

in this area about the not-for-profit corporations and the foundations that are set up, to avoid taxes, and to answer them in hypothetical terms, without going into the specifics of ABC or any foundations that he has given some advice to, because we need to know, and we are going to find out one way or another, what is happening in this field. We can't intelligently make recommendations about changes, without knowing what the present system is, and what practices are.

For instance, when your client was asked whether or not pressures or threats had been brought against him to prevent his testifying, he responded with the fifth. That seemed to me to be a peculiar response. I can't see how he would be intimidating himself, or, might be prejudicing his position by answering whether or not he had been threatened or pressured to refuse to appear before this committee. Now, maybe I have missed something. You as counsel might help me in this respect.

Mr. CROWLEY. Well, giving a hypothetical answer, if pressures have been brought and if he acceded to pressures, why there may be some question of liability, and therefore I am respectfully advising him not to answer.

Mr. CORMAN. All right. Now, the other question. Would you be in a position to advise him to answer hypothetical questions about the usefulness of tax-exempt foundations and the avoidance of income taxes?

Mr. CROWLEY. May we have about 2 minutes to confer on this problem?

Mr. PATMAN. What about having a 5-minute recess?

Mr. CORMAN. All right.

Mr. PATMAN. We will have a 5-minute recess.

(A brief recess was taken.)

Mr. PATMAN. The committee will come to order.

Any statement which you desire to make, Mr. Counsel, you may do so.

Mr. CROWLEY. Mr. Corman, in view of the authority set forth in *United States v. Hoffman*, 341 U.S. Reports, we believe that for the witness to answer any questions of a relevant nature, be they hypothetical or not, it might well be construed as a waiver of his rights, and any information that may provide a link in the chain might constitute a waiver. It is upon that thesis that I as counsel have recommended this action.

Mr. CORMAN. Yes, sir. Now, one further question. Would that be the same advice you would give him concerning his testimony about the Lauren Foundation? Is it the Lauren Family Foundation?

Mr. CROWLEY. I believe it is the Lauren Family Foundation.

Mr. OLSHER. Doesn't he know?

Mr. CROWLEY. Yes; it is. As far as oral testimony; yes. As far as supplying the records, we would provide the committee, in response to a subpoena, with the records of that foundation.

Mr. PATMAN. Let me correct that. He is under subpoena now.

Mr. CROWLEY. That is correct.

Mr. PATMAN. Being under subpoena and subject to questioning by committee members, we are directing him to furnish that information. We consider that sufficient. Another subpoena is unnecessary. Do you accept that?