



Written by [William F. Jasper](#) on February 6, 2017

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Foundations: Cutting Off the Toxic Funding Flow

If the deadly schemes of the giant tax-exempt foundations are to be stopped – and they must be – we must learn from the failed attempts of the past to bring them to account.

According to a September 2015 article on George Soros in the journal *Inside Philanthropy*, the hedge fund billionaire had, by that time, given away about \$12 billion through his Open Society Foundations (OSF). Much, if not most, of that has gone to “progressive” causes, including hundreds of organizations in over 100 countries. As we detail elsewhere (see [here](#) and [here](#)), many of these OSF grantees are fronts for, or close allies of, socialist and communist organizations promoting subversive agendas, including rioting and revolution. As the street riots, looting, and chaos have escalated, there has been a rising call to hold the wealthy funders of the ongoing havoc accountable for the social demolition and economic carnage their minions are causing.



Under our tax laws, the huge foundations — OSF, Ford, Rockefeller, Gates, etc. — are tax-exempt because they supposedly perform a public, philanthropic service. Clearly, however, many of these institutions have grossly betrayed the public trust and deserve not only to have their tax-exempt privilege revoked, but also to have many of their top executives (and the “philanthropists” behind them) prosecuted for criminal activity as well. Such an undertaking will not be easy. With the many billions of dollars at their disposal, as well as the kept politicians and media allies (not to mention the armies of street radicals) they can depend on to come to their defense, we can be sure the foundations will put up a formidable fight.

We can get some idea of what to expect in this fight ahead by studying the brutal tactics employed by the enemy during previous unsuccessful attempts by American patriots to expose and curtail the subversive activities of the major tax-exempt foundations. In fact, it was the failure of these earlier congressional investigations more than six decades ago that greenlighted the explosive growth and brazen activism of the foundations and laid the groundwork for the Soros funding network that is proving so devastating today. If we intend to be successful this time around at routing these powerful forces — which have grown tremendously in their assets, reach, and influence — it is absolutely essential that we understand the mistakes and failures of past efforts, and avert a repeat of those



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performances.

Dirty Dealings

In the aftermath of World War II, the American public became justifiably alarmed by the aggressive communist expansionism of Soviet dictator Joseph Stalin, our former “ally.” The fall of China to communism in 1949 was an especially catastrophic jolt, turning over a huge chunk of global real estate (not to mention an enormous portion of humanity) to the growing totalitarian threat. That catastrophe, it became clear, had been made all but inevitable by the policies of the Roosevelt and Truman administrations that consistently favored the communist forces of Mao Tse-tung and undermined the position of our anti-communist ally Chiang Kai-shek. The exposure of communist spy rings and Soviet agents of influence in the top levels of our federal government intensified public fears of the Red Menace. So too did the growing realization that our news media, schools, and popular culture were flooding America with propaganda and “entertainment” aimed at promoting communism, socialism, secular humanism, atheism, and moral degeneracy, while simultaneously attacking and undermining anti-communism, Christianity, Western Civilization, and America’s constitutional system of government. It was beginning to become more and more obvious that many of our governing elites — politicians, academics, journalists, philanthropists — were actively, consciously colluding with the enemies of society.

The questions over “Who lost China?” led investigators to an important establishment think tank, the Institute of Pacific Relations (IPR), which had greatly influenced U.S. policy in a pro-communist direction. The FBI had raided the offices of the IPR’s journal, *Amerasia*, in 1945, and seized over 1,000 stolen classified documents. Six persons were arrested in the raid and charged with conspiracy and espionage, including three government officials. Dozens more officials and “Asian experts” were implicated in the treasonous IPR activities.

“The IPR has been considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda and military intelligence,” the SISS reported in 1952, after extensive year-long hearings. It noted further, “The IPR was a vehicle used by the Communists to orientate American far eastern policies toward Communist objectives.” “Over a period of years,” the SISS noted, “John Carter Vincent was the principal fulcrum of IPR pressure and influence in the State Department.”

