

Nixon Giving Tax Data to House Panel

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The White House said yesterday that President Nixon would give the House Judiciary Committee information on his income taxes "under appropriate safeguards."

The announcement was made shortly after Attorney General William B. Saxbe ruled that the Internal Revenue Service was on sound ground in refusing — at least for the moment — to surrender its audit of Mr. Nixon's tax returns for the House impeachment inquiry.

White House press secretary Ronald L. Ziegler told reporters in Key Biscayne that the President would now take steps "to expedite the inquiry" by making further information on his taxes available under conditions to be worked out with House Judiciary Committee lawyers.

Saxbe, in his ruling, suggested still other alternatives that the House might take.

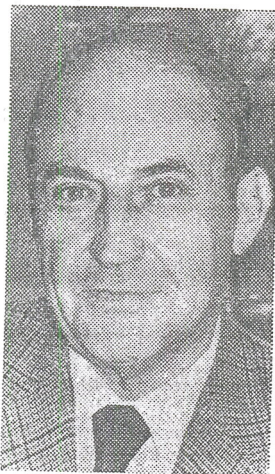
The Attorney General said in a nine-page opinion that the impeachment power of the House could not by itself override the secrecy provided by the Internal Revenue Code.

Saxbe said, however, that the House Judiciary Committee might still obtain the IRS audit records either by an explicit resolution of the full House or through one of the several congressional committees that are entitled to obtain IRS documents.

Either of these routes would presumably produce the IRS records without any of the conditions the White House might have in mind.

The Judiciary Committee has been attempting to determine, as part of its impeachment inquiry, whether there was any fraud or negligence on the President's part in connection with his 1969-72 tax returns.

Both the IRS and the Joint



WILLIAM B. SAXBE
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Congressional Committee on Internal Revenue Taxation, which is one of those authorized by law to obtain income tax information, said last month that Mr. Nixon underpaid his taxes for the years in question by more than \$432,000.

The Judiciary Committee followed through by calling on the IRS for the full audit report that led to its findings. The committee's chief counsel, John Doar, maintained that the authority it had to conduct the impeachment inquiry made it unnecessary to seek more "specific power to obtain information held by a specific government agency."

The Treasury Department disagreed, citing provisions of the Internal Revenue Code making it a crime to disclose income tax returns or related information without explicit authority. At the same time, Treasury Secretary William E. Simon asked Saxbe for a legal opinion before making a final decision.

The law makes exceptions to the secrecy accorded tax returns and related information for certain congressional committees, including any "select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House ..."

The code also authorizes those committees to turn over "any relevant or useful infor-

See IRS, A6, Col. 1

IRS, From A1

mation" thus obtained to the full House.

"Thus it may be that this process could be used to obtain the information by means of one of the specified committees and then to submit it, through the House, to the Judiciary Committee," Saxbe said in his ruling.

"Perhaps the same result," the Attorney General added, "could be achieved by a House resolution designating the Judiciary Committee as a 'select committee' for the purpose of obtaining the information in question."

Saxbe cited the abortive 1970 impeachment investigation of Supreme Court Justice William O. Douglas as the basis for his ruling that the constitutional impeachment pow-

ers of the House are limited by statutory law.

In Douglas' case, the Attorney General said, the House Judiciary Committee complied with the IRS code by passing a resolution calling for relevant income tax files. President Nixon then issued an executive order permitting inspection.

This may be the route that the White House has in mind.

In a statement issued in Key Biscayne, Ziegler said: "Despite exhaustive reviews previously made of the President's taxes and the finding of no fraudulent conduct by the President, the President—in an effort to expedite the inquiry of the House Judiciary Committee—will nevertheless

direct his counsel to consult with counsel to the House Judiciary Committee in an effort to assist in making available to the committee under appropriate safeguards the information which the committee believes it needs."

Under other provisions of the tax code, the President can order income tax returns made public under prescribed conditions.

In addition to the Judiciary Committee's work, Watergate prosecutors have also started a major investigation of Mr. Nixon's finances, apparently focusing on other individuals who had a role in the preparation of his tax returns.

The parallel inquiry was alluded to yesterday in the Watergate prosecution force's first annual report which cited "one major area of ongoing investigation" that has been undertaken outside the scope of its five regular task forces. The investigation was undertaken at the request of IRS Commissioner Donald Alexander and under explicit authority from Saxbe, informed sources said.

Watergate prosecutors are also receiving reports of official government misconduct at the rate of three or four "substantial allegations" a month. The report disclosed. Those that do not fall within Watergate Special Prosecutor Leon Jaworski's authority are parcelled out to the "appropriate" government law enforcement agencies for follow-up investigations, the report said.