

HUNT FOUNDATION UNDER SCRUTINY

Trail of \$273,691 Is Lost by House Investigators

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WASHINGTON, Sept. 1 — A House committee investigating the tax-exempt foundations operated by H. L. Hunt has lost the trail of \$273,691 that was donated for subscriptions to Facts Forum News.

The Select Committee to Conduct a Study and Investigation of the Problems of Small Business is trying to find out whether organizations that enjoy the status of a charitable or educational body are unlawfully involved in partisan political activities.

Representative Wright Patman, Democrat of Texas, presided at a hearing today on the activities of Facts Forum, which was succeeded in 1958 by Life Line Foundation. The radio programs and publications of both foundations have had a right-wing orientation and have been supported substantially by Mr. Hunt, a Dallas oil man of great wealth.

Mr. Patman, on the basis of replies to a committee questionnaire, said:

"Here we have a situation where 114 known donors contributed to the foundation \$273,691 for subscriptions to Facts Forum News during the three years of 1954 through 1956, but the foundation claims that there is no record of (1) the number of subscriptions purchased by each donor, (2) the names of the persons who received these subscriptions, and (3) the beginning date and expiration date of each subscription.

"Each of the donors no doubt took the maximum charitable deductions on their income tax returns or deducted such contributions as business expense."

Inquiry Is Pressed

Mr. Patman asked the Internal Revenue Service to try to get the information.

An examining officer in the Baltimore office of the revenue service recommended nearly two years ago that the educational (tax exempt) status of the Life Line Foundation, successor to Facts Forum, be withdrawn. This recommendation reached the central office of the agency March 8, 1963, and is being reviewed.

Bertrand Harding, acting Commissioner of Internal Revenue, and Mitchell Rogovin, assistant to the commissioner, testified before the committee. Mr. Rogovin asserted that it was "extremely difficult" to make a determination of bias. Organizations, he said, can set up a format "to make it appear" that both sides of a controversy are given. There is "no flat-footed answer" to the question of bias, he said.

An educational organization



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FOUNDATION STUDIED:
H. L. Hunt, Texas oilman, whose tax-exempt foundation is under investigation by a House committee.

can get into questions that are politically controversial provided that this involvement does not account for a "substantial" amount of its activity.

In this connection, the committee wants to know more about how the donations for subscriptions were used.

Mr. Hunt himself was listed as the donor of \$100,000 out of the \$273,691 given for subscriptions in 1954-56.

The First National Bank of Dallas contributed \$33,000. Lesser sums were given by the Hunt Oil Company, Sears, Roebuck & Co., Standard Oil of Indiana, Standard Oil, Chicago, and several smaller oil companies.

These are separate from a list of 23 donors who gave \$3,049,703 from 1951 through 1960. Mr. Hunt was credited with \$2,928,500 of this total. These sums are exclusive of donations for subscriptions to Facts Forum News.

Other donors on this list include N. B. Hunt of Dallas, \$35,000; Gulf Oil, Houston, \$13,864; Gulf Oil, Pittsburgh, \$9,000; Ohio Oil Company, Findley, Ohio, \$6,500; Placid Oil Company, Shreveport, La., \$5,000; Sun Oil, Dallas, \$6,500; Caroline H. Sands, Dallas, \$10,000; Eldred J. Robinson, Dallas, \$9,883.

The hearing was recessed until Friday. Harry Olsher, director of the foundation study, said he did not know whether the committee would resume its study of the Hunt foundations immediately.