

Tape Bares Nixon Threat Over IRS

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By Eugene V. Risher
Cox Newspapers

President Nixon threatened to fire George P. Shultz as Secretary of the Treasury if he tried to thwart the use of the Internal Revenue Service against political enemies, it has been learned.

The threat is contained in a still-secret 17-minute segment of a taped 50-minute conversation Mr. Nixon had in the Oval Office Sept. 15, 1972, with former White House chief of staff H. R. (Bob) Haldeman and counsel John W. Dean III.

On the possibility that Shultz would protest White House use of the IRS for political purposes, Mr. Nixon is quoted as saying: "... I don't want George Shultz to ever raise the question because it would put me in the position of having to throw him out of the office. He didn't get Secretary of the Treasury because he has nice blue eyes. It was a goddam favor to him to get that job."

A tape of the conversation is being sought both by the House Judiciary Committee



GEORGE P. SHULTZ
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for evidence in its impeachment inquiry and by Watergate Special Prosecutor Leon Jaworski, who wants it for presentation to a grand jury investigating possible criminality in the White House.

Both have tapes of the first 33 minutes of that conversation but have been unsuccessful in getting Mr. Nixon to

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surrender the final 17 minutes.

The full 50 minutes of the tape was turned over months ago to Judge John J. Sirica for use in the Watergate grand jury investigation. He first decided to give only the first 33 minutes of the tape to the grand jury and the special prosecutor. Later he decided the last 17 minutes was also relevant. The White House challenged that decision and the matter is now pending before the U.S. Court of Appeals.

The transcript, made available to Cox newspapers by a government source, shows a President frustrated by failure of the IRS to furnish requested information about his political enemies.

It shows the three discussing ways in which the IRS might be "artfully" manipulated before the 1972 election and planning a wholesale ouster of uncooperative officials after the election.

By this time, the President appeared confident of his reelection.

"We have to do it artfully so that we don't create an issue that we are using the IRS politically. And there are ways to do it, goddam it. Sneak in one of our political appointees," Mr. Nixon is quoted as saying.

Then, after the election, more drastic action was planned.

"... The whole goddam bunch go out and if he [Shultz] doesn't do it he is out as Secretary of the Treasury and that is the way it is going to be played," the President is quoted as saying.

And at another point: "I look forward to the time that we have the agents in the Department of Justice and the IRS under our control after Nov. 7."

[Shultz told the Washington Post that "nobody ever threatened to fire me." He said that the attempted use of the IRS was blocked, as testimony by former IRS Commissioner

Johnnie Walters had brought out.

[Shultz said that the conversation reported by the Cox newspapers "and all of these other conversations are not like any I participated in." He added that he never had received any direct pressure from the President, Haldeman, Dean, or other White House officials.

[He recalled that as The Washington Post had reported in April, he had resigned in mid-1973 in a dispute over economic policy, but the President had persuaded him to stay in office to unwind the controls program.]

Key members of the Judiciary Committee, as well as other members of Congress, regard the Sept. 15 conversation—particularly the 17-minute segment—as possibly critical evidence in judging whether Mr. Nixon should be impeached for abusing his powers by attempting to use the IRS for political purposes.

In the conversation Dean complained to Mr. Nixon about the difficulty he had in obtaining IRS information about Henry A. Kimmelman, a chief fund-raiser and finance chairman for Sen. George McGovern (D-S.S.), Mr. Nixon's Democratic rival.

"Well, goddam, they ought to give it to you," Mr. Nixon was quoted as saying.

Dean also disclosed that Vernon Acree, formerly a deputy IRS commissioner and currently the commissioner of customs, had been cooperative in the past and laughingly remarked that he should not have been promoted out of his previous position.

The transcript shows Mr. Nixon vowing to fire Walters for his failure to cooperate.

Reached by telephone in Richmond, Walters said he knew he was not "beloved by everybody in the administration" but said he had planned to leave the post in January, 1973. He actually left April 30, having been persuaded by Shultz to stay on until a replacement could be found.