

## Tax-exempt Foundations

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Rene A. Wormser served as General Counsel to the Reece Committee, which was a congressional committee that investigated the Tax-exempt Foundations from 1953 to 1955. His book, *Foundations: Their Power and Influence*, is a documented expose of his experience with the committee. In it he wrote, "Foundations were originally created to support existing institutions and to undertake certain 'operating' functions."

Soon after (or possibly from their inception) foundations became a loop hole that the financial elite used to avoid taxes. "By the time the income tax became law in 1913, the Rockefeller and Carnegie foundations were already operating. Income tax didn't soak the rich, it soaked the middle class," wrote Perloff. "Because it was a graduated tax, it tended to prevent anyone from rising into affluence. Thus it acted to consolidate the wealth of the entrenched interests, and protect them from new competition."

Smoot pointed out that the primary purpose of some of the large Tax-exempt Foundations is no longer humanitarian in nature, but "predominately tax avoidance." "One of the leading devices by which the wealthy dodge taxes" concurred Perloff "is the channeling of their fortunes into tax-free foundations." He also charged that, "The major foundations, though commonly regarded as charitable institutions, often use their grant-making powers to advance the interests of their founders."

The "independent, uncontrolled financial power often enables foundations to exert a decisive influence on public affairs," wrote Wormser. He further testified that, "They have a power comparable to political patronage." He cautioned "When they do harm, it can be immense harm - there is virtually no counterforce to oppose them."

What other projects do they fund? According to the findings of congressional investigations, the foundations have been known to fund political movements in a direction inclined to favor a socialistic, one-world government. Individual foundations have also been known to merge themselves in a "cartel-like" fashion to fund their political projects, which tends "to endanger the freedom of our intellectual and public life," warned Wormser. Wormser referred to this merging as the Tax-exempt Complex.

The first glimpse into foundation influence came under the Congressional Act of August 23, 1912, when the Commission on Industrial Relations studied labor conditions and the treatment of workers by the major U.S. industrial firms. They eventually examined the foundations, which were interlocked with them. "Starting with a study of labor exploitation, it [the Commission on Industrial Relations] went on to investigate concentrations of economic power, interlocking directorates, and the role of the then relatively new large charitable foundations (especially of Carnegie and Rockefeller) as instruments of power concentration," wrote Wormser.

During the commission hearings, future Supreme Court Justice Louis D. Brandeis testified on January 23, 1915, that he was seriously concerned about the emerging danger of such a concentration of power. He said, "When a great financial power has developed... which can successfully summon forces from all parts of the country... to carry out what they deem to be their business principle... [there] develops within the State a state so powerful that the ordinary social and industrial forces existing are insufficient to cope with it."

"Control is being extended largely through the creation of enormous privately managed funds for indefinite purposes, hereinafter designated 'foundations'" declared Mr. Basil M. Manly, director of research for the commission. The commission's report concluded that, "As regards the 'foundations' created for unlimited general purposes and endowed with enormous resources, their ultimate possibilities are so grave a menace... [that] it would be desirable to recommend their abolition."

Congress has declared that these foundations, which can be used to fund anything, should be eliminated because they are potentially destructive to the republic. According to Rene Wormser, even though these congressional findings occurred in 1915, the time period is irrelevant - they are still quite important. He stated, "Under totally different economic and social conditions, the findings of 1915 are still significant."

The second investigation into the Tax-exempt Foundations came from the Cox Committee which lasted from 1952 until 1953. Again, fears of subversive political objectives funded by these multi-billion-dollar organizations (acting in concert) were eminent.

On August 1, 1951, a motivated Congressman E. E. Cox (Democrat) of Georgia introduced a resolution in the House of Representatives to conduct a thorough investigation into the foundations. He asserted, "There are disquieting evidences that at least a few of the foundations have permitted themselves to be infiltrated by men and women who are disloyal to our American way of life. They should be investigated and exposed to the pitiless light of publicity..."

