Mr. HAYES. Research definitely I think would be one, or would be one possibility. There are at least seven categories that I mentioned yesterday that might come into the picture.

Mr. CORMAN. Well, let's take one of the actual cases of one of your doctors, without disclosing him. What are some of the things that their foundations do in the public interest?

Mr. HAYES. Research.

Mr. CORMAN. Specifically what kind of research?

Mr. PATMAN. Speak up a little bit please, sir.

Mr. CORMAN. What kind of research?

Mr. HAYES. Medical, medical research.

Mr. CORMAN. Treating my patients and keeping records on their progress, would that probably——

Mr. HAYES. Testing various drugs, let's say.

Mr. CORMAN. That must excite the patients.

Mr. HAYES. Nevertheless, much research is done by doctors in the field.

Mr. CORMAN. Is this doctor doing anything different from any other practitioner?

Mr. HAYES. Pardon?

Mr. CORMAN. Is this doctor who is now working for the foundation doing anything different from any other general practitioner?

Mr. HAYES. Yes, he must. He must do that.

Mr. CORMAN. Let's assume that I prosper and I make more money and this foundation accumulates a half million dollars. Is that possible?

Mr. HAYES. I would say so. It depends, of course, on whether it was an unreasonable accumulation or not.

Mr. CORMAN. Would that be unreasonable in your view, a half million dollars, a good thriving practitioner who is probably getting a salary of $7,000 or $8,000 a year, struggling through on it?

Mr. HAYES. If perhaps a hospital with a clinic was going to be built, that would not be unreasonable.

Mr. CORMAN. Let's assume that now the foundation decides to invest that money in an electronics firm. The title of the firm is going to be held by this foundation. Now is the income from that electronics firm taxable?

Mr. HAYES. If the income that comes in from that particular source is used for not-for-profit purposes, it wouldn't be taxable.

Mr. CORMAN. Kept in the foundation, so long as the income is kept in the foundation, then the specific business, the electronics firm, it is not taxable like other electronics firms, so long as it is kept within the foundation.

Mr. HAYES. You have a good illustration on this I think on the Mott—this is not a medical foundation—but the Mott Foundation, which has as it corpus the largest block of General Motors stock in the world, but the earnings and the growth of that corpus has been put to not-for-profit uses.

Mr. CORMAN. I think the nub of it is what we all decide is not for profit, and I am afraid when we get to that you are just going to have to be specific about your answers and I think eventually we are going to have to get down to some cases, because the issue is whether or not it is your contention that you can run funds through a foundation, and