

States make full use of their rights guaranteed them under the Constitution.

Then exhibit 2, I will just read part of this:

The United States has spent over \$700 billion since 1946 to fight the cold war, to prevent the spread of communism. This is more than the United States has spent in fighting all the hot wars including the War of Independence on up through World War II.

Then it goes ahead to state what the results were, and about the average businessman paying 63 cents out of every dollar of income for taxes. You first say here:

Today the average American pays 41 cents out of every dollar of income for direct and indirect taxes. He must work over 2 days out of every 5 for the Government before he can pay his own grocery bill or clothe his own children.

Then you say:

The average businessman pays 63 cents out of every \$1 of income for taxes. He works 3 days out of 5 to pay his taxes before he can feed his family and clothe them.

In one paragraph there you say he works 2 days, and in the next paragraph, 3 days. I don't understand that.

Mr. HAYES. May I explain that, sir?

Mr. PATMAN. Yes, sir, you may.

Mr. HAYES. The reference to 2 days out of every 5 applies to the average American citizen. The second part of the statement applies to the average businessman.

Mr. PATMAN. All right, I will take your explanation.

Mr. HAYES. There is a difference.

Mr. PATMAN. I will go through this hurriedly. Then in exhibit 4 you state to your seminar "what can be done, what can you do." Then you talk about how national security depends upon economic strength, and the ability of individuals to benefit from this work, and you make a statement, a pitch leading up to your main pitch here I assume. And you refer to the attitude of Government toward private foundations taken from congressional investigations of foundations by the congressional committee. And then you have another question in this connection taken from the U.S. Treasury Department report on private foundations, and then you refer to benefits of NFP foundation procedures. What is NFP foundation procedures?

Mr. HAYES. Not for profit.

Mr. PATMAN. Not for profit foundation, and yours is not for profit, your foundation, ABC.

Mr. HAYES. Yes, sir.

Mr. PATMAN. And what about the people that you organize foundations for? They are not for profit?

Mr. HAYES. Correct.

Mr. PATMAN. Although they educate their children.

Mr. HAYES. We don't organize them.

Mr. PATMAN. You don't organize them.

Mr. HAYES. I want to make that clear.

Mr. PATMAN. And you state here that they can do this.

EXHIBIT 1

1. Benefits of N-F-P Foundation Procedures.
- A. Personal and Family Benefits