paid more for the house originally than the figure, quoted by Raine.

After selling the Beverly Hills home in 1963, Mr. Nixon moved to New York City, where he became a

partner of Nixon, Mudge, Rose, Guthrie, Alexander & Mitchell. He bought a cooperative apartment at 810 Fifth Ave. for \$135,000, according to news reports at the time. The White House has listed Mr. Nixon's total acquisition cost, including improvements, at \$166,860.

Mr. Nixon apparently obtained a loan from First National Bank of Miami to help finance the purchase of the apartment. The loan balance stood at \$100,000 when he sold the apartment in 1969, according to White House statements.

During Mr. Nixon's years as a New York lawyer, his annual income averaged \$200,000, according to Vincent S. Andrews, a former Nixon financial manager who was interviewed recently.

Mr. Nixon has also said he received about \$250,000 for his book, "Six Crises." The hard cover edition sold 75,000 copies, according to his publisher, and serialization and foreign rights brought in substantial income.

It was also during his New York years that Mr. Nixon began buying stock at \$1 a share in Fisher's Island Inc., which owns an island off the coast of Miami. The head of the Fisher's Island company was Charles G. (Bebe) Rebozo, whom Mr. Nixon met in 1951 through their mutual friend, former Sen. George Smathers (D-Fla.). Mr. Nixon later sold this stock at \$2 a share, making a profit of \$185,000.

In 1965, Mr. Nixon purchased another Whittier, Calif., house from his mother, Hannah. The price, as listed on Los Angeles County land records, was \$80,000, of which \$60,000 came from a mortgage loan. Mrs. Nixon lived in the house until her death in 1967. She willed Mr. Nixon \$33,000, which he received in 1969.

In the same year, Mr. Nixon began renting out the Whittier house at \$50 a month. The house, still owned by Mr. Nixon, is now rented by the East Whittier Friends Church, of which Mr. Nixon is a member. The church allows one of its ministers to live there rent free.

Because the expenses of running the Whittier house far exceed the rental income it produces, the house appears as a tax deduction on Mr. Nixon's returns.

In 1967, Rebozo introduced Mr. Nixon to Donald L. Berg, the head of a company selling lots in Key Biscayne, a tiny island connected to Miami by a causeway. At the time, Mr. Nixon had begun his drive for the presidency.

Mr. Nixon purchased two lots in the Key Biscayne development for \$38,000, according to White House statements. This price represented a discount over the regular listed price, according to Francisco Saralegui, then a vice president in Berg's company.

Two lots adjacent to Mr. Nixon's and about the same size as his sold a year later for \$73,100, although there was no appreciation in land values in the area during the period, according to records in Miami's Dade County.

Efforts to determine why Berg, a Miami real estate in-

vestor and operator of a restaurant on Key Biscayne, had made this discount were unsuccessful. Berg did not return repeated telephone calls. After one such call, his secretary said he had just decided to take a vacation.

Asked about the transaction, Gerald L. Warren, deputy White House press secretary, said, "All I can tell you is he bought it from the (selling) company, and then he sold it."

Tax stamps affixed to the deeds to the two lots in Dade County records show their price to be \$53,100.

Warren said there is nothing in Florida law to prevent buyers or sellers from buying more stamps than the number required to cover the purchase price. Another White House spokesman has said the sellers probably wanted the lots to appear to be more valuable than the price Mr. Nixon paid for them would indicate.

Mr. Nixon sold both lots in 1972 for \$150,000, giving him a profit of \$111,270. The lots were sold to William E. Griffin, a lawyer for Robert H. Abplanalp, another close friend of Mr. Nixon. Abplanalp, the owner of Precision Valve Corp. in Yonkers, N.Y., is also a director of Rebozo's Key Biscayne Bank and has built a special suite for Mr. Nixon on his Bahamian island.

The White House has said that Mr. Nixon's daughter, Tricia, initially loaned Mr. Nixon \$20,000 to help pay for the lots when they were purchased in 1967. The money came from a trust fund set up for her by Elmer Bobst, a drug manufacturer, the White House says.

When the lots were sold, Tricia Cox was given her

proportionate share of the profit, the White House has said.

After Mr. Nixon was elected President in 1968, he purchased in December of that year two Key Biscayne homes adjacent to Rebozo's for \$252,800. One of the houses was bought from former Sen. Smathers, who was said to have been renting it to Mr. Nixon. Because of a personal, unsecured bank loan, Mr. Nixon was able to purchase the houses with no cash downpayment.

On Jan. 1, 1969, Mr. Nixon's assets, as valued at their cost of acquisition by the accounting firm of Coopers & Lybrand, stood at \$307,141.

After he became President, Mr. Nixon sold most of the assets included in this figure. The New York apartment sold for \$312,500, bringing Mr. Nixon a gross profit of about \$150,000. The Fisher's Island stock brought \$371,782, for a profit of \$184,891.

Mr. Nixon also received \$128,611 due him from his old law firm.

Within several months of his move into the White House, Mr. Nixon's spokesmen said he had agreed to purchase a portion of an old estate in San Clemente, Calif., for \$340,000. Of this

price, \$100,000 was to be paid in cash, the White House said.

This year, however, the White House said Mr. Nixon had actually paid \$1.5 million for the entire estate. Because of a loan from Abplanalp, the White House statements showed, Mr. Nixon had made no cash downpayment on the property.

In 1970, Mr. Nixon sold the majority of the San Clemente estate to Rebozo and Abplanalp, the White House revealed this year. The price they paid meant that Mr. Nixon's price per acre for the portion of the estate he retained had been reduced by 18 per cent.

Coopers & Lybrand figured Mr. Nixon's profit from the sale to his two friends at \$117,370. However, Mr. Nixon's tax accountant said he had determined there was no profit, and for that reason, Mr. Nixon did not pay a tax on the sale.

As of last May 31, Mr. Nixon had a total cash income while he was in the White House of \$2.9 million, and had expenses of \$2.5 million, according to Coopers & Lybrand. The bulk of the income came from Mr. Nixon's \$200,000 annual salary as President, plus a \$50,000 taxable expense account.

Mr. Nixon reported for tax purposes that he had received income of \$1.1 million in his first four years as President. On this amount, Mr. Nixon paid \$78,650 in federal taxes and no local or state taxes during those four years.

Mr. Nixon thus retained 93 per cent of income after taxes during this period, adding to his cumulative wealth and giving him a net worth, as of May 31, 1973, of \$988,522, according to Coopers & Lybrand, based on initial costs of acquiring the assets rather than current market value. Of the total, \$432,874 represents cash in bank accounts.



... in Navy in 1940s



... congressman in '48



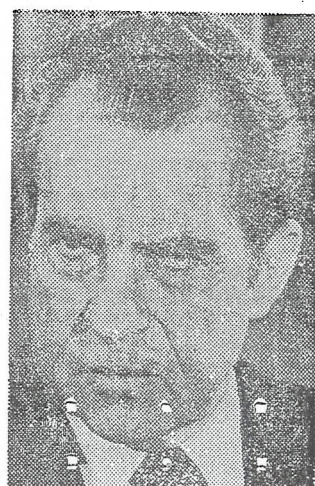
... senator in 1950



... vice president, 1956



... governor candidate, '62



... president, 1973