

NIXON ASKED DATA ON WALLACE TAX, PANEL WAS TOLD

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Mollenhoff's Testimony Part
of Latest Volume of Report
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WASHINGTON, July 16—The House Judiciary Committee made public today the sworn testimony of a former White House staff member who said that H. R. Haldeman told him in 1970 that President Nixon personally wanted a report on an I.R.S. investigation of Gov. George C. Wallace of Alabama and his brother, Gerald.

The former staff member Clark R. Mollenhoff, also testified that he had reason to believe that someone "at the highest White House level" gave derogatory information from the report by the Internal Revenue Service on the Wallaces to Jack Anderson, the

Statement of information and
other documents, Page 16.

columnist, three weeks before the Alabama governorship primary in 1970. This was the primary in which White House agents secretly gave \$400,000 to Governor Wallace's opponent.

Asked about the allegations, Ronald L. Ziegler, the White House Press Secretary, said: "Ask Clark Mollenhoff." I haven't heard anything about it." Mr. Mollenhoff is now a reporter for The Des Moines Register and The Register is not considered a supporter of the President.

Mr. Mollenhoff's testimony is contained in the ninth volume of the Judiciary Committee's "Statement of Information" for the impeachment inquiry. The earlier volumes, dealing with the Watergate break-in and cover-up, were released last Thursday.

The Mollenhoff testimony is among many items of previously unpublished material relating to the alleged use of the I.R.S. for political purposes by the Nixon Administration.

Other highlights include the following:

¶Testimony from both of Mr. Nixon's first two Commissioners of Internal Revenue confirming earlier indications that they had offered their resignations in the face of pressures from the White House to take what they considered to be improper actions.

¶A statement by the first of these, Randolph W. Thrower, that when he had tried to see Mr. Nixon to express his "concern about White House attitudes toward the I.R.S.," he

was told by Mr. Haldeman, the White House chief of staff, that "the President did not like such conferences."

¶Testimony repeatedly naming Vernon D. Acree, the Assistant Commissioner of Internal Revenue, who was pro-

Continued on Page 17, Column 1

Continued From Page 1, Col. 5

moted by President Nixon to be Commissioner of Customs, as the source of tax information the source of tax information that the White House wanted on prominent persons.

¶An affidavit from former Revenue Commissioner Johnnie M. Walters detailing repeated efforts by John D. Ehrlichman, the chief White House adviser on domestic matters, to force I.R.S. to find something major wrong with the tax returns of the Democratic National Chairman, Lawrence F. O'Brien, before the 1972 election.

¶Information that the Rev. John McLaughlin, the Jesuit priest who is on the White House staff, helped on an investigation of Lawrence Y. Goldberg, a Providence, R. I., businessman, who was apparently suspected by some in the 1972 Nixon re-election effort of being too committed to Jewish causes to be a loyal Nixon supporter. Mr. Goldberg ultimately got a staff position with the Committee for the Re-election of the President.

The Judiciary Committee's 400-page volume of evidence on the political use of the I.R.S. discloses that the committee has not made any investigations of its own in this area, but has merely used and published information gathered by others.

For example, the volume contains copies of memorandums that were made public earlier by the Senate Watergate committee, which indicate, without proving, that the White House intervened in a tax audit being conducted on the Rev. Billy Graham, the evangelist.

One such memorandum, from a subordinate of Mr. Haldeman, asks Mr. Haldeman "can we do anything to help?" Mr. Graham, who was under investigation for allegedly receiving income he never reported in the form of construction and decorator work and tuition payments for his children who were in school abroad.

Mr. Haldeman's handwritten



The New York Times

Vernon D. Acree

reply was, "No—it's already covered."

The Judiciary Committee did not report any attempt to find out what Mr. Haldeman's note meant.

The volume of evidence does not contain new information on the Graham case, however, in the form of previously unpublished testimony by John J. Caulfield, the one-time White House staff member who regularly got confidential information from Internal Revenue for the White House.

Mr. Caulfield testified before a closed session of the Senate Watergate committee that he had, at the request of John W. Dean 3d, the former White House counsel obtained "back door copy" of the I.R.S. status report on the Graham investigation from Mr. Acree, the Internal Revenue Assistant Commissioner.

Mr. Dean wanted to know "whether Mr. Billy Graham was being harassed by the I.R.S.," according to Mr. Caulfield, who said that Mr. Dean "did not indicate where his assignments were coming from."

Mr. Caulfield agreed, under questioning, that "the White House making a request in this

fashion would probably be considered abnormal."

