

Inquiry Receives Nixon's Tax Data

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House Judiciary Committee members heard staff evidence yesterday on President Nixon's tax underpayment and as usual emerged from the closed hearing with differing partisan views as to its significance in the impeachment inquiry.

"What we heard today," said Rep. Robert McClory (R-Ill.), "tends to vindicate the President. I don't think there is any indication of fraud by the President."

But Rep. Edward Mezvinsky (D-Iowa) said evidence shows the tax matter "has the possibility" of being as significant as the President's knowledge of the Watergate cover-up in the list of potential impeachable offenses. He said the investigation should be continued.

Several members confirmed published reports on which the White House had refused to comment that the Internal Revenue Service had imposed a 5 per cent negligence penalty on Mr. Nixon when it assessed him for \$432,787.13 in unpaid taxes for the years 1969 to 1972.

Some Republicans said this in itself proved that the IRS had ruled out fraud and found only that the President had been careless in signing tax returns prepared by others and later found to be incorrect.

However, minority counsel Albert Jenner said this view was not correct. The penalty meant only that when the IRS audited Mr. Nixon's returns last winter it had no proof of fraud. But any subsequent proof of fraud could reopen the case because there is no statute of limitations barring prosecution of fraud.

Most committee members believe that only a finding of fraud—which means a knowing and willful effort to evade taxes—could make the tax matter an impeachable offense.

But Rep. Jack Brooks (D-Tex.) said he believed a finding of "gross negligence" by the President would be sufficient to impeach him. "He signed it (the returns) and let it go on," said Brooks.

James D. St. Clair, the President's lawyer, met with Mr. Nixon for more than an hour during the noon break yesterday and told reporters the President "is not discouraged." It was St. Clair's first briefing of Mr. Nixon on the committee sessions since the President's return from his 10-day visit to the Mideast.

The differing views of the tax matter show again the problems of the press in covering the impeachment inquiry when it is conducted wholly behind closed doors. Information is filtered through the partisan eyes and ears of politicians who may hear what they want. Reporters can only report what they all say.

The President's tax problems were due largely to the fact that he took a deduction of \$476,431 for donation of his vice presidential papers to the National Archives. The staff of the congressional Joint Committee on Internal Revenue Taxation determined that the gift was not completed until after July 25, 1969, the date after which Congress forbade such deductions. The committee staff also found that Mr. Nixon improperly deferred a capital gain of \$151,848 on the sale of his New York apartment and failed to report a capital gain of \$117,836 on sale of property at his San Clemente home.

The IRS did not detail its basis for finding Mr. Nixon owed \$432,787 in back taxes. But since its total was very close to that of the joint committee staff they almost certainly agreed on these three major items.

Mr. Nixon had announced in advance he would abide by the decision of the joint committee. When the IRS announced its assessments April 3, the same day that the committee's staff report was released, he agreed to pay the IRS figure.

Rep. Charles W. Sandman (R-N.J.) said yesterday the President had made a mistake in agreeing in advance to pay what the committee decided he owed. "I'd love to take his case and get his money back," said Sandman.

Rep. Charles Wiggins (R-Calif.) said the evidence the committee heard "showed the allegation of fraud was unwarranted." He suggested, however, that Democrats may try to lump the tax matter and other allegations which standing alone would fall short of impeachable conduct into one omnibus charge that the President failed in his constitutional duty to "take care that the laws be faithfully executed."