

The President and His Friends at IRS

By Jack Anderson
and Les Whitten

President Nixon has been getting a steady stream of confidential data from his friends in the Internal Revenue Service about cronies, contributors and aides in trouble with the tax collector.

As a result of this intimate White House-IRS axis, the White House has stepped in to suggest that presidential friends such as the Rev. Billy Graham and actor John Wayne may have been harassed by IRS. In other tax cases, like that of former presidential osteopath Dr. Kenneth Riland, Mr. Nixon was notified, but did not intervene.

The intricate network that alerts the President to tax hot-spots is described for the first time in a still-secret statement to the Senate Watergate committee by Internal Revenue's deputy chief counsel Roger Barth.

The personable Barth is a well trained tax lawyer who came to the IRS in 1969 after serving as a political impresario for Julie and Tricia Nixon during the 1968 campaign. At IRS, he swiftly became known as the resident honcho for the White House.

This last role brought him before the committee sleuths, where he conceded that "senators, congressmen, entertainers, associates of the President, cer-

tain citizens in a high-income bracket . . . the President's friends, a large contributor" were all flagged as "sensitive cases" when IRS field offices had reason to question their tax returns.

"The sensitive case reports are received from the districts each month," Barth explained, according to the confidential summary of his committee interview. "Of the approximate 200 received each month, approximately 20 to 25 are culled."

Barth confided that he met with Treasury Secretary George Shultz and, earlier, with Secretary John Connally, to decide which of "the culled files were significant enough to bring to the attention of the President." Special attention was paid to big contributors and presidential pals, he explained.

The purpose, Barth insisted, was not to flag cases to be fixed but "to avoid any embarrassment for the President" on appointments, White House invitations and the like.

Once the list was culled, Barth personally called presidential aide John Ehrlichman, while "the Secretary would contact the President direct."

As one example, Barth mentioned that the tax woes of Mr. Nixon's osteopath were "brought to the attention of the President." No sooner had Barth inadvertently revealed this to the committee than he and Treasury counsel Edward

Schmults rushed from "the room for five minutes," according to committee records of the interview.

When they returned, they "requested that this information remain confidential." Barth and Schmults explained they were afraid that since Dr. Riland's indictment was still active, "Riland's attorney could use an argument of reverse discrimination and state (that) since Riland was close to the President, the IRS was afraid to back off" the case.

Footnote: Barth told us a similar information network was used by Presidents John Kennedy and Lyndon Johnson for "sensitive cases."

Farm Junket—High-flying members of the House Agriculture Committee have junketed to Brazil and Venezuela this year, but with a new twist. Brazil, looking for bigger sugar quotas from the United States, and Venezuela, worried about U.S. wheat exports, picked up the tab instead of the U.S. taxpayer. The luxurious tour to Venezuela included Reps. W. R. Poage (D-Tex.), Joseph Vigorito (D-Pa.), Frank Denholm (D-S.D.), Wiley Mayne (R-Iowa), John Rarick (D-La.), Robert Price (R-Tex.), LeMar Baker (R-Tenn.), Eligio de la Garza (D-Tex.) and David Bowen (D-Miss.). Brazil's military government played host to Poage, Frank Stubblefield (D-Ky.), William Wampler (R-Va.), George Goodling (R-

Pa.), John Zwach (R-Minn.), Ed Jones (D-Tenn.), Dawson Mathis (D-Ga.) and Jerry Litton (D-Mo.).

Double Edge—In his new book, "Who Makes War—the President Versus Congress," Sen. Jacob Javits (R-N.Y.) gives the background for Congress' recent overriding of the presidential veto on the war powers bill. His arguments could apply with equal bite to the Watergate case. "The implication that the presidency is beyond the range of congressional authority to check in the exercise of the war powers raises a serious constitutional danger," he writes. "Our own stature as free and equal citizens is diminished when we hand an individual leader our lives to do with what he will."

Curious Coincidence—Striking Arizona workers can expect little sympathy from two high state officials. In separate letters to the Health Education and Welfare Department, Arizona Attorney General Gary L. Nelson and economic security director William J. Mayo adopted a hardline position against granting welfare assistance to striking workers.

Their statements were nearly exact carbon copies of a position paper drawn up by the National Association of Manufacturers. Yet both officials denied having seen or used the NAM's statement.