

# President gambling he paid proper taxes

WASHINGTON (AP)—President Nixon is gambling more than quarter-million dollars of his own money that a joint congressional committee will agree he paid the proper amount of federal income taxes since taking office.

As he made a massive, unprecedented disclosure of his private finances during the weekend, the President asked the House-Senate Committee on Internal Revenue Taxation to decide two questions:

—Did he act legally in claiming about \$500,000 in deductions for donation of his vice presidential papers to the government—deductions which helped reduce his federal income taxes to less than \$6,000 in the past three years.

—Did he make a \$117,000 gain in the 1970 sale of a portion of his San Clemente estate, as one set of personal auditors recently concluded, or did he show no gain, as his tax advisers decided at the time?

The deed is signed over soon. But presidential aides said it is unlikely Nixon would claim any such deduction.

—Vice President Gerald R. Ford yesterday said President Nixon's "total disclosure" of his personal finances should satisfy "any reasonable member of Congress" and the American people that he has done nothing illegal.

But Ford said, "I am sure there will be Americans who will feel there should have been a larger tax."

He said questions of impropriety should be eased by the President's decision to turn over to the government his San Clemente, Calif., home.

Also, he said, Nixon will be helped by letting a Senate-House committee decide whether he paid the proper amount of taxes.

The vice president made the comments in his first radio-television panel interview since being sworn in, appearing on ABC's "Issues and Answers."

Answering questions, Ford said: "I have no intention of running for public office" in 1976. "I don't know how emphatically I can say it than I've said before."

He said he did not want to be pinned down completely about the future, but that at this time he said he didn't see any circumstances that would change his mind.

Ford said giving the San Clemente home to the government should "wipe out any alleged...impropriety" in Nixon's tax payments.

Ford said examination of Nixon's financial disclosures "will satisfy any reasonable member" of Congress or the public that the President acted properly.

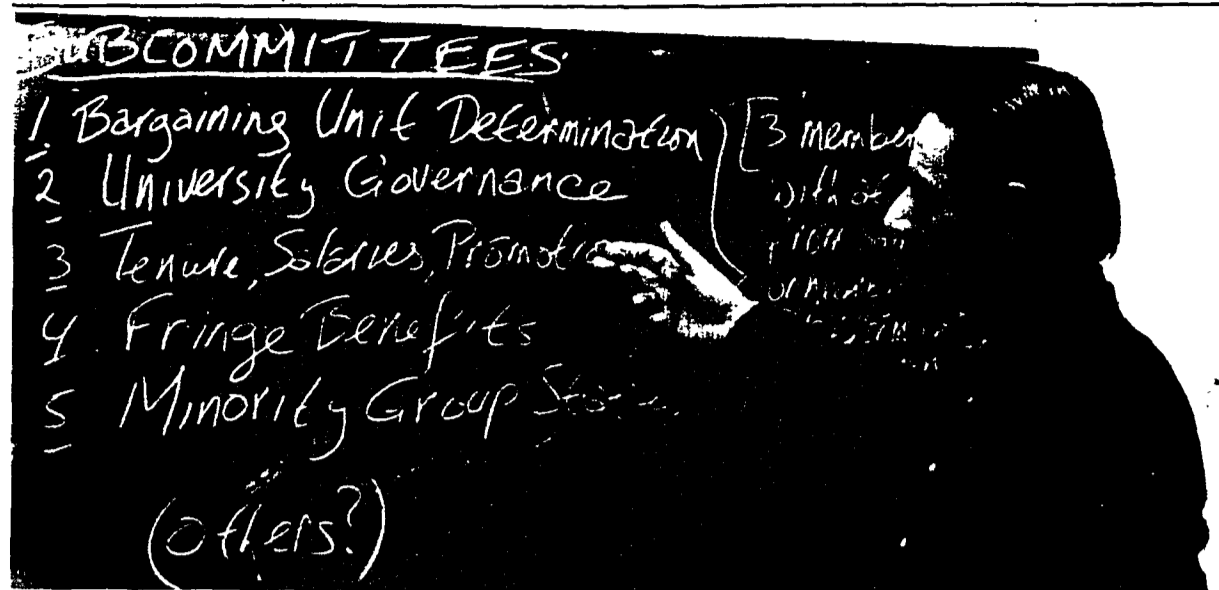
—The White House said Nixon sent a private letter to the congressional committee during the weekend asking it to undertake the independent review. The panel's chairman, Rep. Wilbur D. Mills, D-Ark., had agreed to do so when Nixon telephoned him last Thursday.

