serious need of correction, both by changes in law and by more effective administration of existing laws which we have been earnestly trying to attain in recent years.

But, in the words of the Treasury Department report, in dealing with this problem I would like to say that looking at the vital role these institutions—private foundations—play in our society, in evaluating the three broad criticisms that have been made of them and analyzing those criticisms, it seems to us that the proper course is prompt and effective action to end the specific abuses extant among the foundations rather than to try to destroy them as institutions.

I commend to you and your staff an excerpt from Sir Thomas More's "Utopia," which I think has some reference to the problem we are concerned with in our respective attitudes.

Sir Thomas More said:

> If evil persons cannot be quite rooted out, and if you cannot correct habitual attitudes as you wish, you must not therefore abandon the Commonwealth * * * you must strive to guide policy indirectly, so that you make the best of things, and what you cannot turn to good, you can at least make less bad. For it is impossible to do all things well unless all men are good, and this I do not expect to see for a long time.

So said Sir Thomas More.

Now, you also made some references to the fact that Internal Revenue agents did not examine foundations and report on the violations or grounds for believeing that they might have violated a large number of other Federal laws, such as your Robinson-Patman Act, such as the other antitrust laws, such as the Securities and Exchange Exchange Commission law, such as the CAB laws.

Let me point out that the Internal Revenue Service does not examine corporations on all of these subjects. They leave the primary responsibility for administration and enforcement of these laws to the duly constituted agencies that have been provided by the Congress and directed to enforce these laws. And while I think there should be, and I hope there is, an adequate practice that whenever evidence of such a violation comes to the Internal Revenue Service, it would pass that information on to a sister agency, it is no reflection on the Internal Revenue Service that private foundations violate the antitrust law, or that private foundations violate the Civil Aeronautics Board's regulations, or violate the laws enforced by the Securities and Exchange Commission or by the Federal Trade Commission. You should have before you the representatives of those agencies, to find out whether they have been enforcing the laws for which they have primary responsibility with regard to foundations.

Now, with regard to what has been done in the last 3 years since the 1964 hearings, in the field of administration and enforcement, I think the record will speak for itself. I will leave it to Commissioner Sheldon Cohen to develop the story and the account of what Internal Revenue Service has done to strengthen the enforcement of these laws.

Let me say, Mr. Chairman, that when I first became familiar with this problem, when coming into the Treasury Department as Under Secretary in 1961, in the light of my own examination and reading some of your early reports, I shared with you the conclusion of those early reports, that in the years preceding there had been a degree of laxity in enforcing the existing laws as regards private foundations.

I found that the degree of laxity could be corrected in some major respects. Efforts were undertaken and we have followed through on