

Nixon Lawyers Ask Tax Report Role

By Lou Cannon

Washington Post Staff Writer

White House attorneys have asked to appear before a joint congressional committee and dispute a committee staff report that President Nixon improperly took large tax deductions on the donation of his vice presidential papers and the sale of property at San Clemente.

Sen. Russell B. Long (D-La.), chairman of the Joint Committee on Internal Revenue Taxation, has scheduled a closed-door hearing of the committee Wednesday morning and a press conference for Wednesday afternoon at which he

plans to release the staff report.

However, some members of the committee have served notice that they will resist any attempt to make the report public until the committee has reached its own decision. They also said that they will ask that White House attorneys be summoned to give their version of events.

"I think the attorneys should be heard," said Sen. Carl Curtis (R-Neb.). "And I can't imagine that the committee will reach a decision in this case until each member has had ample time to study the report."

Curtis, who said he received

an advance copy of the report last Saturday, suggested that the committee defer any decision until after the Easter recess. He also said that the report should be kept secret until then.

The White House was described by one source as "seriously disturbed" at the contents of the committee report which would, if accepted by the committee, cost Mr. Nixon up to one-third of his total net worth.

The payback of taxes based on the report's recommendation would cost Mr. Nixon an estimated \$330,000 to \$350,000.

The President's new worth, according to figures he made

public last Dec. 8, is \$988,522, with the bulk of his assets in real estate.

In addition to any back taxes that he may be required to pay Mr. Nixon also faces the possibility of massive legal fees for his impeachment defense. The President has mentioned the possibility of taking out a loan to pay his legal fees if he is impeached by the House and faces trial in the Senate.

President Nixon also has a \$226,660 final payment on the mortgage for his San Clemente estate coming due on July 15.

See TAXES, A8, Col. 2

TAXES, From A1

Mr. Nixon received some unexpected assistance yesterday from a Democratic congressman who had previously predicted that he would resign when the results of the joint committee's staff report became known.

Rep. Wilbur D. Mills of Arkansas, vice chairman of the joint committee, said he "won't be bamboozled into taking action" on Wednesday or in making the report public.

His statement apparently caught Long by surprise. The Louisiana senator had indicated that he wanted to make the report public quickly so that portions of it would not be leaked and distorted.

This also has been the expectation of the committee staff, which has spent five months in examination of Mr. Nixon's tax returns and in preparing its report.

According to sources close to the committee, the report concludes that Mr. Nixon improperly took a \$576,000 deduction on his vice presidential papers in 1969. The committee reportedly has decided that Mr. Nixon did not properly convey the gift on which his deduction was based before a July 25, 1969, cutoff date that outlawed such deductions.

Mr. Nixon's attorney, Frank De Marco of Los Angeles, has

admitted that a deed conveying the gift of papers was backdated. But he said it replaced an earlier deed that had been prepared before the cutoff date by his office.

The committee report also recommends that Mr. Nixon be required to pay capital gains taxes on profits from the sale of land surrounding his San Clemente villa. Two close friends, Robert Abplanalp and C. G. (Bebe) Rebozo, purchased the land.

Mr. Nixon promised to abide by the results of the joint committee's decision when he asked it to inspect these two transactions. White House counselor Bryce Harlow has said that the President intends to abide by this promise.

However, Harlow said that the willingness of White House attorneys to testify at the Wednesday session was based on an "invitation by committee sources" who wanted to hear Mr. Nixon's views.

The President's two tax attorneys, Kenneth Gemmill and H. Chapman Rose, have submitted a legal brief with their views. De Marco also flew to Washington and was understood to be willing to testify.

The committee report does not conclude that the President committed fraud in taking the deductions but it did

not exonerate him, either. In effect, the committee's report leaves this conclusion to the Internal Revenue Service which is now investigating the President's returns.

Mills said last night on the NPACT program "Washington Straight Talk" that it would be "unfair" to ask the Senate members of the joint committee to judge the fraud issue since they will also have to serve as jurors if the President is impeached.

Mr. Nixon's deductions reduced his taxes in 1970 and 1971 to less than the average taxes paid by a wage earner with \$10,000 income. In the three years of 1970-72 the President paid total federal income taxes of \$5,969 and no state income taxes on total income of \$794,104.