"In slightly over two-thirds of all foundations by number, the donor or persons related in some way to the donor made up 50% of those trustees who take some voice in investment policy, including the decision of how much of the currently available funds will be re-invested and how much will be applied to charitable purposes." -- Treasury Report, Page 84
"The foundation may aggregate the donations received, paying out merely the income which these aggregations earn and holding capital for some special purpose, perhaps to buy assets from the donor's estate at his death." (i.e., where in the case of a closely held corporation, reasonable value of the stock might be much more than the actual market price in a forced sale to pay estate costs.) -- House Report No. 2681, 83rd Congress, Second Session, Page 5.

A-2. Perpetuate family control

"Perhaps the most frequent motivation in the creation of large foundations today is that the proprietor of a substantial enterprise who wishes to have it continue after his death in the hands of his family has insufficient liquid means available to satisfy his estate obligations at his death." House Report 2681 - 83rd Congress, Second Session, 1954. Page 6.

(Refer to Ford Foundation).
"There is nothing illegal about such a plan. It is entirely proper as the law now stands and is a mechanism to reach just the results which the Ford Family anticipated." House Report 2681 - Page 7. Supra.

The use of a foundation to permit a family to control a business after the death of a proprietor is widely promoted. For example, the August 15, 1954 issue of the J. K. Lasser tax reports contained this statement: "Note there is nothing wrong - morally or legally - in using a foundation to effectuate tax savings. A family can legitimately establish a foundation where charitable motives are closely tied to reduced costs of charitable giving because of income tax deductions allowed. Also, the owner of a business may create a foundation so as to cut his estate and leave his family in control of the business after death ... "House Report 2681, 83rd Congress, Page 11.

"So substantial parts of the great fortunes of those who have profited by the enormous expansion of American industry have found their way into tax-exempt foundations. These foundations have already passed and will continue to pass -