

Nixon Papers -- 1st Deed 'Destroyed'

Washington

President Nixon's tax lawyer confirmed yesterday that the original deed, giving Mr. Nixon's vice presidential papers to the nation for a tax deduction of almost a half million dollars, was "startlingly dissimilar" from the accompanying documents and "I guess it was destroyed."

Frank DeMarco Jr., the Los Angeles lawyer who drew the deed of gift of Mr. Nixon's personal papers to the National Archives, said in a telephone interview that he is convinced the transfer was legal anyway.

"Routine practice," DeMarco said, resulted in destruction of the original deed, which would have made the President's contribution of his paper qualify for tax benefits before July 25, 1969 — a cutoff date Congress established as law.

When the President revealed his tax records last December, he said he had claimed a \$482,019 tax deduction for a four-year period for the gift of his vice presidential papers to the archives. The White House

— but not by the President said an appraiser had picked out the paper to be donated before the cutoff date and a deed was signed before the deadline.

DeMarco said the original deed was "startlingly dissimilar" from the accompanying documents, both in the type face used and the texture of the paper, and he wanted everything to look neat.

So he told his secretary to "re-execute" the deed and she did, destroying the original as "routine practice," DeMarco said.

The new deed, he said, was signed by Edward Morgan, then a White House attorney acting on Mr. Nixon's behalf, on April 10, 1970 — almost a month after the law cut out tax benefits on presidential and other papers as tax benefits.

Morgan later resigned, saying he thought he did not do the right thing on the Nixon papers.

Questioning on the timing of Mr. Nixon's contribution of his papers has centered on whether he legally made the transfer before the July

25, 1969, deadline.

DeMarco said he had the deed "re-executed" a year after the original gift and after receiving a detailed list of the contents of the Nixon papers from appraiser Ralph G. Newman on March 27, 1970.

The new deed was received from Morgan, signed April 10, 1970, DeMarco said.

"Months had gone by," he said. "We had moved headquarters and were using a different typewriter. I wanted the job to be perfect."

So the original deed was tossed out, he said.

DeMarco was asked if the secretary knew what happened to the original, which would prove Mr. Nixon's contention that he gave his papers well in time for tax privileges.

"She didn't have any recollection of what happened to the original," DeMarco said. "I guess it was destroyed."

State Ruling On Nixon Tax Status

Sacramento

Richard Nixon's presidential salary is exempt from California state income taxes, but he may owe taxes on income originating in his native state, state officials said yesterday.

Mr. Nixon was not an official resident of California for tax purposes during 1969-73, according to a ruling by Martin Huff, executive officer of the Franchise Tax Board, the state's income tax agency.

But he is "domiciled" in the state and some of his income might be taxable, Huff said.

In explaining the complex decision, Huff said, "If you're a resident, we tax you on all your income. If you're a nonresident, then there's a limit to what we can reach."

Huff refused to speculate

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on what California-source income Mr. Nixon might have that would be taxable, or what amount of taxes might be owed, if any.

A decision on whether such taxes are owed will be made after Congress' Joint Committee on Internal Revenue Taxation completes its review of the President's taxes, Huff said at a news conference.

Even if Mr. Nixon has any such income, it likely would be offset by deductions, Nixon tax attorney Dean S. Butler said later in an interview.

Huff said the President and Mrs. Nixon are "domiciled" in California on the basis that he calls San Clemente his home and plans to live in the state after he leaves the presidency.

But the turning point of the decision was whether Mr. Nixon was outside the state for more than a "temporary or transitory" purpose.

Huff concluded he was, commenting, "The President's presence in Washington, D.C. on a regular basis is required by the duties of his office."

He outlined a number of contacts the Nixons have with California — where he launched his political career 28 years ago — including the fact his dogs are registered



LPI Telephoto

MARTIN HUFF
State tax chief

in the state.

But he said, "The enumeration shows a relative lack of major California contacts and indicates that the absence from the state is other than temporary or transitory."

While Huff declined to say what taxable California income Mr. Nixon might have, congressional investigators are looking into a \$117,370 profit Mr. Nixon made on a San Clemente land transaction. Mr. Nixon's financial advisers contend the income was exempt from taxes.

Mr. Nixon also rents out the family home in Whittier, but the income is small.

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