

Mr. PATMAN. We will change that word. We will say do you advocate and tell people who are members of the ABC that if they carry out the plan of the ABC, they will not have to pay income tax?

Mr. HAYES. No; we do not. We never have made that statement.

Mr. PATMAN. Do you tell the persons who join ABC that the philanthropic purposes of their foundations need not be fulfilled?

Mr. HAYES. We have never made that statement. In fact, we have made the opposite.

Mr. PATMAN. What personal benefits will a member of ABC derive from that organization?

Mr. HAYES. Knowledge as to how to conduct his affairs.

Mr. PATMAN. To do what? For what purpose?

Mr. HAYES. Under the law as provided for not-for-profit structure.

Mr. PATMAN. How will it benefit him?

Mr. HAYES. This would depend entirely on his operation. It would be very difficult unless we had a specific case to tie it down and say exactly what the benefits would be in any one case.

Mr. PATMAN. But it is designed for tax reduction; is it not, Mr. Hayes?

Mr. HAYES. Only in part.

Mr. PATMAN. That is the incentive for a person to pay out his money—his out-of-pocket expense—to benefit in lower taxes; is it not?

Mr. HAYES. No, sir. That may be only one of the advantages that he earns.

Mr. PATMAN. What are the other advantages?

Mr. HAYES. The other advantages are the opportunities to do something for mankind in privacy that can in turn give him a chance to expand his ideals, his goals, and his aims.

Mr. PATMAN. Gives him more money to do that with.

Mr. HAYES. It might.

Mr. PATMAN. In other words, money that would be paid to the Government he can keep and handle as he wants to.

Mr. HAYES. Not necessarily. It might result in his being able to better direct the effort, his efforts, than he could under some other form of organization.

Mr. PATMAN. Now, you are talking about the individual, the member. What benefits will the member's family derive from the organization?

Mr. HAYES. This again is a—it cannot inure to the benefit of any member of his family.

Mr. PATMAN. How do you expect people to pay out \$1,050, or \$10,500 and not get any benefits?

Mr. HAYES. I think that in every case they feel they do get benefits.

Mr. PATMAN. Is any portion of a member's fee put into a fund to defend him, if a tax principal that he adopts, pursuant to the recommendation of ABC, should be challenged?

Mr. HAYES. We are and have been trying to set up that type of fund.

Mr. PATMAN. Haven't you set it up already?

Mr. HAYES. On a very limited basis, yes.

Mr. PATMAN. How much money do you have in the fund now?

Mr. HAYES. I cannot reveal that.