

Mr. COHEN. We found the first one you mentioned, and if you supply the name of this other one to me, I would like to look into it.

Mr. CORMAN. Before we leave this area of politics, you must have some difficulty in deciding whether or not an activity is politics or whether it is education in patriotism.

Mr. COHEN. It is not the easiest job in the world.

Mr. CORMAN. For the record, could you give us some idea of just what you look at?

Mr. COHEN. The question is really whether it is an action organization. If it is an organization, for example, that invites people of all stamps of political opinion to come and discuss issues with it, that is one thing. If it is an organization that takes a position on legislation and says we advocate this legislation or that legislation or this view or that view, that is clearly lobbying activity or clearly political activity. If the organization endorses a candidate, that is clearly a political activity. There are other areas where it becomes more of a judgmental factor. In one case we had a group of lawyers sit down and read everything that had been written by or about the organization, view every film that it had ever distributed, review every radio and TV pronouncement it had sponsored, and weigh all of this against the statutory requirements. It is a difficult job and requires an awful expenditure of manpower. Would that the Congress give us a clearer test?

Mr. CORMAN. If we take the case that you have mentioned where you have a tremendous amount of investigation, if you determined from that, that all of the activity at one end of the spectrum of politics, whichever one it might be, then would that cause people to lose their tax-exempt status?

Mr. COHEN. Yes. The more troublesome case involves lobbying activity which under the code, must be measured in terms of substantiality. When that provision was before the Congress, Senator LaFollette in clear and undeniable terms said that this was going to create administrative problems, and that Congress ought to deny exemption to any organization which gets into lobbying to any extent—not to a substantial extent—to any extent. Congress chose to adopt the substantiality test. It does give us problems.

Mr. CORMAN. Are there pending suggestions for statutory change concerning that aspect?

Mr. COHEN. Not at the moment.

Mr. PATMAN. Now, you mention on page 3 of your statement about revocations being recommended. What happened to those recommended revocations and to whom was the recommendation made?

Mr. COHEN. Well, the District Director has recommended the revocation of exempt status. In each of the cases the District Director served a notice on the organization.

Mr. PATMAN. To whom did he make the revocation recommendation, to a superior officer?

Mr. COHEN. The procedure runs like this. The agent reviewing the organization reaches what to him is the proper determination. This decision is reviewed by his immediate supervisor, and that goes to the District Director. Then, assuming they all agree that exemption should be withdrawn, the organization is so notified. The notice advises the organization that we propose to deny it exempt status as of whatever