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WPOST

No Evidence Of Tax Fraud, Nixon Says

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President Nixon said yesterday that congressional investigators have found no evidence he committed tax fraud although he may wind up owing "more taxes."

In his televised meeting with the Executives' Club of Chicago, Mr. Nixon called his disputed \$576,000 tax deduction for donation of vice presidential papers a "debatable, technical point" rather than any fraud.

The President said Sen. Russell B. Long (D-La.), chairman of the Joint Committee on Internal Revenue Taxation, and Sen. Wallace Bennett of Utah, its ranking Republican, were correct in saying "there's been no evidence of fraud on the part of the President."

Mr. Nixon omitted any reference to the committee's vice chairman, Rep. Wilbur D. Mills (D-Ark.), who, although not charging fraud, has predicted that the committee's report would hurt the President more than Watergate.

Another committee member, Rep. James A. Burke (D-Mass.), supported Mills. The Boston Globe quoted Burke as saying the committee's report, when made public in about three weeks, will be "a shocker, and there'll be nothing cheap about this." Nixon aides called Mills' prediction a "cheap shot."

Meanwhile several news services, quoting sources close to the committee investigation, reported that a key document in the papers-gift dispute is still missing and that the White House had told the committee it is "lost."

The document is a deed which Mr. Nixon's tax aides have said would prove that the necessary paperwork for the donation had been completed in the spring of 1969, three months before the effective date of a law repealing large deductions for such gifts of public papers.

Aides claimed the 1969 deed existed after it was discovered that the deed in the National Archives could not have been prepared in April, 1969 because it was typed on a machine Mr.

Nixon's tax lawyers obtained in July, 1969. The aides have told the investigators, including Internal Revenue Service agents and committee staff, that the 1970 document was not a fake but a retyping of the missing 1969 document.

In his Chicago appearance yesterday, Mr. Nixon said the technical question was "whether a gift of three-quarters of a million dollars worth of presidential papers — which was delivered three months before the deadline — whether the paperwork on it was completed in time to qualify for the deduction." "If it was completed in time, as I understand it, I get the deduction. If it was not completed in time I don't get the deduction; I pay the tax and the government gets to keep the papers.

"Well, under the circumstances, that's hard for me to realize, but the President, when the IRS is concerned, I am assuring you, is just another citizen and even more so. And that's perfectly proper."

Mr. Nixon never signed the deed, but former White House deputy counsel Edward L. Morgan has said he signed such a document in 1969 thinking, perhaps mistakenly, that he had authority to do so for the President.

Mr. Nixon's accountant, Arthur Blech of Los Angeles, said yesterday that a special agent of the IRS Intelligence Division—the only agents with authority to check for criminal fraud—had entered the case and questioned him last month.

Blech returned home from a two-day session with the congressional committee here and issued a blast at the committee for conducting what he called "loosely conducted so-called secret meetings" that have resulted in "nothing but leaks from somebody."

He said he was confident that no impropriety would be found on Mr. Nixon's part. Asked whether he was equally confident that he was not a target of the probe, the accountant replied, "Absolutely."

Blech acknowledged that the special agent, accompanied by a regular IRS agent, had read him a warning about his constitutional rights, but added, "They asked me if I would mind discussing a certain subject. They said would I mind if it was under oath. I said I would insist upon it and I wanted a transcript. That is not the way they talk to prospective targets."

Blech said he expected another visit from IRS agents later this month.