

Nixon's Tax Advisers Stunned

By Kenneth Reich
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LOS ANGELES, April 3—President Nixon's tax attorney, Frank DeMarco Jr., and his tax accountant, Arthur Blech, were startled this afternoon when informed here that Mr. Nixon had agreed to pay about \$467,000 in back income taxes and interest on returns they had prepared.

Hours before, when a report of the staff of the congressional Joint Committee on Internal Revenue Taxation saying that Mr. Nixon owes \$476,431 in back taxes and interest was made public, Blech and DeMarco had expressed anger, shock and detailed objections.

Blech, who, like DeMarco, conducts his practice here, accused the staff of breaking promises it had made to him for further hearings and re-

view before issuing the report.

But when they were told that Mr. Nixon would pay an Internal Revenue Service claim for a similar amount, their reaction was voiced in few words.

"Holy cow," said DeMarco.

"I don't know what to say," said Blech. "I have to digest it. It's too shocking for me to make any statement."

DeMarco, also, said he would give a detailed statement later.

Asked for comment this morning on the joint committee staff report, both men had indicated they would fight on the President's behalf.

"Of course, they are wrong on many issues," Blech said then. "I hope it will be taken up in a further hearing."

"This is the report of the staff itself," DeMarco cau-

tioned. "It was not adopted by the committee."

Later, however, it was revealed the IRS had agreed with the joint committee staff on virtually every important point.

This morning, when he was told of the joint committee staff report, Blech declared:

"They have not played fair. Until two days ago, they claimed they had no report. As late as Sunday they said they had no report, because we wanted to see it. There you have it. They've broken their promises. They haven't played fair and square with us."

DeMarco said, "I'm surprised and a little shocked by some of the staff's conclusions . . ."

"They obviously have decided every single issue

against the taxpayer (Mr. Nixon), every single one. They have gone beyond the things he asked them voluntarily to decide."

Both DeMarco and Blech expressed particular objection to ruling out of the gift of papers appraised at \$576,000. They said the staff had broken new ground in its reasoning, ruling invalid a gift for reasons that would have ruled out earlier such gifts by other public officials.