

Panel Asks IRS to Re-Audit Nixon Friends' Tax Returns

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The Internal Revenue Service has been asked by a joint congressional tax committee to re-audit the tax returns of several friends of President Nixon to determine if any of them received favored treatment under pressure from the White House.

Rep. Wilbur Mills (D-Ark.), chairman of the Joint Committee on Internal Revenue Taxation, said preliminary investigation by the committee had raised the question "although we have no evidence that anyone did anything."

In the case of Mr. Nixon's "political enemies," committee sources said earlier this week that the IRS had resisted White House pressure to discriminate against them. Mills confirmed this yesterday and said that Secretary of the Treasury George P. Shultz and former IRS Commissioner Johnnie M. Walters had specifically resisted White House pressure to use the IRS against the "enemies."

Neither Mills nor any of the other committee members provided any names of the White House favorites who are to be re-audited, and one committee member said that this information was being closely held by the staff to protect the persons involved.

It is known because of previous testimony before the Senate Watergate committee that evangelist Billy Graham and actor John Wayne are two of the Nixon friends whose returns were examined to see if they received favored treatment.

Committee members said yesterday that preliminary investigation by the staff showed, among other things, "very sloppy auditing" by the IRS in some cases. Mills

praised the refusal of Shultz and Walker to conform to political pressure, but added: "The IRS isn't perfect, you know."

In some cases, according to a committee source, this lack of perfection extended to allowing "political enemies" to pay less taxes than they should have paid. Some political friends also apparently underpaid their taxes, though it has not been established that this was because of preferential treatment.

Sen. Russell B. Long (D-La.), vice chairman of the committee, said yesterday that he anticipated that when the returns of a number of unspecified presidential friends are audited, "some will owe us money."

"I predict we'll get back more than our expenses in going after them," Long said.

Earlier, Long said in an interview prepared for weekend broadcast in Louisiana that no pattern of favoritism had been established, but that some of the presidential friends were treated too favorably.

He said that some of the people whose names had been mentioned publicly in the past as possibly marked for favorable tax treatment "have been indicted. Some of them are still in tax trouble. There are some we still want to audit and some we want audited again."

The joint committee is the same one investigating Mr. Nixon's tax returns at the President's request.

One member of the committee, Rep. Al Ullman (D-Ore.), said that he "wasn't very happy" about the committee's accepting the inquiry into the President's taxes, but predicted it would do a thorough job.

"We will lean over backward to see that the letter of the law has been followed," Ullman said.

Meanwhile, two members of the Senate Watergate committee moved to head off a counter-disclosure effort by the White House aimed at forcing into public view the tax returns of congressional critics.

Committee Chairman Sam J. Ervin Jr. (D-N.C.), and Sen. Lowell P. Weicker (R-Conn.) both made public their income tax returns, which show that they paid more than triple the federal taxes paid by President Nixon in 1972. A Weicker aide said Weicker's tax returns have been on file in his office and open to public scrutiny since he entered the House of Representatives in 1969.

"Quite frankly, it makes the President's tax return look all the more ridiculous," Weicker said.

Weicker said he earned \$67,939 and paid \$14,350 in federal taxes last year. The figures for Ervin were \$63,440 and \$15,483.

President Nixon reported last Saturday that he paid \$4,298 in 1972 on an adjusted gross income of \$280,000.

When the question about making his income tax returns public was raised to Mills, he said he'd be "glad to make them available for inspection anytime." Mills added that an IRS agent had made out his return each year.

Three liberal Democratic senators — Edward M. Kennedy of Massachusetts, Birch Bayh of Indiana and Edmund S. Muskie of Maine — announced yesterday that they would try to amend the tax law which permitted Mr. Nixon to pay such a low amount. Their amendment, narrowly rejected by the Senate earlier this year, would call for a minimum tax to be paid by all citizens regardless of deductions.