Let me cite examples of what I consider as scandalous. The Internal Revenue Service has informed me that in calendar 1964, there were 35 individual returns filed with adjusted gross incomes of $500,000 and over, and on which no Federal income tax was paid. These returns represented a total adjusted gross income of $75.2 million.

The Internal Revenue Service also informed me that in the same year, 24,084 individuals filed tax returns with adjusted gross incomes in excess of $10,000 and paid no taxes. The combined adjusted gross income of these individuals was $523,515,000.

I have here, Mr. Chairman, a letter from the Office of the Secretary of the Treasury under date of August 22, 1967, signed by Samuel M. Jones, Deputy Assistant to the Secretary, in which these figures are confirmed.

The CHAIRMAN. Do you want to make it a part of the record?

Mr. TENZER. I would like to make it a part of the record at this point.

The CHAIRMAN. Without objection it will be included in the record.

(The letter referred to follows:)

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington, D.C., August 22, 1967.

Hon. HERBERT TENZER,
House of Representatives,
Washington, D.C.

DEAR MR. TENZER: In reply to your request for information pertaining to the number of non-taxable income tax returns showing adjusted gross incomes in excess of $10,000, I am providing the information you requested for the year 1964, which is the most recent year for which statistics are available.

In 1964, 24,084 non-taxable income tax returns with adjusted incomes over $10,000 were filed with the Internal Revenue Service. The total adjusted gross income of these non-taxable returns was $523,515,000.

A table explaining the above is attached.

Very truly yours,

SAMUEL M. JONES,
Deputy Assistant to the Secretary.

Mr. TENZER. Thank you. It is equally scandalous that certain corporations enjoy unusual special privileges under our tax laws, while most corporations pay at the rate of 48 percent.

One example of the special privileges to which I refer, is that extended to the oil companies.

In 1964 the U.S. income taxes of the 22 largest oil companies when taken together reveal these interesting statistics:

Year 1964 (combined)

Gross profit	$5,179,036,000
Federal tax (4 percent of gross)	240,529,000
Foreign, some State tax (20 percent of gross)	1,064,383,000
Income after tax (74 percent of gross)	3,873,836,000

It is shocking that the largest oil companies pay a smaller percentage of their net incomes in taxes than small businessmen, workers and farmers. The man in the lowset tax bracket pays 14 percent of his net income in taxes, while the figures I just mentioned showed that the Federal tax of these 22 companies was 4 percent.

I have read the testimony of Secretary of the Treasury Henry H. Fowler; of Assistant Secretary ofthe Treasury Stanley S. Surrey; and of Chairman Gardner Ackley, Council of Economic Advisers and others who testified last week before this committee. They presented