

Mr. SURREY. Senator, our staff is going through those documents with the joint committee staff to see if there are any technical changes we would like to recommend in addition to those listed in the pamphlet that has already been prepared for the committee.

Senator ANDERSON. I think that when somebody goes to the effort of preparing a 100-page pamphlet with what sounds like very good arguments in it, that the Treasury might supply us with a brief answer if they wished to do so.

Senator WILLIAMS. In line with that same question, it seems to me, Mr. Secretary, you are dealing here with a very far-reaching bill, and one which completely revises the present method of taxing foreign investment in this country. It is a complete revision, and a substantial reduction, for estate taxes, and income taxes as they will be paid by foreigners owning American investments, and I am wondering if this particular reduction in the estate tax provision, and some of these other reductions, should not be considered in light of what we are going to do in a revised tax proposal for our American citizens, and I—

Secretary FOWLER. Senator, I would hope you would not defer action on this bill. This bill, it seems to me, is long overdue. It is one which is designed to deal with the balance-of-payments problem—not in an emergency way, but as one of the paths to a long-term solution of the problem.

The task force report was originally made in the spring of 1964. The House committee thoroughly considered the bill all last summer, and comments were invited. There were hearings in June of 1965. This bill has been around a good long time. I would certainly hope that for balance-of-payments reasons, if for no other reason, that you would deal with it fairly promptly.

This does not mean that the estate tax problem as it applies to domestic persons is not an important one. As I have indicated to you, we have been working fairly intensively on it over the past year or so. But if we are going to try to review all the provisions of the code that affect domestic taxpayers, and get into that kind of a reform along with revising the tax on foreigners, we will never get this bill through.

Senator WILLIAMS. I am not saying that we should postpone it indefinitely, but I think you have given an excellent argument for the position I just suggested, because you said yourself that your task force studied this extensively in 1964, and that the House studied it throughout last year, and the early part of this year. But in the Finance Committee and in the Senate we are being presented with it here in the middle of August, just ahead of what we hope is going to be an adjournment and I am wondering if this committee has the time to really study and understand exactly what is proposed.

I was wondering if it would not be better if we worked out an agreement that this proposal, perhaps substantially in the form in which it presently is, could be presented to us in the early part of next year when we could give it the study it deserves rather than for us just to rubber stamp the proposal on a lot of suggestions which we are not going to have time to analyze.

Secretary FOWLER. Well, I really think that from the standpoint of the balance of payments, as I indicated earlier in my testimony, the private sector has been very energetic in trying to carry out their