

Farm Group Has Tax Problems

Washington

The National Farmer Organization faces possible loss of its tax exemption, and several of its home office aides have been subjected to personal income tax review by the Internal Revenue Service.

The liberal-oriented farm group was named on the list of White House "enemies" turned over to the Senate Watergate committee last June by John W. Dean III, the former presidential counsel, but an Internal Revenue agent said there was no connection between that fact and the NFO's tax problems.

Another agent said that investigations of tax-exempt organizations normally result from routine selection in Philadelphia, where their reports are filed, but that the investigations could also result from complaints originating anywhere from Los Angeles to Washington.

REFERRAL

After checking with superiors, both men declined further comment and referred questions to the IRS information office here.

The information officer to whom questions were referred, Wilson Fadely, declined specific comment on the NFO case but said that his agency is nearing completion of a case-by-case check of all individuals and organizations on Dean's list that have had recent tax troubles.

"We're looking good," Fadely said, asserting that no evidence of political in-

fluence had been found in any of the cases reviewed thus far.

CONGRESS

The IRS review was requested by the Congressional Joint Committee on Internal Revenue Taxation after Dean testified to a widespread desire in the White House to gain political control of the IRS in order to use it to punish enemies and protect friends.

The NFO represents many of its members, especially dairymen, in bargaining with buyers, and maintains custodial accounts for those members.

The IRS case apparently focuses on those custodial accounts and payments that farmers make to the NFO in return for its services. The revenue service apparently regards those payments as client fees, while the farm group terms them contributions.

New York Times