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Glomar Explorer Now Free To Sail Despite Tax Dispute

LOS ANGELES, Sept. 18 (UPI)—The Glomar Explorer, which retrieved part of a sunken Soviet submarine, is free to go to sea again while the Federal and county governments wrangle over her tax status in a stalled court action.

A hearing had been scheduled in Federal court for today in the dispute over who was the mystery ship—the United States Government or Howard R. Hughes—but Federal District Judge Manuel Real has postponed the hearing for nearly four months.

The two sides agreed that the ship "can be moved, utilized and modified without restriction" in the meantime.

At issue is whether the Summa Corporation, Mr. Hughes's holding company, must pay a county tax bill of \$7.5-million as the registered owner of the ship.

The Justice Department filed suit to stop the collection, saying that Mr. Hughes had acted as a "front" for the Central Intelligence Agency, and that the ship was really Federal property, exempt from taxes.

The county is pressing for the tax, arguing that despite any agreements between Mr. Hughes and the C.I.A., he is the legal owner of a \$400-million ship berthed in Long Beach and must pay taxes on it.