Secretary FOWLER. Forces at home and abroad that are destructive of the society's values that the directors of the Ford Foundation think should be preserved.

Mr. PATMAN. I have one other question about perpetuity and that is the only policy question that I want to ask at this time.

It seems to me that our people have the right to expect that everyone should pay his fair share of taxes and not be allowed to avoid taxes through the device of tax dodging foundations. Hence, I believe, Mr. Secretary, that the time has arrived for the Treasury to examine critically the basic question of foundations being permitted to exist in perpetuity.

Mr. Secretary, since the law against perpetuities is enforced against individuals, why shouldn't it be enforced against these huge, imporsonal foundations?

The Treasury's proposed reforms of February 5, 1965, which were submitted to the Ways and Means Committee and the Senate Finance Committee, indicate that you are opposed to a limitation on the life of a foundation. Why do you favor perpetuities and object to the liquidation of these tax exempt titans within a reasonable period of time?

Don't you think, for example, that the biggest of all foundations, the Ford Foundation, should be liquidated in some foreseeable time?

Would you comment on that, Mr. Secretary?

Secretary FOWLER. Yes, at some length, Mr. Chairman.

The foundation report did not specifically recommend an absolute limit on the lives of private foundations.

Mr. PATMAN. By the way, do you have a copy of that report that we may insert in the record?

Secretary FOWLER. I would like to have it in the record.

Mr. MORTON. Mr. Chairman, would the chairman yield?

I have a copy here, and it is interesting that we had to send to the Ways and Means Committee to get it.

Mr. PATMAN. Yes, we had them available through this committee—we did this report.

Secretary FOWLER. There has been no lack of them at the Treasury Department.

Mr. PATMAN. We just wanted the recommendations—not the report, yes.

You have the report. We will insert it.

(See exhibit No. 8, p. 1031.)

Mr. PATMAN. These are available to all the members.

Secretary FOWLER. The report did not recommend that a death sentence be imposed on foundations. It suggested a middle ground requiring the termination of the donor's control of his foundation after 25 years. Personally, I can see merit in the report's positions.

In any event, it seems to us that termination of the life of the foundation itself after a prescribed period is not necessary.

First, termination is not necessary to prevent foundations from accumulating income.

Our recommendations in the foundation report which would require current distribution of income would maintain the benefits of foundation existence while assuring that charity and the other appropriate purposes of the foundation receive the income produced by the contributed funds.

Second, termination is not necessary to prevent foundations from obtaining a disproportionately large share of our national economy.