The Cox resolution to investigate the foundations was passed in 1952. Unfortunately, Congressman Cox died during the investigation. The commission met the same fate as the one before it. No actions were taken to prevent the expansion of these foundations, or provide means for future accountability to the public. And as Smoot described it, "the final report of his [Cox] committee (filed January 1, 1953) was a pathetic whitewash of the whole subject."

However, it did still yield some important facts. Part of the final report on January 1, 1953 said some foundations "supported persons, organizations, and projects which, if not subversive in the extreme sense of the word, tend to weaken or discredit [our] system as it exists in the United States and to favor Marxist socialism." Or in other words, they were found to promote Communism.

The third attempt to investigate the foundations lasted from 1953 to 1955, during the Reece Committee hearings. Smoot wrote, "On April 23, 1953, the late Congressman Carroll Reece, (Republican, Tennessee) introduced a resolution proposing a committee to carry on the 'unfinished business' of the defunct Cox Committee. The new committee to investigate tax-exempt foundations... was approved by Congress on July 27, 1953." Author Perloff added, "For what was probably the... last time, the CFR came under official scrutiny."

Other organizations which came under investigation included, The American Council of Learned Societies, The National Research Council, the Social Science Research Council, the American Council on Education, the National Education Association, the League for Industrial Democracy, the Progressive Education Association, the American Historical Association, the John Dewey Society, and the Anti-Defamation League.

During the investigation, Norman Dodd, Director of Research for the Reece Committee, was invited to the headquarters of the Ford Foundation by its president, H. Rowan Gaither. Gaither, a member of the CFR, revealed that the Ford Foundation was operating under directives from the White House to use their grant-making power to "make every effort to... alter life in the United States... to make possible a comfortable merger with the Soviet Union." Apparently Mr. Dodd was put under surveillance, stalked, and experienced character assassination.

The committee was attacked viciously and resulted in a whitewash. Recognizing another unsuccessful attempt to scrutinize the interlocks, Smoot said, "It went out of existence on January 3, 1955, having proven, mainly, that the mammoth tax-exempt foundations have such power in the White House, in Congress, and in the press that they are quite beyond the reach of a mere committee of the Congress of the United States."

But the committee did yield some helpful information. It found that the Tax-exempt Foundations, their intermediaries and interlocks have "exercised a strong effect" on "public education," which "has been accomplished by [using] vast propaganda, by supplying executives and advisors to government and by controlling much research in this area through the power of the purse." And that, "The net result of these combined efforts has been to promote a 'world government.'"

Quoting from the final report of the committee, Perloff wrote, "The report... observed that major foundations have actively supported attacks upon our social and government system and financed the promotion of socialism and collectivist ideas." The Committee declared that the CFR was "in essence an agency of the United States Government" and that its "productions are not objective but are directed overwhelmingly at promoting the globalist concept."

"The Reece Committee... proved with an overwhelming amount of evidence that the various Rockefeller and Carnegie foundations have been promoting socialism since their inception," agreed Allen. The Reece Committee hearings also revealed that individual Tax-exempt Foundations often act in concert with each other in order to amplify the enactment of their goals.

Congressman Reece made a final report on Tax-exempt Foundations, which was published by the government printing office on December 16, 1954. He said that there was clearly an interlock between The Carnegie Endowment for International Peace, and some of its associate organizations, such as the Council on Foreign Relations and other foundations, with the State Department. And that, "[the] foundations and organizations would not dream of denying this interlock. They proudly note it in reports."

Reece details the infiltration into the government, stating, "They [CFR/foundation interlock] have undertaken vital research projects for the [State] Department... [and have] fed a constant stream of personnel into the State Department trained by themselves or under programs which they have financed."

Finally Reece concluded that "the Rockefeller Foundation, The Carnegie Corporation of New York, and the Carnegie Endowment for International Peace, [are] using their enormous public funds to finance a one-sided approach to foreign policy and to promote it actively... by propaganda, and in the Government through infiltration. The power to do this comes out of the power of the vast funds employed."

The report clearly states that the CFR with interlocked foundations have infiltrated the government. And that they use enormous sums of money to propagandize "educate" the public in support of the policies which they decide we should adopt. What congress has told us is that the government has been infiltrated by the CFR using multi-billion-dollar private bank accounts known as Tax-exempt Foundations.

