

HUGHES RELIEVED OF SHIP TAX CLAIM

JAN 21 1976

U.S. Judge Dismisses Levy
on the Glomar Explorer

NYTimes

Special to The New York Times

LOS ANGELES, Jan. 20—A Federal district judge dismissed yesterday a \$7.5 million Los Angeles County tax claim against Howard R. Hughes's Summa Corporation on the ground that the Federal Government, not Summa was the owner of the ship Glomar Explorer.

The country tax assessor Philip Watson, had billed the Summa Corporation for back taxes and penalties for 1973 and 1974 against the electronically equipped vessel, which was used by the Central Intelligence Agency in an attempt in 1974 to recover a sunken Soviet submarine in the Pacific Ocean.

United States District Judge Manuel Real granted the Federal Government a summary judgment that accepted the Government's argument that the Hughes company was a mere "cover" for the C.I.A. operation. Federally owned property is not subject to local taxes.

Mr. Watson had levied the taxes against Summa when he discovered that the Glomar Explorer was registered in port here under documents that listed Summa as the sole owner.

The Justice Department then initiated the court action to relieve Summa of the tax claim. It produced the secret contract dated in 1972, in which Summa agreed to pose as builder and owner of the Glomar Explorer to conceal the ship's C.I.A. mission.

When the vessel, built at a Pennsylvania shipyard, began her test voyages the activities were widely publicized as a pri-

vate venture by the reclusive billionaire into mining valuable mineral nodules from the ocean floor at great depths.

Instead, the ship was taken to Long Beach, Calif., and fitted out with undisclosed electronic equipment for its submarine retrieval mission.

Congressional sources have estimated the construction and operation costs of the Glomar Explorer and its companion barge reportedly carried a giant barge, the HMB-1, at between \$250-million and \$400-million. The barge reportedly carried a giant claw, hidden under a sliding roof, which it attached to the Glomar to raise the sunken Russian submarine.

The submarine retrieval attempt, in 1974, was reportedly only partly successful.

First details of the C.I.A. mission leaked out to the press last February as a consequence of a burglary at the Hughes headquarters in Hollywood, when unknown safe-crackers stole two foot lockers containing confidential Hughes files. Among the missing documents was an internal Summa Corporation memorandum describing the secret C.I.A. retrieval project.

After attempting to suppress the story of the submarine project, the Federal Government finally admitted publicly in Judge Real's court that it had engaged in "deception" with the Hughes company to conceal the Glomar's intelligence mission. The contract between the Government and Summa Corporation specified that the billionaire would entail no tax liability by posing as owner of the Glomar Explorer.

The vessel has been berthed in Long Beach for more than a year now. According to Representative Bob Wilson, Republican of California, the C.I.A. has abandoned a projected second effort to recover the remainder of the Russian submarine in order not to risk a confrontation with the Russians.