

Mr. PATMAN. Does ABC have what it refers to as associate counsel?

Mr. HAYES. What do you mean, Mr. Chairman, by associate counsel?

Mr. PATMAN. Well, using a phrase I think that you will find in your book, associate counsel. Do you have associate counsel in any State?

Mr. HAYES. We do at times retain counsel in various States.

Mr. PATMAN. Do you call them associate counsel?

Mr. HAYES. No.

Mr. PATMAN. Do you call them——

Mr. HAYES. I believe not.

Mr. PATMAN. What is an associate counsel in the terms of the ABC?

Mr. HAYES. I believe, if I read the question correctly, the members' counsel, the member's attorney that he retains might be called associate counsel.

Mr. PATMAN. Is he a lawyer?

Mr. HAYES. Oh, yes.

Mr. PATMAN. Always a lawyer.

Mr. HAYES. I think so.

Mr. PATMAN. Is that associate counsel trained in any way by the ABC?

Mr. HAYES. On occasion, yes.

Mr. PATMAN. How many associate counsels does ABC have throughout the United States.

Mr. HAYES. I have no idea, sir.

Mr. PATMAN. You don't have them at all.

Mr. HAYES. No, I——

Mr. PATMAN. They are not in your possession.

Mr. HAYES. That is right.

Mr. PATMAN. The names.

Mr. HAYES. That is correct.

Mr. PATMAN. The associate members, I mean the foundation members in each State take care of that themselves and you have no knowledge of it.

Mr. HAYES. That is right.

Mr. PATMAN. Has each of these associate counsels set up his own foundation?

Mr. HAYES. This—some might and some might not.

Mr. PATMAN. Well, isn't it necessary to do that, in order to pay the salaries or fees through the foundation?

Mr. HAYES. No.

Mr. PATMAN. Otherwise they would have to pay taxes on them. How do they get their pay then? The plan as you outlined it to me; I got the impression rather definitely that you use the foundation method to compensate them.

Mr. HAYES. No.

Mr. PATMAN. You didn't do it through the payment of salaries. You did it through the payment of fees, and obviously that would be, the result would be no taxes, because it is paid to a foundation.

Mr. HAYES. Lawyers, member's lawyers are paid their fee by the usual, in the usual manner.

Mr. PATMAN. That is by each foundation.

Mr. HAYES. No, not necessarily.

Mr. PATMAN. By ABC?

Mr. HAYES. No.