

Nixon's Lawyers on The \$576,000 Gift



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THE ATTORNEYS who assisted President Nixon with his 1969 tax returns have sworn that they relied completely on the White House for their information about the controversial \$576,000 deduction he claimed after the legal deadline had passed.

Mr. Nixon's personal lawyer, Herbert Kalmbach, and tax lawyer, Frank DeMarco, have testified that the 1969 returns were based wholly on information provided by White House aides, principally Edward L. Morgan, who signed the backdated deed bequeathing the Nixon papers to the government.

The backdating was done to make it appear that the papers had been donated before the July 25, 1969, deadline expired for claiming a tax deduction.

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DEMARCO admitted that he notarized the fraudulent deed at the White House on April 10, 1970, the same day he submitted the tax returns to President Nixon for his signature.

Kalmbach and DeMarco said they explained the returns carefully to the President, who checked them over page by page. The two attorneys reviewed the controversial \$576,000 tax deduction with the President, but never advised him specifically that the deed had been backdated.

From congressional sources, we have now obtained a copy of the crucial 1969 returns, which the President signed. Attached to the returns is an affidavit from Chicago appraiser Ralph G. Newman, who set the \$576,000 value of the donation.

The affidavit clearly states that the appraisal wasn't completed until December 8, 1969 — almost five months after the deadline had passed for claiming a tax deduction.

The appraisal began, according to the affidavit, on "the sixth to the eighth day of April, 1969." But sources close to Newman say on those two days he looked only at papers that were part of an earlier gift.

The final appraisal of the \$576,000 papers, according to the affidavit, was conducted "on November 3, November 17 through 20 and December 8, 1969."

Newman selected only one-third of the available papers — just enough, according to the sworn testimony, to constitute the deduction that the President desired.

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IN THE tax statement claiming a \$576,000 "charitable contribution," the President gave the "date of gift" as March 27, 1969. He may have difficulty explaining how on March 27 he could give the government papers that weren't even selected, itemized and appraised until November and December 1969.

The final appraisal was dated April 6, 1970, just four days before the President signed the returns.

The returns also claim that "the gift was free and clear with no rights remaining in the taxpayer." Actually, the President won't permit the public to examine the papers, which he supposedly has given them. Access to the papers is restricted to those he designates.