

# The Tax Deduction Blooper

President Nixon's latest press conference blooper was based on his personal misreading of a two-month-old newspaper clipping without further investigation or staff discussion, raising fresh doubts about day-to-day competency in the oval office.

Although Mr. Nixon prepares for his infrequent press conferences at much greater length than his predecessors, he continued a series of factual errors last week when asked about heavy tax deductions he claimed for donating his vice-presidential papers to the nation. Mr. Nixon characteristically replied that other famous Americans—including Dr. Jerome Wiesner, President Kennedy's science adviser and now president of the Massachusetts Institute of Technology—had taken similar deductions. In truth, Wiesner claimed no deduction for his gift.

Mr. Nixon's statement was based wholly on a clipping from the New York Times of last Dec. 18 contained in his press conference briefing file. The clipping was a United Press International dispatch quoting from a Scripps-Howard story revealing that officials in former administrations donated papers "on which they presumably claimed tax deductions." Scripps-Howard was quoted in the dispatch as saying government records show many officials "donated

their papers on which they could have claimed tax deductions."

A list followed including, among many others, Wiesner and Prof. John Kenneth Galbraith of Harvard, former Ambassador to India.

From that long list, Mr. Nixon picked doves Wiesner and Galbraith to mention at his press conference without checking whether either actually claimed a deduction or discussing it with White House staffers.

In the case of Galbraith, he guessed right. In the case of Wiesner, he guessed wrong.

Footnote: reiterating that former President Johnson had urged him to take a tax deduction on the papers after doing so himself, Mr. Nixon told a half truth. While claiming past deductions, Mr. Johnson and his lawyers decided it would be "unseemly" to claim further deductions once legislation to close that tax loophole started through Congress.

In contrast, Mr. Nixon's lawyers raced the clock to get the deduction before the law expired. What's more, his lobbyists tried unsuccessfully to delay closing the loophole.

Ignoring the Nixon administration's proposed multibillion-dollar arms sale

to make oil-rich Iran the guardian of the Persian Gulf, the Treasury Department last month delayed a World Bank \$75 million development loan to Iran as a ploy in global oil politics.

The loan was set for routine approval early in February by the board of executive directors under bank president Robert S. McNamara. But high Treasury officials held up approval, apparently to spank Iran for taking the lead in raising oil prices.

The U.S.-imposed delay marked another effort by bank-member nations to make loans conform to their own political views. This pressure, particularly intense from the U.S., is undermining the bank's independence.

Treasury's interference with the \$75 million loan to Iran's industrial and mining development bank caused a one-week delay just as McNamara was encouraging Iran to give future financial help both to underdeveloped and oil-consuming nations hit by oil prices.

A footnote: Energy czar William Simon's intemperate outburst at the Shah of Iran for saying the U.S. is importing as much crude oil now as last year did not help. It took a very high-level apology to calm down the Shah.

Clinching evidence that the White

House has abandoned its land-use bill, earlier given "highest priority" by President Nixon, was Secretary of the Interior Rogers Morton's flat refusal to round up votes for it in the House Rules Committee.

Asked by the bill's congressional supporters to find one extra Republican vote before the committee killed the bill last week, Morton replied sadly: "I am not able to make that effort." The clear implication: He was ordered by the White House to let the bill die.

Earlier, Morton described the bill as the administrator's "No. 1 Environmental Proposal." The White House switch, engineered by congressional conservatives, is viewed by administration officials who fought for the bill for three years as a signal: The President will bend over backward to appease conservative Republicans on the bitter impeachment battle.

Bending over backward may be necessary with conservatives in the House smouldering at Mr. Nixon for his liberalized program—including cash payments to the poor—and his deficit budget. Killing the land-use bill, an ideological monster to militant conservatives, could dilute their rising anger.