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**IRS Chief's  
Report on the  
Secret Unit**

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By George Murphy

The commissioner of the Internal Revenue Service said here yesterday that a special staff set up to monitor the tax records of activist organizations came about at the request of the Senate Permanent Subcommittee on Investigations.

Donald C. Alexander, who disbanded the Special Services Staff in August, 1973, was not commissioner when the staff was set up in July of 1969.

There had been implications in documents released on Sunday in Washington that the Nixon White House had been the force bringing about creation of the staff.

The papers show that the IRS moved to set up a special task force on "activist organizations" after receiving a phone call from White House aide Tom Charles Huston.

Huston was the Nixon aide who also proposed the "Huston Plan," to use extra-legal methods to deal with political radicals.

The IRS papers showed only the record of the phone call, not what was said during it.

Alexander said flatly here that it was the Senate committee that asked for the special monitoring unit.

The commissioner, who took office in late May of 1973, abolished the staff 2½ months later.

"They accumulated too much about too many people, so I abolished it," he said.

The files gathered still exist, however, for review by the Senate Constitutional Rights Subcommittee, chaired by Senator Sam Ervin (Dem.-N.C.).

But, Alexander said, "when they are done with them, I'm going to get rid of those files."



DONALD ALEXANDER  
S.F. speech

Alexander, here to address the California Tax Accounting Conference, said, "as long as I'm commissioner, the IRS won't be in the business of rewarding friends and punishing political enemies."

Alexander was asked if the IRS would audit former President Nixon's tax returns, and replied he would not comment on any individual's return. But he said no one is immune to an audit, even former presidents.

Alexander, a Cincinnati tax lawyer, was nominated to be IRS commissioner by then President Nixon on March 19 of last year.

In his address here, he said the agency "is more out in the open and is more responsive to suggestions for improvement by the Congress and the taxpayers than ever before."

The IRS, he said, tries to be "scrupulously fair" in selecting returns for audit. There were 2.2 million audits in 1974, an increase of 417,000 over the previous year, and the largest increase in more than ten years, he said.

Alexander said legislation proposed by the Ford administration would help preserve the confidentiality of tax returns and related information, and would reduce the possibility of future abuse.