

PRESIDENT'S TAX POSES EASY ISSUE, TWO ON PANEL SAY

**Curtis and Schneebeli Would
Leave the Matter in Hands
of the Committee's Staff**

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WASHINGTON, Dec. 9—Two Republican members of the Congressional committee that will review President Nixon's tax returns said today that they thought the matter was a relatively simple one that could be left largely to the committee's staff.

A third member disagreed strongly, and expressed the view that the committee was confronted with some extremely difficult problems that might require it to hear witnesses, rather than merely examine documents.

The issues before the Joint Committee on Internal Revenue Taxation, he said, include more than just interpreting the law as it applied to Mr. Nixon's tax payments. There are issues of fact that are in dispute, including such touchy ones as whether documents were deliberately back-dated to permit the President to qualify for a tax deduction that has saved him \$235,000 in Federal income taxes.

Staff Called Nonpartisan

The two members who saw the issues as relatively simple were Senator Carl T. Curtis of Nebraska and Representative Herman T. Schneebeli of Pennsylvania. Both men noted that the staff of the joint committee was widely regarded as among the most professionally competent and nonpartisan in Congress.

The committee member who felt there were difficult factual questions that would have to be resolved declined to be quoted by name because he feared he might seem to be prejudging the issues.

The three men were the only ones, among the 10 members of the joint committee, who could be reached at home today.

Date Is an Issue

President Nixon has said that he would abide by what-

ever decision the joint committee makes on two controversial issues.

The first, and by far the largest in dollar terms, is whether he donated his pre-Presidential papers to the National Archives before July 25, 1969, the effective date of a change in the law that took the tax advantages out of such gifts. The donated papers were valued at \$576,000 and have saved the Nixons \$235,000 in taxes, according to the White

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House.

The second issue that has been given to the joint committee is whether Mr. Nixon should have reported a taxable capital gain on the sale of land adjacent to his home in San Clemente, Calif. His auditors, Cooper and Lybrand, the big New York accounting firm, apparently believed that a gain of about \$233,000 was involved, but his tax accountant, Arthur Blech of Los Angeles, said there was no taxable gain and none was reported.

In all, more than \$300,000 in back Federal taxes, plus interest, could be involved.

Among the issues that the joint committee may have to determine regarding the gift of the papers are the following:

¶Did someone acting with proper authority from the President designate, before July 25, 1969, which of the pre-Presidential papers that were in the custodial care of the National Archives were being given to the Archives?

¶If the papers were designated before that date, and, thus, legally given, why does the inventory of the papers constituting the gift conform to a system of numbering of the boxes of the papers that was not in use until October, 1969.

¶Was a proper deed of the papers ever executed and accepted by the Archives?

Question of Capital Gain

As for whether a capital gains tax is owed on the sale of the San Clemente property, some of the questions are the following:

¶On what basis did Mr. Nixon's accountant, Mr. Blech,

determine there was no capital gain on the sale, in view of the clear fact that the land was sold for a higher per-acre price than the Nixons had paid for it?

¶If the Nixons are using Washington, D.C., as their residence for tax purposes, as they have said they are, can the San Clemente house be called their "primary residence?" If it is not their primary residence, do they not then owe a capital gains tax on the \$142,000 gain they realized from the sale of their New York City cooperative apartment? Such gains are tax-exempt only if reinvested in another "primary residence" within a year.

Senator Curtis said he thought "it is obvious that the President acted in accordance with the law."

No View on Correctness

He said he thought there was really no need to refer the issue to the joint committee but that the President had done so "as an extra showing of good faith."

Representative Schneebeli did not express an opinion on the correctness of the President's tax returns but merely said he thought the legal questions could be handled by the committee's staff. He said he felt the committee was not equipped to go into the questions of evidence on the timeliness of the gift of the papers.

Other Congressional response to the President's financial disclosures was generally favorable.

The Senate Majority leader, Mike Mansfield of Montana, said he "would have to assume

that what the President has done is legal unless proved otherwise."

The minority leader, Hugh Scott of Pennsylvania, said the disclosures "should end the speculation that the President was involved in any illegal financial transaction or used campaign moneys for personal gain."

Meeting Not Scheduled

When the joint committee would begin its work of deciding whether Mr. Nixon owed more taxes was not clear.

The relevant documents, including Mr. Nixon's tax returns, are expected to be transmitted to committee members early this week. The committee's

chairman, Wilbur D. Mills, Democrat of Arkansas, indicated that he would wait to schedule a meeting until after the documents were delivered.

Although Mr. Nixon has said he would abide by any decision that the joint committee makes about his taxes, the committee has no legal authority to require him or anyone else to amend their tax returns.

The committee does have authority to examine any tax return, and there is a specific statutory requirement that it be permitted 30 days to look at any tax return involving a refund of \$100,000 or more before the refund is paid by the government.