because the relevant data suggests that foundations are increasing in wealth only in proportion to the rest of the economy.

While the available data is admittedly less than complete, the results of periodic surveys undertaken by the New York Stock Exchange, summarized in table 8, page 75, of the foundation report, shows that foundation ownership of total securities listed on the exchange was 2.6 percent in 1950 and the same, 2.6 percent, in 1963, with fluctuations between 2.8 and 2.5 percent during the intervening period.

At the and of 1966, foundation ownership was down to 2.1 percent. Since it is reasonable to assume that foundations hold a large portion of their funds in listed securities, the New York Stock Exchange survey information reliably indicates that there have not been significant changes in the relative size—the relative size, I emphasize—of foundations from 1950 to 1963. Thus, it would appear that the proposal for a death sentence for foundations is not necessary to prevent disproportionate foundation growth.

Finally, third, termination is not necessary to eliminate any dangerous concentration of uncontrolled economic and social power, because the larger foundations which might present this potential danger are already acting to broaden their staff and management to disinterested outside persons.

While there may be specific instances to the contrary, the larger foundations have established independent boards of directors, hired professional staffs and accepted public scrutiny of their operations.

Now, I have addressed myself to the three reasons usually advanced as to why there should be a 25-year life to the foundations and have indicated why, in view of their value as institutions in our society, we believe they should have a continuing role. Let me say, again, that private philanthropy plays a very special, a very vital role in our society, and besides providing for areas into which the Government cannot or should not advance, such as religion, private philanthropic organiztions can be uniquely qualified to initiate thought and action, experiment with new and untried ventures, dissent from previaling attitudes, and act quickly and flexibly.

Private foundations have an important part in this work. Available even to those of relatively restricted means, they enable individuals or small groups to establish new charitable endeavors and to express their own bents, concerns, and experience. In doing so, they enrich the pluralism of our social order.

Equally important, because their funds are frequently free of commitment to specific operating programs, they can shift the focus of their interest and their financial support from one charitable area to another. They can hence constitute a powerful instrument for evolution, growth, and improvement in the shape and direction of charity.

So run the conclusions, Mr. Chairman, in the summary of the Treasury report. I would like to make several observations in the light of the role of these private foundations in line with what has been said. I think that they supply a very useful and necessary outlet and supplement to the growing concern and role of Government at Federal State, and local levels.

Mr. PATMAN. I dislike to interrupt you, Mr. Secretary, but I wanted to follow up with one question on that very point that you are touching right now, if I may do so, and that will be all the questions I want to ask.