

TAX-EXEMPT FOUNDATIONS: THEIR IMPACT ON SMALL BUSINESS

FRIDAY, NOVEMBER 17, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE No. 1 OF THE
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:10 a.m., in room 2359 Rayburn House Office Building, Hon. Wright Patman (chairman of the subcommittee) presiding.

Present: Representatives Patman and Corman.

Also present: H. A. Olsher, director, Foundations Study, Myrtle Ruth Foutch, clerk; and John J. Williams, minority counsel.

Mr. PATMAN. The committee will please come to order.

I wonder if Dr. Michael R. Saxon is here or accounted for.

Miss Clerk, you know Dr. Saxon, do you not? He was here the other day. Do you know him? Do you know his attorney?

He is not here, is he?

Miss FOUTCH. No, sir.

Mr. PATMAN. All right.

And Dr. Saxon doesn't answer, so he is not here.

A subpoena was served on Dr. Saxon on November 14, 1967. He was ordered to bring with him all books, documents, records, and papers of the Saxon Foundation which contain the following information:

All contracts to which the Saxon Foundation is a party.

The names and addresses of each ABC applicant from whom the Saxon Foundation received fees and the amounts of each such fee.

Names and addresses of the foundation's donors since date of organization, including amount contributed by each donor.

Names and addresses of donees since date of organization, including amount paid to each donee.

Amount of salary, fees, and expenses paid to Dr. Saxon by the foundation since date of organization, itemized so as to indicate whether the payments were salary, fees, or expenses.

Amount of salary, fees, and expenses paid to Mrs. Saxon by the foundation since date of organization, itemized so as to indicate whether the payments were salary, fees, or expenses.

The income and disbursements statement which accompanied Dr. Saxon's letter of November 2, 1967, shows that the Saxon Foundation received \$31,500 in ABC membership fees. He was ordered to forward the names and addresses of each member from whom the Saxon Foundation received these fees and the amount of each such fee.

The income and disbursements statement, which accompanied Dr. Saxon's letter of November 2, 1967, shows \$28,760 as "paid to ABC and