

15 Jul 74 ①

Nixon taxes (pre-presidential papers) - "[The IRS], as part of its audit of [Nixon's] tax returns, employed independent appraisers who valued [his] pre-Presidential papers at less than half the \$576,000 claimed by the President's own appraiser. .... For example, Mr. Nixon's appraiser, Ralph G. Newman of Chicago, declared that there were 15,000 items relating to the 1959 visit to the United States of Soviet Premier Nikita S. Khrushchev. The auditors found that there [were] only one-tenth that many and that most consisted of newspaper clippings. .... It had been assumed previously that the only issue of possible fraud that would be examined related to the issue of the date on which Mr. Nixon's gift of papers to the National Archives was actually made."

NYT 16 Jul 74, Eileen Shanahan

Nixon taxes (fraud?) - "[The IRS, in its audit of Nixon's tax returns,] found that Mr. Nixon underpaid his taxes by more than \$400,000 during his first four years in office and assessed him a 5 per cent penalty for 'negligence' in the preparation of his tax returns. Under the Tax Laws, a negligence penalty is assessed when there has been a knowing, but not fraudulent, disregard of the law by the taxpayer."

While IRS found that Nixon himself had not committed fraud in the handling of his tax returns, it referred to Jaworski the possibility that others had done so; among those named are Ralph Newman, DeMarco, Kalmbach, Ehrlichman and Edward L. Morgan.

"Although I.R.S. closed its audit on Mr. Nixon's tax returns without finding that he had committed fraud, there is no legal bar to an attempt by the special prosecutor to bring a fraud charge against the President. This is particularly true because Commissioner [Donald C.] Alexander, in turning over the case to Mr. Jaworski, admitted that he had closed the case despite unresolved conflicts in the testimony of key witnesses."

HJC has copies of the IRS's full report on the audit.

NYT 16 Jul 74, Eileen Shanahan

Nixon taxes, negligence penalty - See entry, Nixon taxes (fraud?).

15 Jul 74 (2)

Colson testifies before HJC, "the first time that [he has] testified under oath about the broad range of allegations that the House Judiciary Committee is considering in its impeachment inquiry. .... The committee's interrogation lasted late into the night," after the members recessed for dinner. "Mr. Colson was said to have proclaimed his continued loyalty to Mr. Nixon. He appeared for the hearing in a blue pinstripe suit and a tie clasp bearing the Presidential seal." He is now serving a prison term of one to three years. Says he has read "Six Crises" 14 times.

Colson is reported to have been questioned about the payment to Hunt, the break-ins at the Watergate and Dr. Fielding's office, milk fund, ITT, Daniel Schorr. On Hunt, he is reported to have said that Nixon called him as late as 4 Mar 74 "in search of information" (author's wording) about the payment.

NYT 16 Jul 74, David E. Rosenbaum

- Rep. M. Caldwell Butler on Colson's testimony: "He seems to be trying to be candid but he hasn't had much experience in that area."

WXP 16 Jul 74, Richard L. Lyons and Bradley Graham

Printing of HJC transcript of its hearings (20,000 additional copies) and its final report (50,000 extra copies), at a total cost of \$989,000, is rejected by the House of Representatives. Without authorization for printing of the extra copies there will be only 1,000 copies of the hearings and the report for use by the committee and members of the House and Senate. AMP-3

"Resolutions permitting the printing of extra copies of Congressional hearings and reports normally pass with little attention, and the current proposal zipped through the House last week without objection. .... But the Senate tacked on to the resolution a requirement that the additional copies could not be sold to the public at less than the Government Printing Office's costs." With the House vote today, the resolution now goes back again to the Senate.

Rep. Wayne L. Hays (Dem-Ohio), chairman of the House Administration Committee, says it is the first time he knows of that the Senate has altered a House printing resolution.

NYT 16 Jul 74, Richard L. Madden

15 Jul 74 (3)

Tad Szulc files lawsuit against 12 past and present members of Nixon Administration, for allegedly wiretapping his home and office phones during the summer of 1971; defendants include Haldeman, Mitchell, Ehrlichman, Colson, and two former FBI officials, William H. Sullivan and Clyde Tolson.

