

was pleading the fifth amendment, and his clients were pleading the fifth amendment. He hadn't done that before, until this morning.

Tomorrow we will have as witnesses subpoenaed to be here at 10 o'clock the other two Trustees of ABC. We have had Mr. Hayes, he is one of the three.

Now then, we will have Mr. Richard Stephenson, and Mr. J. Alton Lauren, the other two trustees of ABC.

We will have them here tomorrow.

We will notify Dr. Saxon we will expect him here Friday, since he was very positive that he would be here. He just didn't want a subpoena. As evidence of that fact, he prepared and sent to us a copy of his testimony, and since it was to be delivered today, it will be inserted in the record at this point and copies of it given to the press.

(The material referred to follows:)

PREPARED STATEMENT OF MICHAEL R. SAXON, M.D., MEDICAL ADMINISTRATOR,
SAXON FOUNDATION

Chairman Patman and members of the Small Business Subcommittee, Honorable congressmen, distinguished guests, members of the press and Americans all, in appearing before this committee to give testimony regarding my foundation activities as a member of Americans Building Constitutionally, I would like to express my deep appreciation to Rep. Wright Patman and his associates for making possible this national platform.

I come to Washington as a respected citizen to fulfill my obligations and responsibilities in order that I and others might still retain those privileges inherent in our Constitution. Life, liberty and the pursuit of happiness as a right in our America are closely aligned with economic freedom and can only be preserved when citizens are willing to meet the challenge to preserve them. My testimony will be sincere, and the truth, as I know it, shall prevail. I trust that this committee will respect my position.

At the outset, it is my impression that this committee is charged with the responsibility to study the influence of foundations on the economy and that such a study is in the public interest. It is also conceivable that those who participate in foundation activities in accord with legal permissibility do so in the best public interest. In order to discharge their responsibilities to the American people, this committee will have to decide whether foundations organized under the auspices of Americans Building Constitutionally serve to benefit mankind and whether they are entitled to equality under the law, even though their individual assets are smaller than the giant foundations that apparently operate with immunity, glorification and respect.

It has always been my feeling that not-for-profit procedure and corporate status is a state legislative authority relegated to the secretary of a state. Permission to operate under this authority is subject to acceptance by the secretary of state of every state in the Union. The Saxon Foundation now operates under an official charter in the State of Illinois and is fulfilling its obligations under this charter.

It is also my impression that when a chartered NFP corporation participates in activities under Section 501(c)(3) of the IRS Code, it is also entitled to tax exemption. Again, the Saxon Foundation, in my opinion, qualifies for such exemption. Furthermore, I do not believe that it is in the public interest to disallow or delay approval of the Saxon Foundation and its program of activities.

As a practitioner of the noble art and science of medicine, I would beg the indulgence of this committee in allowing me the privilege to relate the value and virtues of improved quantity and quality of medical services that can be available to society through the use of NFP procedure. (See attached exhibit: Improving Medical Services for the Public Welfare via Not-For-Profit Procedure.) The Mayo Clinic and Foundation, the Ochsner Clinic and Foundation and many others have demonstrated the worth of medical foundations. If improved quantity and quality services, research, development and progress are possible in the field of medicine, under foundation auspices, those who produce other