This means that when a major U.S. policy is filtered down from the federal government, into the local and state governments, that it may originate from the CFR/foundation interlock. Specifically, this means that it has come from the big corporations and the international banks, of which the CFR and other Think Tanks are composed.

The "State within a state" that Justice Louis D. Brandeis warned about in 1915, was part of the beginning of a government within a government, or, as FBI Agent Dan Smoot calls it, The Invisible Government. Other notable components include: the emergence of the Federal Reserve System, and the creation and infiltration of the CFR, the Bilderbergers and the TC into the executive branch.

The Reece Committee found that, "When their activities spread into the field of the so-called, 'social sciences' or into other areas which our basic moral, social, economic, and governmental principles can be vitally affected, the public should be alerted to these activities and be made aware of the impact of foundation influence on our accepted way of life."

"The power of the individual large foundations is enormous," they concluded. "It can exercise various forms of patronage which carry with them elements of thought control... It is capable of invisible coercion through the power of its purse... This power to influence national policy is amplified tremendously when foundations act in concert. There is such a concentration of foundation power in the united States."

"Every significant movement to destroy the American way of life has been directed and financed, in whole or in part, by tax-exempt organizations, which are entrenched in public opinion as benefactors of our society," warned Smoot. And Wormser stated, "By engaging 'public relations counselors' (ethically, and even legally, a questionable practice), it can further create for itself a favorable press and enthusiastic publicity."

"As I see it, the foundations... have, nonetheless, become the 'agencies' of the principal organization which they finance - the Council on Foreign Relations," said Smoot. So according to Smoot's conclusion, which is backed up by two congressional investigations, the tax-exempt giants are basically the private bank accounts of the interlocking Think Tanks.

Perloff arrived at the same conclusion when he noted, "The Rockefeller Foundation, for example, has poured millions into the Council on Foreign Relations, which in turn serves as the Establishment's main bridge of influence to the U.S. government." Wormser wrote that "Dr. Hutchins... [former] President of The Ford Foundation's off-shoot, The Fund for the Republic, stated in 1948... that 'world government is necessary, therefore it is - or must be made - possible.'" Finally, Smoot summarized, "[foundations] do finance the vast, complex, and powerful interlock of organizations devoted to a socialist one-world system."

Writing about the results of other independent organizations which have investigated foundations, Wormser observed that, "ideas and organizations [supported] by tax-exempt foundations... had become the breeding ground for socialist and related political movements and action." And that there were fears, "over the danger of foundation support of various undesirable concepts and movements having political implications." These fears included, "the impairment of our national sovereignty; and even subversion. Hence the support by a majority in Congress of both the Cox and Reece Committee inquires."

The Reece Committee also found that foundations tend to support "moral relativity" (the end justifies the means), and "social engineering" (mind-control), which are "detriment of our basic moral, religious, and governmental principles." Wormser indicated that they also supply grants to intermediary organizations, which they've created, in order to carry out private (political) projects. These organizations are essentially public front organizations, which are presented to the public as being humanitarian in nature.

Interestingly, the brutal MKULTRA experiments, which were carried out in prestigious hospitals and universities, were funded by the Rockefeller Foundation. In his book, *The Search for the Manchurian Candidate*, Jonathan Marks wrote, "He [Dr. Cameron] headed Allan Memorial since 1943, when the Rockefeller foundation had donated funds to set up a psychiatric facility at McGill University. With continuing help from the Rockefellers, McGill had built a hospital known far beyond Canada's borders..."

### Summary

So, as these investigations and independent researchers have found, the true purpose for some of these foundations which are used by the financial elite, is to bankroll the installation of a one-world socialist dictatorship, and tax avoidance.

These investigations were launched because Congress and others were concerned that these foundations were backing subversive socialist political movements by using vast propaganda and the power of the purse.

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This appears to be exactly what the Hidden Evil is - part of a subversive political movement toward the installation of a socialist one-world government.