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**2 Charges Dropped
In Tax Case on Gift
Of Nixon's Papers**

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LOS ANGELES, Sept. 12—

Two of four criminal charges have been dropped in the case against Frank DeMarco Jr., the lawyer accused of preparing false documents to give former President Nixon a tax advantage on a donation of his Vice-Presidential papers.

In pretrial hearings yesterday, Federal District Judge Warren J. Ferguson granted a defense motion to dismiss one count accusing Mr. DeMarco of making false statements to an Internal Revenue Service agent investigating Mr. Nixon's 1969 Federal tax return.

And, in a surprise move, the assistant special prosecutor, Jay Horowitz, announced that the Government would drop an additional count of conspiring to defraud the Government in claiming a \$576,000 tax deduction for Mr. Nixon.

However, the judge let stand two other charges against Mr. DeMarco, who is scheduled to go on trial here next Thursday.

One count, related to the dismissed charge, accuses him of making false statements to an I.R.S. agent. (S E P)

The other charge accuses him of obstructing a Congressional committee by giving false statements

Mr. Horowitz said the Government was dismissing the conspiracy charge because of the difficulty in proving it without bringing in the actions of the appraiser of the donated papers, Ralph G. Newman.

At the heart of the indictment was Mr. Nixon's disputed gift to the National Archives of his pre-Presidential papers. According to the charges, both men knew that the gift was not made before a change in the tax laws prohibiting deductions for such gifts, but that they prepared documents showing the contrary and lied to the grand jury.