

ERVIN UNIT TO GET REBOZO TAX DATA

Revenue Service, in a Shift, Will Also Yield Material on F. Donald Nixon

By SEYMOUR M. HERSH
Special to The New York Times

WASHINGTON, April 23—The Internal Revenue Service, in an abrupt reversal, has agreed to provide the Senate Watergate committee with politically sensitive tax returns and other materials from its files on F. Donald Nixon and Charles G. Rebozo, well-placed sources said today.

The agency's decision involving files of Donald Nixon, a brother of President Nixon, Mr. Rebozo, the President's closest friend, was worked out yesterday at a meeting at the Capitol.

It was viewed as a significant victory for a team of committee investigators, headed by Terry F. Lenzner, that has been looking into a \$100,000 Presidential campaign contribution given to Mr. Rebozo in 1969 and 1970 by Howard R. Hughes, the billionaire industrialist.

Other Data to Be Yielded

The sources said that Burke W. Willsey, a revenue official who represented Donald C. Alexander, commission of Internal Revenue, also agreed at the meeting to provide a wide variety of tax returns and other data that the committee deemed essential to its investigation.

The revenue service's decision to turn over the requested documents has provoked a bitter dispute among some Democratic and Republican committee members and aides, the sources said, as well as a highly publicized conflict between Mr. Lenzner and the tax agency.

Among the key materials sought by Mr. Lenzner, the sources said, were the agency's so-called "sensitive" reports on Donald Nixon, Mr. Rebozo, the Hughes

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Tool Company, and Lawrence F. O'Brien, former chairman of the Democratic National Committee.

Reliable sources said that the "sensitive" reports themselves, so called because of the politically significant and sometimes embarrassing information they contained, would not be given to the committee. Instead, the sources said, procedures agreed upon yesterday will permit any information in those files that might bear on the committee's inquiry into the Hughes-Rebozo matter.

The Senate committee was told earlier this year by John D. Ehrlichman, a former top White House aide, that he discussed Mr. O'Brien's "sensitive" revenue file with the President before the November, 1972, elections. Such files have routinely been turned over to the White House in the past.

Government sources cautioned today that no revenue service materials had yet been turned over to the committee. All that happened, the sources said, was that the service had worked out mutually accepted guidelines for such release.

In New York, Mr. Alexander, who addressed the American Newspaper Publishers Association, told a newsmen later that he planned to meet with Senator Sam J. Ervin Jr., chairman of the Watergate committee, and Senator Howard H. Baker Jr., the vice chairman, "as promptly as possible."

Mr. Rebozo and President Nixon have said that the \$100,000 was left untouched in a safe-deposit box until it was returned to the Hughes interests last June 27, about two months after the revenue service began an inquiry into the contribution.

Mr. Lenzner intensified his six-month inquiry into the \$100,000 after hearing testimony last month from Herbert W. Kalmbach, President Nixon's former personal attorney, about a conversation in which Mr. Rebozo reportedly said that he had "used" the cash to make gifts or loans to the President's two brothers and Rose Mary Woods, his personal secretary, "among others." Mr. Rebozo, in subsequent testimony, is reported to have denied making the remark.

In a memorandum written

last week, Mr. Lenzner asserted that the revenue service had been obstructing his inquiry for two months by refusing to provide tax data and investigative files on more than 30 individuals and corporations. In an April 15 letter to Mr. Willsey, the committee investigator charged that the agency's alleged delay "has damaged our ongoing investigation irreparably and has created significant obstacles to a successful completion of the investigation."

In a brief telephone interview today, Mr. Willsey took sharp exception to Mr. Lenzner's statement and said that the revenue service's delay in turning over materials had been necessitated by a need "to make sure they can be retained in confidence"—an obvious allusion to recent newspaper accounts of the committee's findings.

Disagrees on Concessions

Mr. Willsey also denied that the agency made any significant concessions in its meeting yesterday on Capitol Hill.

"We've turned over materials before and we're going to continue to turn over documents," he said. "Nothing happened yesterday that made it any different."

A number of other sources confirmed, however, that the agency had agreed to provide "sensitive" reports, income tax returns and other pertinent data to the committee, with the proviso that it be reviewed only by Carnine S. Bellino, chief investigator for the full committee, and Richard Schultz, an assistant minority counsel.

None of the materials would be turned over directly to Mr. Lenzner or his immediate aides, the sources said, although relevant findings would be made available to them.

Despite that restriction, a number of Republican aides expressed anger at what they depicted as a "caving in" by Mr. Alexander on the question of further disclosure. The sources acknowledged that some Republican committee members had been supporting Mr. Alexander in his rebuff of Mr. Lenzner, on the ground that any documents turned over should be made available to all investigators, and not just to the Lenzner team.