Another section of the Judiciary Committee's document indicates that President Nixon knew that his staff members were using circuitous channels for getting information from Internal Revenue.

On March 13, 1973, according to a Judiciary Committee transcript, the President asked Mr. Dean whether he needed "any I.R.S. stuff" in connection with an effort to show that Democrats had been engaged in political espionage and other alleged improprieties.

Mr. Dean responded:

"There is no need at this hour for anything from I.R.S., and we have a couple of sources over there that I can go to. I don't have to fool around with Johnnie Walters or anybody, we can get right in and get what we need."

Among the other pieces of information that Mr. Caulfield testified he got from Mr. Acree were reports of audits of nine "politically active" entertainers, whose treatment by Internal Revenue was compared with that received by the actor John Wayne, a conservative and a Nixon supporter.

Mr. Acree selected the entertainers whose audit reports were examined, a list, according to Mr. Caulfield, that included Democrats such as Peter Lawford and such Nixon supporters as Sammy Davis Jr., the entertainer. The list also included Gov. Ronald Reagan of California, a former actor. All were picked because their incomes were similar to Mr. Wayne's, Mr. Caulfield testified.

Mr. Caulfield concluded, on the basis of information provided by Mr. Acree, that "the Wayne compliant"—who received the complaint has not been disclosed—"does not appear strong enough to pursue."

Mr. Acree was also identified by Mr. Caulfield as the man who suggested to him that the way to start an audit on Robert Greene, a Newsday reporter, who had investigated the business interests of Presi-

dent Nixon's friend, Charles G. Rebozo, was to have an anonymous letter written to the I.R.S. suggesting that Mr. Greene had filed inaccurate tax returns.

Mr. Caulfield said that Mr. Acree subsequently told him that "an anonymous letter did go out in a fashion where it would not be considered illegal," although investigators from another Congressional committee reported that they had not found any "informant's letter" in Mr. Greene's I.R.S. file.

Mr. Acree, who rose through the ranks at Internal Revenue, was considered an outstanding career civil servant and in 1972 won the Rockefeller Award that is given annually to about half a dozen outstanding Government careerists. It is considered the highest award available to a career employe of the Federal Government.

Mr. Acree was named Commissioner of Customs in April, 1972, after Commissioner Walters, who had repeatedly resisted White House requests, announced his resignation and after the White House picked Mr. Walters's successor, the present Commissioner, Donald C. Alexander.

Mr. Acree did not respond to a request for comment on Mr. Caulfield's allegations. The request was made by telephone to Mr. Acree's secretary early in the day.

The Internal Revenue investigation of George and Gerald O. Wallace reportedly focused mainly on Gerald and on allegations that he received kickbacks or other illegal payments from highway, liquor and other interests.

No tax case was ever publicly brought against either Wallace, and the only available information on the investigation is the Jack Anderson syndicated column of April 13, 1970.

Mr. Anderson said that he had seen the Internal Revenue report to the White House on the Wallace investigation and

that it had been shown to him by Murray Chotiner, a long-time political adviser to Mr. Nixon. Mr. Chotiner was killed in an automobile accident earlier this year.

The columnist said that Mr. Chotiner had come to him, early in the Nixon Administration and had offered to be "a pipeline" to the President by getting Mr. Anderson information that he sought.

Mr. Anderson said that he asked Mr. Chotiner in early 1969 whether the Administration would pursue the I.R.S. investigation of Gerald Wallace, which Mr. Anderson said he had learned began during the Johnson Administration.

More than a year later, three weeks before the Alabama primary in which Mr. Wallace was seeking to return to office and thus continue his career as a major national political figure, Mr. Chotiner answered Mr. Anderson's question by showing the columnist the I.R.S. report, Mr. Anderson said.

The Judiciary Committee's report also discloses for the first time that Mr. Chotiner prepared one of the lists of Administration "enemies" that was sent to Internal Revenue to stimulate tax audits and ignored by Commissioner Waters after consultation with Secretary of the Treasury George P. Shultz.

On another occasion, the Judiciary Committee's volume shows, Mr. Walters told Mr. Shultz that "he could have my job any time he wanted it." This was in August, 1972, after Mr. Ehrlichman repeatedly pressed Mr. Shultz to force Mr. Walters to re-audit the tax returns of Mr. O'Brien and denounced Mr. Walters for not doing it.

Mr. Ehrlichman's testimony on the matter, given to a closed session of the Senate Watergate committee and not previously published, was that I.R.S. staff people "down in the woodwork" had "75 selected reasons why they should not audit Mr. O'Brien and they weren't having any of the same reasons with regard to Republicans."