

you have a prepared statement; and you may proceed in your own way, sir.

TESTIMONY OF HON. HENRY H. FOWLER, SECRETARY OF THE TREASURY, ACCOMPANIED BY SHELDON COHEN, COMMISSIONER OF INTERNAL REVENUE; STANLEY S. SURREY, ASSISTANT SECRETARY OF THE TREASURY FOR TAX POLICY; AND JEROME KURTZ, TAX LEGISLATIVE COUNSEL, DEPARTMENT OF THE TREASURY

Secretary FOWLER. Mr. Chairman and members of the subcommittee, I should like to take this opportunity to state, as succinctly and directly as I can, both the record and the position of the Treasury Department on legislative reform relating to private foundations. If you or your staff have any questions concerning the administration and application of existing laws in various individual cases and situations, I shall refer all questions and leave the discussion to the Commissioner of Internal Revenue, in whom I repose the highest confidence.

Mr. PATMAN. Will you identify for the record, please, the gentlemen accompanying you?

Secretary FOWLER. Commissioner of Internal Revenue, Mr. Sheldon Cohen at my right; Assistant Secretary of the Treasury for Tax Policy, Stanley Surrey at my left, and Mr. Jerome Kurtz who is the Tax Legislative Counsel of the Treasury.

Mr. PATMAN. Yes, sir.

Secretary FOWLER. As I stated, Mr. Chairman, if you or your staff have any questions concerning the administration of existing laws in various individual cases or situations, I shall refer all questions and leave the discussion to the Commissioner of Internal Revenue in whom I repose the highest confidence. He is in charge of the administration of tax laws.

In his appearance before your committee in the summer of 1964, my predecessor Secretary Douglas Dillon stated:

As a matter of personal practice, I do not associate myself, and have disassociated myself ever since I was in the Treasury, with individual tax cases and tax questions, so that to the extent it is an individual case dealing with an individual taxpayer or an individual foundation which is not a taxpayer, but has to file information returns, I would not have any action. This has been left entirely to the Internal Revenue Service.

I, too, have followed Secretary Dillon's practice.

On detailed questions as to the various choices of remedy through modification of the laws applying to foundations, I shall call upon Assistant Secretary of the Treasury for Tax Policy Stanley Surrey, who was in charge of the study which resulted in the submission of the Treasury Report on Foundations which contained the Treasury Department's recommendations for new legislation concerning foundations. I resigned from the Treasury as Under Secretary in April 1964 and returned as Secretary in April 1965. In that interval, the Treasury completed its report and Secretary Dillon submitted it to the appropriate committees of Congress for implementation. While I am not familiar in detail with all of the choices open at that time and the