

diversion of its funds into your pocket, and that your foundation mustn't pay you more than adequate prices for anything you sell to it, but who's to say what's substantial or adequate. The Treasury says that many foundation operators have gotten away with much worse than that.

Charity Grants

Q. What about some grants to charity?

A. Yep. At this point, the fund would be earning \$1,200 a year in rent on the house and we'd decide to grant that much to church and charity every year. In addition, the fund would be earning about \$1,000 a year on its investment of about \$20,000 in stocks and bonds. But we'd divert the \$1,000 a year into our own pockets.

Q. How could you do that?

A. The trustees (Mrs. Taxpayer and the kids and I) would vote to award a salary of \$1,000 a year to Mrs. Taxpayer as a consultant fee, or salary, for reading the financial pages to keep us posted on what securities we should buy or sell. The law allows a reasonable allowance for services rendered to the foundation.

Q. It sounds pretty immoral to me. When are you going to set up the John T. Taxpayer Foundation and start your wheeler-dealer operation?

A. I'm not sure I will.

Q. Why not?

A. I'm afraid my conscience would bother me. There's another reason, too.

Q. What's that?

A. The Treasury has asked Congress to bar transactions between foundations and their donors and to generally tighten laws to eliminate what President Johnson says are foundation abuses. If the Treasury's proposals are approved by Congress, the John T. Taxpayer Charity Fund won't be able to wheel and deal for my own profit. I think I'll wait and see what Congress does.

And a final point I'd like to make: Most foundations are conscientiously run and do a lot of good. It's the minority that are wheeling and dealing for their own profit.