

have received each year about \$81,000 in these assignments, although we have no commercial relationship with the sales of the insurance whatsoever.

This was a previous arrangement and it does indeed contribute to a considerable amount of our income.

Mr. GORDON. But only 6 percent, 4 to 6 percent comes from your own members, though, right?

Mr. MARTIN. Yes, sir, which is a situation we are trying to obviously remedy. But it is very difficult to drag fees out of medical students, and this has been our basic problem. Our organization has undertaken a very profound change in the last 1 or 2 years and now we are trying to correct these practices.

Senator DOLE. In what respects?

Mr. MARTIN. Well, I think in the past it can be fairly said that SAMA was a commercial organization, and, to use the rhetoric of many of my peers, it was irrelevant to students who were actively concerned. And it really was sort of a fraternity type of outfit, and for it to engage in things like pharmaceutical and insurance programs and this sort of thing was consistent basically with the ways of the students then. This has changed. Now we are obviously needing and finding ways to change our financial base so we will not feel any obligation.

Senator DOLE. What do you mean by "commercial-social organizations?" You say it was a commercial-social organization.

Mr. MARTIN. Well, I think when you have an association whose basic emphasis and income are in the areas of insurance and special membership service programs, you are talking about a commercially inclined organization. I think we are a professional organization now and our basic commitments are definitely in other areas. We spend no time on these other things.

Senator NELSON. Is this budget for the past 12 months the \$455,000, is that typical, or could you not say you had a typical budget?

Mr. MARTIN. Oh, no, sir. The year before that it was a little less than \$300,000, and then you were really starting to talk about a higher percentage of pharmaceutical income reflected in this. And certainly the insurance moneys. Next year's proposed budget is about \$750,000.

Senator NELSON. What will be the source of that? What is your hope?

Mr. MARTIN. The basic source is Federal funds for programs.

Senator NELSON. This is for programs?

Mr. MARTIN. Yes, sir.

Senator NELSON. So in this \$455,000 there is one \$53,000 here enumerated under the three different items, and \$80,000 now from the insurance dividends.

Mr. MARTIN. Yes, sir.

Senator NELSON. Then that leaves well over \$200,000. Is that all—

Mr. MARTIN. I can quickly break the other \$200,000 down; \$30,000 from subscription and membership dues; about another \$20,000 from sustaining memberships (private physicians who subscribe to The New Physician); about \$60,000 from other advertising sources like the Armed Forces; \$3,000 a year for advertising the Journal of the AMA.

Senator NELSON. What do the Armed Forces advertise for?