Mills said he did not know how the committee would proceed, but indications were that the issues raised by Nixon would be turned over to its staff experts for study.

The committee is composed of five senior members of the House Ways and Means Committee and an equal number of Senate Finance Committee members. Democrats hold a majority, but most of them are considered conservatives.

The President, meanwhile, faces another potential tax challenge.

Sen. Lowell P. Weicker Jr., a Republican member of the Senate Watergate Committee, is reportedly considering asking the Internal Revenue Service to examine Nixon's deductions for donation of the vice presidential papers.



Photos by Randy J. Woodbury

## AAUP steering committee to promote faculty union

By ROBYN MOSES  
Collegian Staff Writer

Penn State's faculty has taken another step toward collective bargaining with the American Association of University Professors organizing a steering committee for unionization.

At a meeting Dec. 8, AAUP members from several University campuses set up a committee to promote AAUP as Penn State's bargaining agent. The committee will be headed by two chairmen, one from University Park and one representing the Commonwealth campuses.

The greatest problem facing AAUP's campaign will be communication, according to Mary Heffernan, newly appointed Executive Secretary for the steering committee at Penn State, and national representative from the Washington headquarters.

"I don't want us to get lulled into a sense of false security. Our one greatest flaw will be communications, due to the sheer size of this massive campaign and the number of people involved. Communications on the University Park campus alone is going to be difficult," Heffernan said.

Geographic dispersion is another problem the AAUP committee will have to overcome to make the campaign successful, she added. Newly appointed Commonwealth Campus Chairman Jim Whittaker, director of the psychology laboratory at Capitol Campus, said he feels the committee will have to overcome the feeling of branch campuses that this is a University Park-based operation which does not include them.

Other members, including Vilma Hunt, associate professor of biological health at

University Park, and newly appointed committee member-at-large agreed saying, "We should be conscious of a two phase goal. We're heading in the same direction as the branch campuses. It's a matter of having mutual confidence and a mutual goal."

University Park AAUP Chapter President Robert Scholten proposed having five board (chapter) presidents from campuses which already have AAUP chapters to serve on the steering committee to remedy the situation.

He also proposed starting a Council of Representatives consisting of a least one member from each campus and at least one member from each college and other units, such as the Library Staff, at University Park.

According to Scholten, such a council would "carry on a 'grassroots campaign' by meeting with individuals and small groups."

By achieving harmony with branch campuses, AAUP hopes to weaken the ties Commonwealth Campuses have to PSUBranch, the other organization vying to be Penn State's faculty bargaining agent.

This would require a large budget because AAUP's campaign may stretch into next year, Heffernan said.

Ronald Maxwell, assistant professor of English, was tentatively assigned the job as University Park chairman. Anthony Foderard, professor of nuclear engineering at University Park, was appointed steering committee treasurer.

Several subcommittees were proposed by Scholten, including one for University governance, one for tenure and academic freedom, and one for fringe benefits, salaries and promotions.



ROBERT SCHOLTEN, president of the University Park Chapter of AAUP, discusses his proposed subcommittees to the steering committee at the Dec. 8 meeting. Newly appointed Executive Secretary Mary Heffernan poses some problems she says she feels may hamper AAUP's effectiveness in becoming Penn State's bargaining agent.

# Tax board member to challenge Nixon's presidential tax status

SACRAMENTO, Calif. (AP) — A Democratic member of the state Franchise Tax Board says he will challenge President Nixon's tax status under which the chief executive paid no California income tax for the period of his presidency.

"I was amazed at the report," said William M. Bennett, referring to the White House statement that said Nixon was a resident of the District of Columbia — not California — for income tax purposes.

"I thought he had filed a tax return," said Bennett, who said he would make the challenge tomorrow.

The White House issued a written opinion from Los Angeles tax attorney Dean S. Butler which said Nixon "is not a resident of the state of California for purposes of paying California income

taxes...and is not obligated to file a residency income tax return from 1969 to the present time."

