

If not, we thank you, gentlemen.

Mr. WINTER. Thank you.

The CHAIRMAN. Our colleague from New York, Mr. Tenzer, is now in the room. We are pleased to have you with us this morning, Mr. Tenzer, and you are recognized, sir.

**STATEMENT OF HON. HERBERT TENZER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK**

Mr. TENZER. Thank you, Mr. Chairman and gentlemen. Mr. Chairman, I appreciate this opportunity to appear and testify before you and the other distinguished members of the Ways and Means Committee, on the President's 10-percent tax surcharge proposal.

I will also outline my own suggestion for an alternative to raise the same amount of revenue or, should you so decide, to raise twice the amount sought by the administration without costing more taxpayers any more than the President has proposed.

At the outset let me say that I oppose the President's proposal for a surcharge in its present form. I will continue to oppose it unless it includes provisions to tax the untaxed.

By what I mean, the surcharge or equivalent should apply to those whose income is derived from depletion, depreciation, capital gains, and other loopholes and tax-sheltered income, so long as the surcharge remains in effect.

By this suggestion I am not proposing a broad change in our tax laws at this time. While a comprehensive reform of our tax laws is long overdue, I realize that this desirable result will require separate study by this committee.

To accomplish this I have introduced in the House, House Joint Resolution 454 to establish a Commission on Unequal Taxation. The Commission would be charged with the responsibility to review the entire tax structure—the existing inequities—the tax loopholes—and would make recommendations to the Congress designed to equitably distribute the tax burden.

Prior to my election to the Congress in November 1964, I was the senior partner of a New York law firm. I have been a practicing attorney for 38 years. During this period I served as chairman and a director of a number of business corporations and of three commercial banks. I have also had extensive experience and investments in real estate.

While I have had a wide experience in law, business, banking, and real estate, I am not a tax expert or an economist.

I do know that the generally accepted theory of taxation in America is that money to be used in the service of all the citizens is justly raised by taxation; that a tax which does not apply equitably upon all or which, applying equitably upon all, is used for the benefit of a few, is unjust.

In his first annual message to the Congress on December 2, 1817, President James Monroe said:

To impose taxes when the public exigencies require them is an obligation of the most sacred character, especially with a free people.

If "taxation without representation is tyranny," then representation without taxation is scandalous.