Mr. HAYES. To other qualified 501(C)(3) organizations.

Mr. CONTE. I have no further questions.

Mr. PATMAN. Mr. Corman.

Mr. CORMAN. Thank you, Mr. Chairman.

Mr. Hayes, it has been called to your attention before that under H.R. 53 this committee and this subcommittee is to study and investigate the problems of small business generally and to obtain all facts in relation thereto which would not only be of public interest but would aid the Congress in enacting remedial legislation.

I would like to point out to you that the committe has substantial evidence that this kind of operation may very well affect other small businesses which have not engaged in the practice of putting their assets in foundations.

Now if we assume for the moment that all of your activities are within the law—and I make that assumption for the moment—we still need to know whether or not there ought to be changes in the law, and so I think it is proper that we ask the questions that relate to the setting up of these foundations and I think that you are obligated to answer.

If any of your conduct is outside the law, with or without your knowledge of it, then that is a matter of importance to the committee because we want to know whether or not the executive agencies are properly enforcing the law. So we really have two reasons for our inquiry, both of which certainly have an impact on other small business.

I would question whether you have a right just by claiming a right of privacy alone to deny answering questions about your specific clients. I would like to ask you some questions based on hypothetical cases to try to get at how money is involved in these foundations, without your disclosing the specific clients.

I would like to know first of all how large would an individual's annual income have to be before it would be profitable for him to undertake a not-for-profit foundation?

Mr. HAYES. Mr. Corman, this would be a very difficult answer for me to make without knowing a specific instance, because some of the things that are involved is not only source of income and how much income and what kind of income is involved, but also holdings, property held, and a multitude of things of that kind that will vary greatly from one member to another. I would hesitate very much to make a general answer.

Mr. CORMAN. Let's take the case of a doctor whose income is solely earned income from his practice. He gets $50,000 a year. He has no other assets that concern him at the moment. Is he a proper client for your school? Is there anything you are going to be able to help him with?

Mr. HAYES. We have a doctor present here who can answer this far better than I could, sir.

Mr. CORMAN. Mr. Hayes——

Mr. HAYES. That is if you want real accurate information.

Mr. CORMAN. Did the doctor come to you and ask to go to the school or did you go out and solicit him? I take it that you run the school. You have something to do with it.

Mr. HAYES. Oh, yes.