

Nixon Pushed Shultz On IRS Audits

WASHINGTON (AP) — John W. Dean III says President Nixon offered in 1972 to tell then Treasury Secretary George P. Shultz to step in if necessary to obtain tax audits on some of Sen. George McGovern's presidential campaign contributors.

"He (Nixon) said something to the effect, well if Shultz thinks he's been put over there to be some sort of candy ass, he is mistaken," Dean testified to the House Judiciary Committee.

He said the President added: "And if you have got any problems, you just come tell me and I will get it straightened out."

Former White House counsel Dean also testified that Nixon did not direct making an alleged \$75,000 hush money payment to convicted Watergate conspirator E. Howard Hunt Jr., but "the President felt it was desirable" to make the payment.

Dean appeared before the committee's impeachment inquiry July 11 and his testimony was released Thursday.

Dean testified Nixon made the comment about having Shultz intervene after Dean reported to the President at a Sept. 15, 1972, meeting that the Internal Revenue Service had rejected Dean's request for the tax audits of a list of contrib-

utors to McGovern's campaign.

Shultz had become head of the Treasury Department, which includes the IRS, three months earlier.

"The President became quite annoyed," Dean testified.

He asserted Nixon launched a long discussion about the IRS "and not using it effectively and from there we immediately went to the fact that we were not using the entire apparatus of the government effectively and the changes that would be made after the election."

Dean said IRS Commissioner Johnnie Walters still refused to audit the McGovern contributors when Dean tried again after the meeting with Nixon.

Dean said he did not know whether Nixon ever told Shultz to have the audits conducted.

He said former Nixon aide John D. Ehrlichman had told him to make the initial request to Walters. Walters then had Shultz officially back up the IRS's refusal to make the audits, Dean said.

On the alleged hush money, Dean contended he went into the now-famous March 21, 1973 meeting intending to convince Nixon that what he called the blackmail money should not be paid but "I came out having been turned around."