

# U.S. Tax Lure for GOP Charged

\$J Examiner—Page 9  
Mon., Mar. 20, 1972

NEW YORK — (UPI) — Copies of a Justice Department letter “all but assured” potential business backers of the Republican National Convention in San Diego last week that their contributions would be tax deductible, Time magazine has reported.

Time said copies of a letter written by a Justice Department official almost two months ago in response to a query from the law firm of Kalmbach, De Marco,

Knapp & Chillingworth of Newport Beach, Calif., were relayed to the prospective backers of the convention by the lawyers.

Herbert W. Kalmbach, a partner in the firm, was identified by Time yesterday as a key fund raiser in the 1968 Nixon campaign. The magazine said Kalmbach is “known in West Coast money circles as ‘The President’s Lawyer.’”

While emphasizing there is nothing improper about

the letter, Time said, “Coming from the Justice Department, the letter is intriguing in light of the current flap over the convention contributions of International Telephone and Telegraph.”

The letter was written six weeks before the present RTT controversy began.

Time said the letter, written “in convoluted legalese” by John Keeney, chief of the Justice Department’s fraud division, “all but assures that contributions to the convention can be written off

under a new federal law effective April 7” even though, the magazine said, “ordinary political contributions are not tax-deductible” and “contributions by corporations are in fact illegal.”

According to Time, Keeney’s letter stated: “The fact that the convention is political in nature would not preclude the contribution being made for the primary purpose of bringing to the political convention to the community with the reasonable expectation of financial

return to the contributor.”

Time said the letter “confirms that Kalmbach and his law firm have clout in representing Nixon in the West.”

Among Kalmbach, De Marco, Knapp & Chillingworth’s clients, time said, are the Marriott Hotel chain, “which has an airline catering service headed by Richard Nixon’s brother Donald;” and “such federally regulated clients as United Air Lines, the Flying Tiger Line and California Federal Savings and Loan.”