White House sources said Nixon would have had a state tax obligation of about \$64,000 if required to file a California return. The tax rate on his salary in California would be 11 per cent.

State law forbids officials from discussing any aspect of an individual's income tax status — even whether he or she files a return.

Bennett raised the question of Nixon's state income tax liability a month ago, saying he wanted to know if the president was truly meeting his obligation.

Bennett said at that time he assumed that Nixon was filing California returns. He specifically wanted to know if he had reported such items as capital improvements from his San Clemente property.

After the White House report was released Saturday, Bennett said: "We know that he lives in San Clemente. We know that is his home. Unless there is an exemption there presumably is a tax liability."

Bennett also has challenged the rate of local property taxes Nixon has been assessed at San Clemente.

State Controller Houston I. Flournoy, a Republican and chairman of the

Franchise Tax Board, said earlier that Bennett's request probably would be taken up in executive session because of the confidentiality factor.

Bennett said, "What I will be discussing is the law. There's nothing confidential about any of that."

The law on state residency for income tax purposes is complex.

Martin Huff, executive officer of the Franchise Tax Board, said last week that voting residence is not a factor.

But the "Guidebook to California Taxes" lists voting residence as one of the tests given to determine if a person is a resident of California for tax purposes.

Huff listed the following qualifications for liability: "Every individual who is in this state for other than a temporary or transitory purpose. Every individual domiciled in this state who is outside the state for a temporary or transitory purpose. Any individual who is a resident of this state continues to be a resident even though temporarily absent from the state."

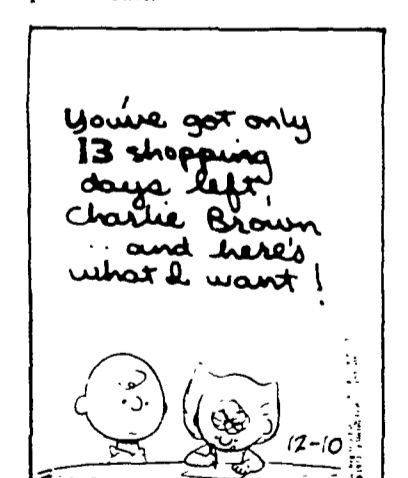
The tax guidebook, considered an eminent authority on California taxes, says: "The underlying theory is that the state with which a person has the closest connection during the taxable year is the state of his residence."

The third member of the Franchise Tax Board, which oversees the state

income tax system, is Finance Director Verne Orr, a Republican and appointee of Gov. Ronald Reagan.

If the board declares a person must file a California return, the individual can appeal to the five-member State Board of Equalization of which Flournoy is a member and Bennett is chairman. The board is controlled 5 to 1 by Democrats.

An adverse decision of the Board of Equalization can then be appealed to the superior court.



# Arabs to cut oil by 5 per cent

KUWAIT (AP) — Arab oil ministers yesterday said they will cut back oil production by another 5 per cent in January, but pledged to lift their total embargo against the United States as soon as Israel starts pulling out of occupied Arab lands.

The pledge issued in this wealthy Persian Gulf oil sheikdom stipulated Arab oil would resume flowing to the United States only at the beginning of implementation of a pullout agreement signed by Israel and guaranteed by Washington.

The accord must detail conditions for "withdrawal of Israel from all territories occupied since the June war of 1967, with foremost priority to Jerusalem and in accordance with a fixed timetable," the ministers said.

The Saudi Arabian oil minister, Sheik Ahmed Zaki Yamani, said in Washington on NBC's "Meet the Press" that Arabs would remove the U.S. embargo "when Israel agrees to withdraw and the United States guarantees the withdrawal" from lands occupied since the outbreak of the 1967 war.

Yamani's version of the Arab stand appeared softer, tying the flow of oil only to a guaranteed agreement and omitting the Kuwait demand for prior beginning of the pullout.

Yamani's partner in a world tour explaining Arab oil policy, Algerian Industry Minister Belaid Abdesalam, told reporters in Washington U.S.-bound oil shipments can resume as soon as Israel sets the timetable for total withdrawal to its 1967 borders.

