

made to keep their operations strictly within the rules—to the end that mankind is benefited.

I am pleased that Chairman Patman openly recognized on the floor of the House on October 10 that Americans Building Constitutionally is operating under the same laws as the big foundations. It is a further satisfaction to us that he found it difficult to argue with our position in the field—particularly so since, in terms of economic size, we are by far the smallest segment in the foundation complex.

Americans Building Constitutionally is a not-for-profit trust, the purpose of which is to help citizens of the United States make full use of the rights guaranteed them under the Constitution.

Its membership is made up of other not-for-profit foundations in the fields of religion, education, science, literary, charity, testing for public safety, and prevention of cruelty to animals and children. These foundations are created under the law of the United States as set forth in the Internal Revenue Code and under the not-for-profit legislation of the 50 States.

For the purposes of the public and for the edification of any interested party, Americans Building Constitutionally is quite familiarly known by its initials "ABC." On behalf of an important TV and radio network, may I enlighten you that the use of the initials ABC at any time in this hearing does not allude to the American Broadcasting Co.

In order to give the committee a clear visualization of how we in ABC view the activities of foundations, I should like to indicate what we use as a basis of our educating philosophy.

Since most of the States have not-for-profit legislation, there must have been a reason why such legislation was desirable. I believe that reason is that foundations are a means of directing the thinking and activities of people to the areas of great need. The economy of a free market nation moves through recognized incentives. To direct the activities of people in any field of endeavor in any nation requires incentive. Statesmen recognized some time ago that in the free market there are areas of great need for which recognized incentives are either minor or nonexistent.

The future of our country depends upon research and development. Basic research and development oftentimes appears to offer little, if any, reward. Today, for example, the doctor's education, to become a competent practitioner, often requires as much as 10 years of higher education. This is undoubtedly one reason why today doctors are scarce. Young men feel that the incentive is lacking.

Because of the great increase in alcoholism in this country, there is a great need for methods of rehabilitation of alcoholics. Yet, who can be interested in developing those means that are needed to correct this serious problem?

Today, in the areas of health care we have a problem where hospital rooms are costing as much as \$50 per day. Prices have risen because the demand for rooms exceeded the supply. I have been told by doctors that it should be possible, through proper research, to provide hospital rooms for half that amount.

In the field of education at all levels, everyone recognizes how the future progress of our Nation will be largely determined by our educational facilities, which involve not only the development of the organization of material taught, but the proper training of teachers, the