

# Mills Says Nixon's Tax Report Will Outrage American People

By EILEEN SHANAHAN

Special to The New York Times

WASHINGTON, March 12— Representative Wilbur D. Mills says he believes that the American people will be outraged when they see a forthcoming Congressional report on President Nixon's taxes because there will be so many different items on which the legality, or at least the morality, of Mr. Nixon's claims will be questioned.

This is what Mr. Mills is telling other members of Congress who have asked him what he meant on Friday, when he said that the forthcoming report on Mr. Nixon's taxes would contain more to push Mr. Nixon toward resignation than the disclosures surrounding the Watergate burglary.

Mr. Mills has not confided to his fellow legislators the specifics that he thinks will bring new criticism of Mr. Nixon.

At least four major questions have already been raised and debated publicly concerning the taxes Mr. Nixon paid in his first four years in office, which totaled \$78,650 on an income of \$1.12-million.

Mr. Mills has confided to associate that the back taxes Mr. Nixon owes may be put as high as \$500,000 — a figure that is considerably larger than those used by other analysts of the President's tax returns.

## Fraud Penalty Cited

It was not clear whether Mr. Mills was including the possibility of a penalty for fraud in that total. The fraud penalty is 50 per cent of all delinquent taxes owed for the year in which a fraud is found — not merely the taxes involved in the fraud.

Other analysts who have been looking at Mr. Nixon's tax returns, which were made public by the White House in

December, have concluded that he might have to pay close to half a million dollars, in back taxes and interest, even if there is no finding of fraud. The interest on delinquent taxes is 6 per cent a year, and for some of the challenged items on Mr. Nixon's tax returns, five years' interest would be owed.

Mr. Mills has indicated to his colleagues that there are no huge sums of money involved in the additional items on the Nixon tax returns that he believes the committee will question. But he was said to feel that the total picture that will emerge to the public would be of a President who "walks close to the line—and sometimes over it."

Criticism of Mr. Mills's comments about Mr. Nixon's tax returns continued to come from White House sources.

## Criticism from Harlow

Bryce Harlow, counselor to the President, compared Mr. Mills's comments with what he called the policy of "guilt by innuendo" for which the late Senator Joseph R. McCarthy, Republican of Wisconsin, was severely criticized in the nineteen-fifties.

Earlier, a White House spokesman had said that Mr. Mills was taking "a cheap shot" in discussing the possible contents of a report of a Congressional committee that was not even drafted yet.

The committee is the Joint Committee on Internal Revenue Taxation which is examining Mr. Nixon's tax returns for the years 1969 through 1972. Mr. Nixon asked the committee to undertake the examination, but asked the committee to limit it to only two items, which the committee refused to do.