The announcement of another 5 per cent reduction in the month-by-month worldwide oil squeeze came just nine days before the Arab-Israeli peace conference opening in Geneva Dec. 18.

It and the offer of renewed oil shipments to the United States clearly were intended to strengthen the Arab negotiating hand in the talks. The Arab idea was that the United States and its

European allies will be more apt to pressure Israel for withdrawal concessions as they feel their oil supplies diminishing further in winter temperatures.

The Israeli defense minister, Moshe Dayan, yesterday said on television in the United States he had not felt any U.S. pressure for Israeli concessions at the Geneva peace conference. He said on CBS-TV's "Face the Nation" he had asked for additional arms aid during his current U.S. visit — "more of the same...more planes and more electronics."

In Tel Aviv, a senior Israeli Foreign Ministry official submitted a preliminary report to the International Red Cross representative accusing Egypt of killing at least 28 Israeli prisoners of war and of torturing others.

The Arab stand was defined at a Saturday meeting here of oil ministers and other representatives of the 10 members of the Organization of Arab Petroleum Exporting Countries. The delegates said the new cut will begin on schedule Jan. 1 and will amount to 5 per cent of December's already slashed production levels.

The Arab oil nations decided Oct. 17 to cut back production 5 per cent a month until Israel pulls out of the Egyptian, Jordanian and Syrian land captured in 1967 and the Syrian and Egyptian land captured in the October Middle East War.

On Nov. 4 they increased the initial cutback to 25 per cent, with the 5 per cent monthly reduction still applying. In addition, the Arab nations totally halted oil shipments to the United States and the Netherlands in retaliation for Middle East policies viewed as particularly pro-Israeli.

Their squeeze — denounced as blackmail by their opponents and praised as good strategy by their backers — has made the world energy shortage even more acute and contributed to severe disruptions in Europe and the United States.

## Weather

Cloudy, breezy and turning much colder with snow flurries and snow showers. Possible accumulations of 1 to 2 inches and temperatures falling into the 20's by afternoon. Tonight very cold with flurries and snow showers continuing. Tuesday, variable cloudiness with flurries, high 28, low 17.

**Defense industries gave \$5 million to Nixon**

WASHINGTON (AP) — Officials of the country's 10 biggest defense contractors gave more than \$5.4 million to President Nixon's reelection campaign last year, Rep. Les Aspin said yesterday.

Aspin said the figure represents only the known contributions, but he suggested there may be more unreported. He said he is asking the Senate Watergate committee to look into the possibility of still secret gifts.

The Wisconsin Democrat also said a pattern to some gifts suggested that some money may have been from corporate funds.

Aspin said his study is "solid evidence of the endless trade-off between the big business and the Pentagon. It shows unmistakably the stake big business has in maintaining a bloated military budget."

"When you get right down to it,

many defense contracts are nothing more than political patronage, and here's the proof," he said.

Aspin said he found the gifts "particularly alarming" because of the government contracts held by the donors involving public money.

"There is every reason to believe that, in more than a few cases, tax money has been used to make these contributions," he said.

Aspin said the largest contributions were made by oil, electronics and aircraft companies. The largest item on his list is \$1,009,000, which he said came from officials of the Gulf Oil Corp., and members of the Scaife family.

IBM was second with \$326,545. Tenneco, the sixth ranking defense contractor and builder of nuclear craft for the Navy, gave \$307,286, according to Aspin.

Other familiar names on the list include: Litton Industries, \$226,187;

RCA, \$172,636; American Motors, \$159,577; Standard Oil of California, \$157,500; Ford, \$133,441; Du Pont, \$129,675; Standard Oil of New Jersey; Exxon, \$119,373, and General Motors, \$93,347.

Additional government contractors, whose officials or employees gave smaller amounts, include: General Dynamics, McDonnell Douglas, Flying Tiger Airlines, Goodyear, General Telephone, Texaco, Hughes, Lockheed, Gulf & Western, Westinghouse, Motorola, ITT, General Electric, Shell Oil, Sperry Rand, Xerox, Bendix and Chrysler.

Aspin said nearly two-thirds of the money, \$3.2 million, was given before the April 7, 1972, starting date of the new law requiring reporting of contributions and was revealed under court order. He said the \$5.4 million total was "probably just the tip of the iceberg."