

Doubts on Nixon Deed

Washington

Congressional staff experts who are investigating President Nixon's taxes have reportedly become convinced that the original deed establishing the President's right to a \$576,000 tax deduction never actually existed, despite the contention of his lawyers to the contrary.

In addition, according to sources close to the inquiry, the congressional investigators believe they have sufficient documentary evidence to refute the argument made by Mr. Nixon and his lawyers that the deduction was legal, even in the absence of the deed.

That argument rests on a claim that Mr. Nixon's pre-presidential papers were delivered to the National Archives before a change in the tax laws that disallowed big deductions for gifts of personal papers by public officials.

A document in the hands of the investigators shows, however, that more than three months after the cut-off date, the papers were still being described by a key man in the transaction — the appraiser of the papers — as the "property" of Mr. Nixon. The papers were merely "presently stored" at the archives, at that time.

The evidence on this issue, along with the evidence that there was never any deed for the papers other than a post-dated one, will be presented shortly by the staff of the Congressional Joint Committee on Internal Revenue Taxation to the members of the committee.

The staff is trying to get its report written on all aspects of Mr. Nixon's tax returns by the end of this week, though some of the staff express doubt that this tentative deadline will be met.

The staff appears likely to abstain from reaching any conclusions on the crucial question of how much President Nixon himself knew

about the allegedly nonexistent original deed and about the undisputed fact that the only copy of the deed that exists now is a back-dated version.

On the question of Mr. Nixon's knowledge may hinge the even more important question of whether the committee will charge the President with fraud on his income taxes.

The chairman and vice chairman of the committee, Senator Russell B. Long (Dem-La.), and Representative Wilbur D. Mills (Dem-Ark.), have said in recent days that they know of no proof of fraud, but Long has taken pains to point out that that is not the same as saying that there is no evidence of fraud.

The staff's work on the matter is incomplete because the joint committee has been unable to find out anything about a crucial conversation between Mr. Nixon and his tax lawyer, Frank DeMarco Jr. of Los Angeles.

DeMarco has refused to testify about what he discussed with Mr. Nixon in a half-hour meeting in the oval office on April 10, 1970, the day Mr. Nixon signed his 1969 tax return. That was the first return on which the deduction for the pre-presidential papers was claimed.

Before the joint committee and also in two other investigations, DeMarco has invoked the rule that conversations between lawyer and client are "privileged," that is, that no one can compel disclosure of the contents of such conversations, unless the client gives his permission.

The joint committee, Internal Revenue investigators and the office of Secretary of State Edward G. Brown Jr. of California have all asked Mr. Nixon to waive the privilege. Although the first of these questions was made three weeks ago, the White House has so far responded to none.