

Impeach Hearing**Nixon Tax Probe
Was 'Incomplete'****Washington**

The House Judiciary Committee heard evidence yesterday that the Internal Revenue Service had closed its investigation of President Nixon for possible tax fraud on the basis of an incomplete examination of his case.

The evidence, according to committee members, showed that tax agents had not questioned Mr. Nixon and that Commissioner of Internal Revenue Donald C. Alexander had found many conflicts in the testimony of key witnesses.

Alexander sent a letter last April 2 to special Watergate prosecutor Leon Jaworski stating that "we have been unable to complete the processing of this matter in view of the lack of cooperation of some of the witnesses and because of many inconsistencies in the testimony of individuals presented to the service."

In his letter, Alexander recommended that a grand jury consider whether a crime had been committed in the preparation of the President's tax returns.

A copy of the letter, which was presented to the Judiciary Committee members at a closed hearing yesterday morning, was made available to the New York Times by a Democratic member.

A spokesman for Jaworski declined comment and would not confirm whether the special prosecutor is investigating the preparation of Mr. Nixon's returns. Attorney General William Saxbe has said that he referred that investigation to Jaworski.

Government sources said yesterday, however, that there was no indication that Jaworski has ruled out further examination of whether

the President had committed fraud.

The day after Alexander's letter was written, Mr. Nixon announced that he had been assessed and would pay \$432,787.13 in back taxes and declared, "The report by the Internal Revenue Service rebuts any suggestion of fraud on the part of the President."

Alexander's letter contained no such conclusion, and instead said that the fraud issue could not be determined on the basis of the evidence assembled by the tax agency.

Yesterday afternoon, the Judiciary Committee received a staff report on the President's ordering of a secret bombing campaign over Cambodia beginning in 1969 and on the falsified reporting system used, with the President's knowledge, to hide the campaign from Congress and the public.

The session yesterday was the 18th and final closed hearing on evidence gathered by the impeachment inquiry staff.

The committee will begin a series of public meetings next week to determine how to pursue the impeachment investigation with a view toward completing the inquiry next month.

Many committee members seemed stunned by disclosures that the examination of the President's taxes had been so incomplete, and it appeared likely that the panel will pursue the matter further.

Representative Edward Mezvinsky (Dem-Iowa), who has taken a particular interest in the question of the President's underpayment of taxes, called it "a very serious matter."

New York Times