

or direct the disposition of their income. Thus, to a very great extent he has benefits substantially equivalent to those of ownership." U.C.L.A. Law Review, May, 1966, Page 960.

"For all practical purposes, they are subject only to the authority of their own directors or trustees, who are not accountable to stockholders or to public regulatory agencies. . . . After the death of Edsel Ford in 1943, the Ford Foundation was used to save the Ford family from losing control of the Ford Motor Company. If not for the foundation device, they would have had to sell stock to the public long before they did in order to pay estate taxes. The foundation permitted Henry Ford's heirs to run the company for many years without the inconvenience of answering to stockholders or the Securities and Exchange Commission." - - Patman Report, Page 73. (1962)

B-2 Provide through deductions or other arrangements for reduction of corporation tax but keep money available.

"Mr. Ewing further testified that under the provisions of such a trust indenture, it would be feasible for a manufacturer in collusion with such a charitable trust, to avoid tax and thereby accumulate millions of dollars to gain a competitive advantage over orthodox manufacturers. He further contended that under such trust indenture, it would be possible for a manufacturer to create trusts with a preconceived plan of having their foundations at its beck and call with little of the trust capital ever paid to the beneficiaries." - - Senate Report #101, 81st Congress, 1st session, Page 13, 1949.

"The Internal Revenue Code contains no provision to prevent large funds from being built up by foundations from contributions received by them. Since a corporation's annual contribution to its foundation is capital in the hands of the foundation and only the income from these contributions need be distributed, the Internal Revenue Service cannot prevent large funds from being built up by corporation-created foundations. And, since contributions are not subject to the provisions for distribution annually, the prohibition against unreasonable accumulations does not apply." --Patman Report, P. 16. (1962)

"Foundations have loaned money to their creators, traded stock and property with them, paid for insurance policies on the life of the donor, financed benefit programs for a contributor's employees, and engaged in many other activities whose relevance to charity and social welfare seems remote." --Patman Report, P. 71 (1962)