

An examination of the record, then, makes the Treasury Department position on foundation reform quite clear. Having studied the field thoroughly, the Department reported its findings to the Congress, made specific and detailed recommendations for legislative action, and has strongly urged adoption of those recommendations. The President has twice recommended action. The Department presently awaits the attention of the tax-writing committees to this important matter and stands ready to work on this important phase of tax reform with those committees in the customary manner and procedure when they are ready to proceed.

Mr. Chairman, that concludes my formal statement, but, in view of the fact that you made some other comments that I was not aware of until I arrived and heard them, I will indulge in a few supplementary remarks.

Mr. PATMAN. You may feel at liberty to do so.

Secretary FOWLER. Whatever I have to say—as you said, sir—I have great respect for you and this committee, and nothing that I say will be personal.

There was, I think, an early reference in your comments to “travel to the Hill” and a concern about tax dodging and the absence of such travel to the Hill by representatives of the Treasury Department. I think that comment could only come from one most uninformed about the travels of the Treasury Department to Capitol Hill in recent years having to do with tax reform.

Mr. PATMAN. Tax dodging.

Secretary FOWLER. Tax reform is the device customarily used as far as Congress is concerned, to change and modify our laws to deal with tax dodging. That is what we come up to the Hill to get: changes in the laws to deal with that.

And I might add that by the Revenue Act of 1962, and the Revenue Act of 1964, no matter how measured, far greater sums have been collected as the result of these extensive reforms than in all of the period of preceding history of the revenue or income tax laws, since they became a part of the law of the land in 1916.

A careful examination of the details of those two laws, I think, would inform your staff, who have given you this type of comment. The number of days which were spent in appearances before the House Ways and Means Committee, formal appearances on those two acts by Secretary Dillon, by me when I was Under Secretary, by Secretary Surrey, and others amount to hundreds and hundreds of days of hearing time.

The collateral and informal colloquy with committee members concerning these laws, answering their questions, and dealing with their concerns about various aspects of them, would add many days to those totals of formal hearings. So, it is an uninformed comment to talk in a derogating fashion about travel to the Hill with the concern about tax dodging. It is a kind of comment, with references to whether or not the Treasury is dead, that one could equally well say: “Is Congress dead?” It does not advance the dialog to deal in these terms.

No, the Treasury is not dead in this area any more than God is dead because some of his children occasionally are wayward in their activities.

As you will see from the Treasury report, we readily recognize that there are serious abuses by various private foundations which are in