

Mr. CONTE. Yes, sir.

Mr. MOORE. Mr. Chairman, I see no reason why the gentleman shouldn't be able to respond.

Mr. PATMAN. I was waiting until you gentlemen asked questions and then we will come back to him and have him do that.

Mr. MOORE. I have no questions, thank you.

Mr. CONTE. Mr. Hayes, yesterday you refused to disclose certain information to this committee. A subpoena has been issued. You further refused to answer just about all the questions raised by the committee concerning ABC. Incidentally, I mulled over the real meaning of ABC last night, and I thought you might change the meaning of it, instead of Americans Buildings Constitutionally to A Better Chance—to beat the income tax.

Mr. HAYES. I hadn't thought of that one but that is pretty good.

Mr. CONTE. You did this on the grounds that to supply the information or answer the questions would breach your trust as trustee of ABC to protect the privacy of your members. Is that correct?

Mr. HAYES. Correct.

Mr. CONTE. Now Mr. Hayes, I ask you, What basis in law are you relying on which specifically gives you the right to claim this privilege of privacy? Is there any State law that gives you this right? Is there any Federal law? Are you claiming it under the Constitution, and if so, under what provision?

Mr. HAYES. I refer that question to counsel.

Mr. CONTE. Counsel may answer.

Mr. RAY. I believe that Mr. Chartier answered that question perfectly yesterday, that any contract, and a trust is a form of a contract, can be private. Any citizen of this country can enter into a private contract.

Mr. CONTE. Counsel, I did a little research last night. Let me cite to you, *Wilson v. U.S.*, 221, 361, 379-386.

Mr. RAY. Could you repeat that?

Mr. CONTE. *Wilson v. U.S.* It will all be a part of the record anyway.

If the books and papers are held subject to examination by the demanding authority—

which is this committee—

the custodian has no privilege to refuse production. A corporation is a creature of the state, presumed to be incorporated for the benefit of the public. It receives certain privileges and franchises and holds them subject to the laws of the state and the limitations of its charter. There is a reserve right in the legislature to investigate its contracts and find out whether it has exceeded its powers. The general government possesses the same right to see that its own laws are respected as the state would have with respect to the special franchises vested in it by the laws of the state. Powers of the general government in this particular is a vindication of its own laws, the same as if the corporation had been created by an act of Congress. (Citing *Hale v. Henkel* 201 U.S. 437-475, 1906.)

Therefore, if you are the creature of a State, the State of Illinois, and you set up these trust agreements under the laws of the State of Illinois, certainly we have the right to remove that veil to see whether you are performing according to the laws of the State of Illinois or the laws of the Federal Government.

Mr. RAY. I believe, Mr. Conte, that we are not a creature of the State of Illinois. We are not a corporation. It was a trust created by one man.