10-12-74 WHOST

Ford Bows to Congress On Tax-Privacy Bill

President Ford has decided to reject the administration's own bill on tax privacy in favor of a tougher measure sponsored by Senator Lowell P. Weicker, Jr. (R-Conn.) and Rep. Jerry L. Litton (D-Mo.).

The President's decision came at a meeting yesterday with Weicker and Litton, who had criticized the earlier administration tax-privacy proposal as a fright to rummage" bill. That bill, drawn up by the Treasury Department, made concessions to several agencies including the Social Security Administration and the Census Bureau, which would have been permitted to continue using tax returns for statistical purposes.

The Weicker-Litton bill, prompted by abuses of the Internal Revenue Service under the Nixon administration, provides that only the IRS and the Justice Department's tax division may see actual tax returns. The bill also permits the President to view tax records on his written request.

An executive order issued Sept. 20 by President Ford which would also be superseded permits tax returns to go to the White House staff members as well.

The meeting with Weicker and Litton was called by Mr. Ford after questions were raised at his Wednesday news conference suggesting that the administration bill might be too weak.