"The Sears Foundation is controlled by the Sears Company . . .the relationship of the foundation to the company should not be taken lightly. When Sears needed a loan of 1.2 million dollars, it went to the Sears Foundation and obtained the money at 3% interest." . . . U.C.L.A. Law Review, May, 1966 Page 947.

"It is to be noted that these trusts were particularly helpful to Textron during the period of rapid expansion in 1945 and 1946. It was during this period that Textron's credit was strained to the limit. It was questionable whether the company would have been able to complete this expansion program, except by the use of these trust funds." - - -Senate Report #101, 81st Congress, 1st Session, 1949, P. 16.

"Such sale and lease-back deals are the equivalent of providing these companies with instant capital with which they can accelerate their growth in competion with independent service station operators, and small retailers. This enables these big oil companies, General Electric, and the Woolworth chain to expand without having to go into the money market for capital." ---Patman Report, Page 14. (1962)

"It is alleged that the Scholler Foundations' deed of trust, as amended, permits the foundation to make loans to the business corporations, which it controls, at such rates of interest as the trustees see fit. This permits funds earmarked for charity to be used as venture capital. The foundation's business corporations are thus given a great advantage over other private business corporations by being able to make taxfree contributions to the foundation and thus build up a large reserve which they may tap at will. How can private business-especially small business-compete with such an arrangement." ----Patman Report, Page 15. (1962)

"At least three of the four Mott Foundation wholly-owned department stores, all competing with numerous small retailers, have used the Foundation as a handy source of cash. This of course adds up to quite a competitive advantage." ----Patman Report, Page XII. (1963)

B-5 <u>Foundation's name on public service activities can create good will for business (e.g., Ford Foundation & Ford Motor Company.)</u>

Bob Hope sold rights to publication of Bob's life story to Bob & Dolores Hope Foundation. Publicity to private party was an ancillary benefit not affecting exemption. (1961)