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Contrary to White House, Mills Insists on Tax Reform Now

NIXON ECONOMICS czar George Shultz travelled down to Little Rock, Ark., last week to hear some bad news: Rep. Wilbur D. Mills, Mr. Taxation on Capitol Hill, insists that his House Ways and Means Committee take up tax reform to begin the new congressional session.

President Nixon's policymakers, who privately believe the political appeal of tax reform has petered out, want to delay tax legislation until late 1973 or, even 1974. Instead, they want Ways and Means to immediately consider time-consuming foreign trade legislation, privately expressing hope that Mills will go along. That timetable was proposed by Shultz, Secretary of the Treasury and chief White House economic aide, during the 90-minute meeting with Mills in Little Rock.

Mills would have none of it. He informed Shultz he had committed himself to early consideration of tax reform and would delay it only for an emergency. Trade legislation, Mills added, is no emergency. Besides, Mills expressed doubt that the Nixon administration is even close to drafting a trade bill.

Shultz then discussed with Mills tax reforms being drafted at the Treasury. This is known to include tightening the

so-called minimum tax, which would require everybody—even oil millionaires—to pay some tax despite loopholes.

The unannounced, confidential meeting in Little Rock was intended by the White House to renew correct but not terribly warm relations between Mills and Shultz. Any real intimacy was prevented, however, when Shultz brought two underlings with him: New York banker William Simon, the new Deputy Secretary of the Treasury, and treasury lobbyist William Gifford.

A footnote: From Little Rock, Shultz & Co. went to Baton Rouge, for another meeting—also supposedly unannounced and confidential—with Sen. Russell B. Long, chairman of the Senate Finance Committee. But Shultz discovered, to his immense irritation, that Long had scheduled a press conference for him there.

THE REAL REASON for the shockingly abrupt dismissal of Central Intelligence Agency (CIA) Director Richard Helms is President Nixon's insistence on putting a business-type manager, skilled in budget-cutting and cost analysis, in charge of the intelligence community.

Helms, to the contrary, is no cost-cutter but a career intelligence expert.

He also has been criticized by the president's palace guard for being too free-wheeling, too independent and not quick enough to jump through the ever-narrowing White House hoop.

For Helms, the irony of his dismissal (on specious grounds that he is only three months from the "retirement age" of 60) is that a 1971 White House directive attempting to impose the President's will on the CIA was written by cost-conscious budget expert James R. Schlesinger. Currently chairman of the Atomic Energy Commission, Schlesinger is now Mr. Nixon's choice to succeed Helms.

Schlesinger's directive, written when he was deputy budget director, ordered Helms to oversee the government's entire intelligence apparatus and turn over the CIA to his deputy director, Lt. Gen. Vernon A. Walters. But Walters, once an interpreter for then Vice President Nixon, was new to the intelligence game. So Schlesinger's directive both infuriated and worried powerful members of Congress close to the CIA.

Consequently, Helms pledged to these congressional powers that he would keep CIA's reins in his own hands. He did so, angering the White

House and paving the way for his eventual exit.

Mr. Nixon will order Schlesinger to undertake a drastic pruning of CIA's budget and end overlapping functions of CIA, the defense intelligence agency and other spook organizations.

A footnote: Mr. Nixon wanted to replace the professionally skilled Helms upon taking office in 1969 but was dissuaded by hard-nosed Secretary of Defense Melvin R. Laird.

PRESIDENT NIXON'S personal choice for general counsel of the Republican National Committee is high-powered Harry Dent, just resigned as White House political aide—a move that could undercut pledges that the new Republican national chairman, George Bush, could pick his own team.

Bush has been informed that he will have carte blanche to pick his top aides, including finance chairman and, presumably, general counsel. Whether or not Mr. Nixon now clears Dent with Bush, the President will obviously get his way.

A footnote: With Texan Bush and South Carolinian Dent aboard, Republican national headquarters will have an unaccustomed southern charm.