

Panel Reportedly Hears Nixon's Aides Tried to Use I.R.S. for His Political Benefit

MOST OF THE BIDS FOUND REBUFFED

JUN 14 1974

Data Allegedly Show That President Knew What His Assistants Were Doing

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, June 13—

The House Judiciary Committee reportedly heard extensive evidence today of efforts by White House officials to use the Internal Revenue Service for President Nixon's political benefit.

Committee members said that in most instances the Revenue Service had refused to cooperate with the White House aides. And, while the members said that there was no evidence showing that they had been presented with documents and testimony indicating that Mr. Nixon had been aware of what his assistants were doing.

At the close of the day, Representative Peter W. Rodino Jr., the committee chairman, said that the questions raised had gone "to the heart of whether there have been serious abuses of power by the president or members of his official family."

The committee does not plan to hear evidence on Mr. Nixon's underpayment of income taxes until next week.

Kalmbach Interviewed

But, in preparation for those hearings, Albert E. Jenner Jr., the chief Republican counsel, interviewed today Herbert W. Kalmbach, who was the President's personal lawyer.

In addition, according to the special impeachment counsel, John M. Doar, staff lawyers began an exploration of Mr. Nixon's tax returns and other financial documents that were delivered to the staff today by the revenue service.

Among the matters that were considered in the closed session today were the following:

Evidence that the revenue service, acting under pressure from White House aides, insti-

tuted an audit of the tax returns of Lawrence F. O'Brien, chairman of the Democratic National Committee, in 1972.

Efforts by Presidential assistants to place two political aides, John W. Caulfield and Gordon Liddy, in high-level positions in the revenue service.

The compilation of a list of more than 600 alleged enemies of the Nixon Administration, allegedly so that retribution could be taken against them after the President's re-election.

The question of whether special steps were taken to obtain favorable treatment from the revenue service for the President's political supporters.

In an effort to secure more data on the President possible participation in these activities, the panel has as 1/8 the tape of 17 minutes of conversation on Sept. 15, 1972, that Mr. Nixon had with John W. Dean 3d, his former counsel, and H. R. Haldeman, his former chief of staff.

White House Balks

The White House has declined to supply the committee with the tape of that part of the conversation. The committee has the tape of the rest of the conversation, which concerned the Watergate case.

Last week, Judge John J. Sirica of the United States District Court here agreed to turn over the 17-minute segment to the Watergate special prosecutor, Leon Jaworski, but the White House appealed the decision to a higher court.

Mr. Doar and Mr. Jenner reportedly told the panel members that they were confident that Mr. Jaworski would be able to obtain the tape and would submit it to the committee.

Some Republican members seemed unconcerned by the evidence presented today.

Representative Robert McClory of Illinois said that he did not "feel the presentation was too serious insofar as the President is concerned."

And Delbert L. Latta of Ohio emerged from the session at noon and said that it had been "a complete waste of a morning."

But Edward Mezvinsky, Democrat of Iowa, said that the presentation today had raised critical issues. "My impression is that the tax matters and the use of the I.R.S. are as serious if not more so that the Watergate case," he said.

And Mr. Rodino, a New Jersey Democrat, said, "This is a subject that the committee will not dismiss lightly."

Mr. Rodino has rarely made even the most remote characterization of the severity of the charges against the President.

Tape Is Played

His remark that "members of [the President's] official family" might have committed abuses of power raised again the question of whether the committee would find impeachable offenses in the failure of Mr. Nixon to halt improper conduct by his subordinates.

The committee listened again today to a four-minute portion of the Sept. 15, 1972, tape in which the President and Mr. Haldeman discussed the enemies list. Mr. Haldeman, according to the transcript, said

that "Dean's working the, the thing through I.R.S. and, uh, in some other cases, I think, some other (unintelligible) things."

The President replied, "Yeah."

Several committee members said that the exchange indicated that Mr. Nixon was aware of plans to use the revenue service to harass his political opponents.

The committee also reportedly took note of a 1970 memorandum from Tom Charles Huston, then a White House assistant, to Mr. Haldeman, in which Mr. Huston wrote:

"Nearly 18 months ago, the President indicated a desire for I.R.S. to move against leftist organizations taking advantage of tax shelters. I have been pressing I.R.S. since that time to no avail."

The audit of Mr. O'Brien's taxes reportedly came at about the same time that his office in the Watergate building was broken into.

Committee officials said that the revenue service was pressed to conduct the audit by Mr. Dean and John D. Ehrlichman, then the President's domestic counsel.

The White House pressure came after Johnnie M. Walters, then Commissioner of Internal Revenue, had ordered that "sensitive" audits be suspended during the election year.

The "sensitive case list," maintained by the service contains the names of people whose audits, if they became known, might arouse controversy.

Committee Impressed

While the revenue service apparently succumbed to White House pressure in the case of Mr. O'Brien, committee members said that they were impressed with the number of times the service had rebuffed White House officials.

Mr. Walters's predecessor Randolph Thrower, reportedly told the committee's staff that he had resigned in part because of efforts to gain appointments in the service for Mr. Caulfield and Mr. Liddy.

And, despite White House interest in the tax returns of Billy Graham, the evangelist, and John Wayne, the actor — both supporters of President Nixon — there was no indication, officials said, of special handling of their tax cases.

Representative George E. Danielson, a California Democrat, said that he was pleased that "the I.R.S. didn't buckle under" and that "it illustrates we've got a pretty good system."