

## Nixon Accountant Says White House

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LOS ANGELES, April 7.—President Nixon's tax advisers were ordered by the White House to take some of the deductions from his taxable income that were later declared improper by a Congressional investigation, according to Mr. Nixon's personal accountant.

"It was take 100 per cent of that and take 50 per cent of that," Arthur Blech, the accountant, recalled in an interview. He said he understood that the instructions, which he in one case disregarded, had come at different times from John W. Dean 3d, John D. Ehrlichman and other former high Nixon aides.

"Any allusion that we had options is crazy," Mr. Blech said. "The pattern was set in 1969 and the deductions for 1970, 1971 and 1972 just followed suit."

At one point after completing the President's 1970 Federal income tax return, he said,

he asked for a meeting with Mr. Nixon because "I came out with a no-tax situation and I asked myself, what's going on here?"

As a result of the deductions, the President paid only \$793 in Federal income taxes in 1970, something Mr. Blech said he believed at the time to be "politically unwise."

A meeting was eventually promised with the President in 1972 at his San Clemente estate, but was canceled when Mr. Nixon returned to Washington unexpectedly. Mr. Blech said he had still never talked with Mr. Nixon and that he never spoke with anyone in the White House "until the stink came out."

One of the orders dictated from the White House, according to the accountants, concerned the deduction from the President's taxable income as a "business expense" part of the cost of running his homes in Florida and California.

Mr. Blech said that instruc-

tions were passed to him through Frank DeMarco, a partner in a firm of lawyers here retained by Mr. Nixon, to deduct 100 per cent of the expenses of one of the President's two homes in Key Biscayne, Fla., and 50 per cent of the cost of operating his oceanfront estate at San Clemente.

### Deduction Contested

Mr. Blech reduced the San Clemente deduction to 25 per cent of his own accord, he said. But even this amount was deemed impermissible by the staff of the Joint Congressional Committee on Internal Revenue Taxation in its report last week on the President's taxes.

The committee staff found that Mr. Nixon had underpaid his Federal taxes for the period 1969 through 1972 by \$444,022. The White House announced that he would pay \$432,787.13 to the Federal Government, based on a concurrent investigation by the Internal Revenue

## Ordered Deductions Called Improper

Service that found underpayments of the lesser amount.

Mr. Blech's remarks followed a declaration by Mr. DeMarco last week that he and another lawyer had gone over the President's 1969 return with him "page by page" during an April, 1970, conference in the Oval Office in the White House.

Mr. DeMarco was replying to a White House statement of last Wednesday, the day the committee's report was released, attributing "any errors which may have been made" in the President's returns to "those to whom he delegated the responsibility for preparing" them, meaning Mr. DeMarco and Mr. Blech. The statement added that any existing errors had been made without Mr. Nixon's "knowledge" or "approval."

One source familiar with the preparation of the President's returns went further than Mr. Blech or Mr. DeMarco have in their public remarks.

The source asserted that Mr.

Nixon knew everything that was being done in his behalf and had not objected to any of the procedures employed. He said everything had been explained to the President.

He referred to a memo from Mr. Ehrlichman to the President dated less than a month after Mr. Nixon took office in January, 1969, that outlined in detail plans to deduct more than \$500,000 from the President's taxes over a period of years for the "gift" of his Presidential papers to the National Archives. The comment "good" was scrawled at the bottom of the memo in Mr. Nixon's handwriting.

A second source, who also asked not to be named, supported Mr. Blech's assertions of direction from Washington, at least in connection with the President's 1969 return.

That was the year in which Mr. Nixon, under the Ehrlich-

man plan, claimed the first installment of \$95,298 of the \$428,018 that he eventually deducted for the papers.

The joint committee found the gift of the papers invalid for tax purposes on the ground that a proper deed granting the papers to the archives had not been prepared before mid-1969, when a law that made such deductions impossible took effect.

Mr. Blech said on Friday that the only major instance in which he had exercised any professional judgment was his valuation of the San Clemente estate in deciding whether Mr. Nixon had earned a profit on the 1970 sale of part of the land.

Mr. Blech concluded that no profit had been earned, but the joint committee found a capital gain of \$117,000 on the sale and held that Mr. Nixon had failed to pay the required tax on half of that amount.