

White House Confirms Account Of I.R.S. Audit of Ford's Taxes

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WASHINGTON, Oct. 7 — The White House confirmed today major elements of a newspaper account of an Internal Revenue Service audit of President Ford's income taxes. But, in a statement, the White House sought to rebut any suggestion of impropriety in Mr. Ford's tax history.

The Wall Street Journal, which reported that it had obtained a copy of the audit of Mr. Ford's tax returns from 1967 to 1972, said "questions are now arising about the thoroughness" of the I.R.S. inquiry and that it was now clear that few members of Congress had had time to read the audit before Mr. Ford's confirmation hearings in 1973.

The White House statement, prepared in response to the inquiries by The Journal, acknowledged points of question in the audit and gave details about how they were resolved.

In April 1974, Jack Anderson the columnist, also obtained a copy of the audit report that had been prepared as part of an investigation of Mr. Ford when he was nominated as Vice President by President Nixon in November 1973.

The following key points were raised and confirmed by the White House:

¶ Mr. Ford paid \$871.44 from a political account in Grand Rapids, Mich., for clothing for the 1972 Republican National Convention. The revenue agency held that this was not a political expense and assessed Mr. Ford \$435.77 in taxes, which were paid by check in November 1973.

¶ The tax investigators also found that Mr. Ford paid \$1,167 in travel expenses for a skiing vacation in Vail, Colo., from the same account. In this case, Mr. Ford reported that it was an error because he thought he had reimbursed the political account from his own funds. He rectified the error shortly after being notified.

¶ The report showed that both Mr. Ford and Mrs. Ford appeared to get along on extremely low amounts of pocket money; in Mr. Ford's case, it averaged \$5 a week. But, according to White House officials, much of Mr. Ford's life in the period that

he was House minority leader was involved in public functions. With expense-paid travel, use of a car or other legitimate fringe benefits, his need for out-of-pocket cash was unusually low.

From 1967 to 1972, the years covered by the audit, Mr. Ford earned a total of \$454,667.06 with a taxable net income of \$375,402.26, upon which he paid \$150,250.17. This is regarded by accountants as the "normal" tax bite at these income levels.

Audited by Congressional Panel

Mr. Ford's tax returns for those years were audited by the I.R.S. and by auditors assigned to the Joint Congressional Committee on Taxation, which also examined the records of all his political and personal bank accounts, according to the White House and to Senate and House committee sources.

Charles F. Ruff, the Watergate special prosecutor, is investigating an allegation of political campaign financing irregularities involving Mr. Ford's home district in Grand Rapids. The field portion of the investigation is complete. Sources familiar with the inquiry said today that there was no indication that Mr. Ruff was moving to delve into Mr. Ford's personal finances.

Mr. Ruff had no comment on the matter. Sources familiar with Mr. Ruff's investigation said no substantial evidence of illegality had been uncovered at this point.