NYT 17 Jul 74

AMP-A

Haldeman, Mitchell, Ehrlichman, Colson, William H. Sullivan and Clyde Tolson - Lawsuit filed against them and others by Tad Szulc; see entry.

Ehrlichman's handwritten notes, on leaking damaging information about Ellsberg, turned over to HJC by special prosecutor's office today.

See entry 21 Jul 74, Ellsberg (national security).

SFC 22 Jul 74 [LATimes]

WKP 3 Jun 73, Sanford J. Ungar

Ellsberg - See entry, Ehrlichman's handwritten notes.

Federal health standards (corporate campaign contributions) - "A Ralph Nader group [Health Research Group] charged today that the Labor Department had failed to establish new standards to reduce the danger from such diseases as cancer and brain damage ~~for~~ [to] encourage campaign contributions to President Nixon from businessmen." Story quotes from memo by former Ass't Secretary of Labor and Administration,\* 14 Jun 72, from which excerpts were published by Ervin committee yesterday.

Dr. Sidney M. Wolfe, head of the Health Research Group, in a letter to Jaworski (no date) calls for official investigation: "In brief, it is clear that the present dilatory tactics of [the Occupational Safety and Health Administration] are perfectly consistent with the promise of the Guenther memo. Although the standard answer may be that it is just bureaucratic inertia, the memo offers a rare glimpse into the mechanism whereby bureaucratic inertia is financed."

NYT 16 Jul 74, David Burnham \*George C. Guenther,

- See also story by David Burnham, NYT 18 Jul 74.

15 Jul 74 ⊕

Nixon (possible strategy) - Scenario by Safire of Nixon strategy in dealing with whatever decision the Supreme Court may announce, beginning with uniform refusal of WH people to say whether or not Nixon will comply with a decision that he must turn over the tapes subpoenaed by Jaworski.

"If the decision surprises everyone and is favorable to you, or at least not unfavorable, well and good; if the decision directs you to turn over the additional tapes, then the suspense you have built up would begin to pay off. .... If you defy, you would deserve to be impeached, most people would say, not realizing the obverse of their judgment: That if you do not defy, you would deserve not to be impeached." The next move then would be to make public transcripts of the tapes.

NYT 15 Jul, William Safire

- From column by Anthony Lewis on the same subject; "[Nixon] has claimed the right to ignore judicial orders, and defiance would fit the life-long Nixon self-image of the lonely fighter against overwhelming odds. But [St. Clair] would probably advise another course: Agree to give the tapes to the Special Prosecutor as a matter of Presidential 'discretion,' thus preserving the claim of final constitutional power, and then use the very delivery of these tapes as another device in the strategy of obstruction and delay. There would be ample room for delaying tactics [consuming months of time]!"

NYT 15 Jul 74 Anthony Lewis

Supreme Court - See entry, Nixon, possible strategy.

Michele Sindona, Franklin National Bank - Sindona bought 22 per cent interest in Franklin National in Jul 72 and on 2 Nov 72 offered CREP a \$1 million contribution. See very complicated and detailed story for ties to Nix Ad figures, and Franklin's handling of sale of Nixon's NY apartment, etc.

NYT 15 Jul 74, Lucinda Franks

Franklin National Bank - See entry, Michele Sindona

Sale of Nixons' New York apartment - See entry, Michele Sindona, Franklin National Bank.

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(15 Jul 74) AMP

Ⓐ- "Mr. Szulc ... has not previously been named in published documents as being among the four newsmen wiretapped beginning in 1969 at the specific direction of the White House," but his lawyer, Mitchell Rogovin, says, "We have reason to believe that the Szulc private telephone was wiretapped by the defendants."

NYT 17 Jul 74

Ⓑ- WXP (AP) says the resolution approved by the House last week would have provided 20,000 "free copies" of the HJC hearings and 500,000 (NYT's figure is 50,000) "free copies" of the final report, and that "the Senate tacked on a provision making additional copies available to the public at cost."

WXP 16 Jul 74 [AP]