

# A Tape Tax Break

New York

CBS News said last night the special Watergate prosecutor's staff believes one reason President Nixon bugged his offices and telephones was to create future income tax - deductible gifts.

Amendments to the tax law in 1969 cut out deductions previously allowed for "letters, memoranda and similar property," and the President's gift of vice presidential papers to the national archives was ruled not deductible because the deed was signed after the 1969 amendments took effect.

CBS said that shortly before the taping system was set up in the presidential offices in 1971, the White House was getting advice that the 1969 amendments did not exclude gifts of "non - paper" material such as tapes.

CBS' Daniel Schorr reported that Ralph Newman, who appraised the President's gift of pre - presidential papers, wrote Mr. Nixon's tax lawyer, Frank DeMarco, that the President still "has a considerable amount of material," including tapes, in the archives that would qualify as gifts.

"It was shortly thereafter that the idea of making new and vastly more valuable tapes was born," Schorr reported.

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Associated Press