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**Mills Says Nixon Will Quit
After Report on His Tax**

**Hints Congressional Study Next Month
Will Be So Damaging That Pressure
for Resignation Will Be Increased**

By ROY REED
Special to The New York Times

LITTLE ROCK, March 8—Representative Wilbur D. Mills predicted today that a Congressional report next month on President Nixon's income tax payments would increase pressure for him to resign. For that and other reasons, he said, he believes "very strongly" that Mr. Nixon will resign.

The Arkansas Democrat would not predict how soon Mr. Nixon might quit. He said the President should resign, and when asked why, he replied: "That will come out later. You will know about it in 30 or 40 days."

That is when the Congressional Joint Committee on Internal Revenue Taxation is expected to report on its investigation into Mr. Nixon's income tax difficulty, he said. He would not say what the report would contain but he hinted that it would be so damaging that it would increase the pressure for Mr. Nixon's resignation.

In Washington, United Press International reported, the White House took strong exception to Mr. Mills's statement, calling it "a dirty, cheap shot."

A spokesman who asked not to be named said Congressman Mills was utilizing "a scare tactic by referring to a report that I believe is nonexistent."

There are strong indications that the joint committee believes it has proof that Mr. Nixon paid far too little in taxes during the first four years of his Presidency. Senator Russell B. Long, chairman of the joint committee, said recently that the President's back tax bill might be \$325,000 to \$350,000. Another committee source says it might run as much as \$500,-

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Associated Press
Wilbur D. Mills

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000. Mr. Mills said that some Republicans in Congress had told him that they would urge Mr. Nixon to resign if he was still in office by June. They fear that the President will be "a chain around their necks" in the November elections, he said.

Mr. Mills, chairman of the House Ways and Means Committee, announced his own plans for re-election today. He will seek a 19th term in the House. He is not expected to draw serious opposition.

Watergate alone will not force the President out of office, Mr. Mills said.

"I find in talking to people that they are tired of the Watergate investigation," he said. "But I haven't found anybody yet who is satisfied with the President's tax payments during the four years he has been in office."

Although he discounted the chance of Mr. Nixon's impeachment, Mr. Mills said the joint committee would send its report to the House Judiciary Committee, where impeachment is being studied. He said the report would also be made public.

Mr. Mills was chairman of the joint committee when it began the investigation last year. The chairmanship rotates each

year and is now held by Senator Russell B. Long, Democrat of Louisiana.

The joint committee is investigating Mr. Nixon's tax returns for 1969 through 1972. There have been allegations that the \$576,000 deduction Mr. Nixon took for the donation of his Vice-Presidential papers may have been illegal.

The committee is also looking into the question of whether Mr. Nixon should have paid a capital gains tax on the sale of more than 20 acres of his property at San Clemente, Calif.; on the capital gain he realized when he sold an apartment in New York City, and on the depreciation of furnishings he purchased and placed in the White House and in his home at San Clemente.

Mr. Mills said today that the investigating committee had found errors "and some questions about which accountants and lawyers can argue." He said the main question was whether the President had completed giving his papers to the National Archives by July 25, 1969, when a new Federal tax law prohibiting such deductions went into effect. The deed was dated March 17, 1969, but there has been testimony that the deed was not signed until April, 1970.

Mr. Mills has suffered from a painful back ailment and has spent a great deal of time at his home in Arkansas during recent months trying to recover. He held a news conference today as he left a Little Rock hospital after a two-week check-up. He said the doctors had pronounced him fit. He had said he would not run for another term if his back did not improve. The pain is gone, he said.

When asked about speculation that his power as chairman of the Ways and Means Committee had eroded during his absence from Washington, Mr. Mills grinned and said, "Well, I'll find out when I get back." He will return to work Monday