

# U.S. Discloses It Owns Glomar In Suit Against Coast Tax Levy

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LOS ANGELES, Aug. 18—The Justice Department filed suit today in Federal court here to block the Los Angeles County assessor from taxing the Glomar Explorer, the ship that reportedly recovered a portion of a sunken Russian submarine for the Central Intelligence Agency.

For the first time, the Federal Government publicly said that it owned and controlled the 618-foot vessel now berthed in Long Beach. The suit stated that the Summa Corporation, wholly owned by Howard R. Hughes, had "acted as an agent of the United States for the purpose of secrecy and to provide cover to a classified project."

The Government made the disclosure in an effort to relieve Summa Corporation of a \$7.5-million tax assessment levied by Philip E. Watson, the Los Angeles County assessor.

Mr. Watson said, "We will vigorously defend the tax assessment in court."

### 'Classified Contract'

He mailed a series of tax bills, including penalties for back taxes, to the Summa Corporation after his staff learned that the ship's master had filed a declaration with the United States Coast Guard stating that Summa was the sole owner of the vessel.

After several meetings with C.I.A. representatives in the last several months, Mr. Watson refused to cancel the assessment on the ground that the Federal Government would not document its ownership.

In the civil action filed in the court of Judge Matthew Byrne Jr., the United States Attorney said that the Glomar was "solely owned and controlled by the United States as evidenced by a classified United States Government contract . . . S-HU-0900."

The suit maintained that the vessel "is held by a corporation as nominee or agent of the United States" and "is immune from the California ad valorem property tax." Federal property can not be taxed by a locality.

The suit named Los Angeles County, Mr. Watson, and H. B. Alvord, county tax collector, as defendants, and asked the court to enjoin the county from assessing or collecting any property tax. The United States Attorney declared that under the secret contract, the United States was "obligated to indemnify the Summa Corporation" for taxes imposed upon it.

Mr. Watson said today he would oppose the suit on three grounds. He said that because the tax was levied against Summa, the corporation should have filed any suit in response. "This is the first time I've heard of the Federal Government suing in behalf of a private corporation," he said.

"Secondly, I think they are in the wrong court. I do not believe that a Federal court has jurisdiction over local taxes, certainly not until relief has been sought from the local courts.

"Thirdly, title to the Glomar is held by Summa Corporation and we contend any contract with the Government is a private contract that does not affect the tax liability."

### New Mission for Ship

LOS ANGELES, Aug. 18 (AP)—The Glomar Explorer will perform an undisclosed mission off the California coast, it was revealed today.

A spokesman for the Global Marine Company in Los Angeles, operator of the vessel, would not divulge the nature of the mission.