

supply of proper equipment and facilities, and above all, important improvement of teaching methods. Who is willing to spend the time and the money necessary to improve methods of teaching and curriculum for the benefit and education of the children of others—without an incentive?

We have in our prisons a greater number of prisoners today than at any time in history, which places the burden on the government and taxpayer—a tremendous financial burden, and an utter waste of manpower. Can any of these criminals be rehabilitated to take their proper place in society? Who is there available to undertake such a needed program? Would any members of this committee care to do so?

It is well known that the soils across our country are being depleted of important chemical constituents that are detracting from the quantity and quality of food produced with the result that there is concern about the future ability to supply food that will safeguard the health and well-being of our citizens. Why has not this problem been solved? Could it be because the incentive is lacking or is not recognized?

Some research has shown that alcoholism is oftentimes caused from malnutrition. Is it possible that our great increase in drug addicts might have some similar solution? Who would benefit the greatest from the solution to this problem—the one who achieved the solution or those who benefited from it?

It is our belief that the position of tax-exempt foundations should be that of substantially contributing to the solution of these and thousands of other serious problems for the benefit of mankind. In ABC we teach our members that they must do those things which will benefit mankind, and that this is the only way in which the foundations can gain tax exemption. The manner in which they are taught to work for the benefit of mankind are those prescribed under the law; namely, in the field of charity, science, literature, education, testing for public safety, and prevention of cruelty to children and animals.

I would like to stress at this time that we believe there is a distinct difference between “tax evasion” or “tax dodging” and “tax avoidance.” We believe that “tax avoidance”, as a term, is usually used as a means of doing those things to reduce one’s taxes that are within the rules.

As one of our great jurists, Judge Learned Hand, said, “Anyone may arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which best pays the Treasury; there is not even a patriotic duty to increase one’s taxes. Over and over again courts have said that there is nothing sinister in so arranging affairs as to keep taxes as low as possible. Everyone does it, rich and poor alike and all do right; for nobody owes any public duty to pay more than the law demands.

“Taxes are an enforceable exaction, and not a voluntary contribution.” *Halvering v. Gregory*—69 Fed. (2d) 809—it is our contention that in order to fulfill its moral obligations a tax-exempt foundation should always produce benefits that are greater than the tax advantages it gains. In this way there could never be too many foundations since the added benefits to mankind would contribute to the economy and further stimulate its growth in those areas of great need.

Some of our prominent legislators, Robert Kennedy and Charles Percy, among others, because of the study they have given to founda-