Vincent wasn’t the only communist at the State Department. But whenever investigators began probing into this dirty secret, they invariably found that the foreign policy establishment soon marshaled enormous counterforces to stop their efforts. Besides the major “liberal” media, the institutions that could be relied on to lead campaigns against exposure of the communists were the big tax-exempt foundations and the Council on Foreign Relations (CFR). That was understandable because the big foundations (Rockefeller, Ford, Carnegie) were funding much of the subversion, and leading members of the CFR were also officers of these same foundations, as well as serving as high-level officials in government. Some CFR members — Alger Hiss, Lawrence Duggan, Owen Lattimore, Lauchlin Currie, and Frederick Vanderbilt Field, for example — were officially identified as communists.

Whitewashing Wrongdoing

Following the Senate’s IPR investigation, Representative Eugene E. Cox (D-Ga.) succeeded in



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establishing a special committee in the House of Representatives to investigate the tax-exempt foundations. The committee heard voluminous damning testimony from former top American Communist Party officials who had defected, such as Maurice Malkin, Louis Budenz, and Manning Johnson, as well as Soviet defector Igor Bogolepov. All told of their knowledge of the tax-exempt foundations' funding of Moscow's efforts to subvert our country. However, before the committee could finish its work, Chairman Cox died unexpectedly. Although the Cox Committee hearings took over 800 pages of testimony and evidence, the final report, a mere 15 pages, was essentially a whitewash that unjustifiably concluded the foundations had overwhelmingly conducted themselves in line with their obligations as public trusts. However, at least one member of the committee, Representative B. Carroll Reece (R-Tenn.), was determined to set the record straight.

The following year, Representative Reece headed up the newly formed House Select Committee to Investigate Tax-Exempt Foundations and Comparable Organizations, which became known as the Reece Committee. Immediately, the CFR-laden Eisenhower administration joined the CFR-controlled press in moves to scuttle the investigation. Bob Humphreys of the Republican National Committee virtually ordered the inquiry stopped. Chairman Reece and his top investigator, Norman Dodd, received very disturbing death threats. When these efforts failed to stop them, Major General Wilton B. Persons was sent by President Eisenhower (a CFR member) to urge Representative Wayne Hays (D-Ohio), a member of the committee, to monkey-wrench the hearings, which Hays did not hesitate to do. Among other things, Hays repeatedly interrupted witnesses and committee proceedings with rude, insulting, berating remarks and inane questions. He interrupted witness Aaron Sargent, for example, 246 times during Sargent's 185 minutes of testimony.

Nevertheless, in spite of huge obstacles, the Reece Committee did shine some light on the dark dealings of foundations in its 2,086-page report, issued in 1954. "In the international field," the committee's findings stated, "foundations, and an interlock among some of them and certain intermediary organizations, have exercised a strong effect upon our foreign policy and upon public education in things international. This has been accomplished by vast propaganda, by supplying executives and advisers to government and by controlling much research in this area through the power of the purse. The net result of these combined efforts has been to promote 'internationalism' in a particular sense — a form directed toward 'world government' and a derogation of American 'nationalism.'"

The Reece Report also 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 further declared that the private CFR had become "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."

One of the most astounding revelations to come out of the Reece Committee investigation came from Ford Foundation President H. Rowan Gaither (a Council on Foreign Relations member), who admitted, in a private meeting with committee investigator Norman Dodd, that he and others inside and outside of government were working "to so alter life in the United States that we can be comfortably merged with the Soviet Union." When the shocked Norman Dodd asked if he would repeat that statement in public testimony, Gaither replied, "This, we would not think of doing."

The one-world lobby savagely vilified these investigative probes and did everything possible to thwart them. (William H. McIlhany's 1980 book *The Tax-exempt Foundations* provides the most detailed



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account of the congressional efforts to expose and oppose the revolutionary foundations — and the horrendous attacks that were unleashed upon the investigative committees.)

Thanks to the heroic persistence of Norman Dodd, the Reece Committee was not totally intimidated and silenced. However, owing to the incredible obstructionism of Representative Wayne Hays, the censorship and vituperation of the media, the blackmail of Chairman Reece, and the subterfuge by the committee's own counsel, Rene Wormser, the committee's potential impact was greatly attenuated. Regarding Reece, Dodd subsequently learned that the chairman had been arrested for homosexuality in a public washroom shortly after he was first elected to Congress. The threat of public exposure of this secret had been held over him, which explained why Reece had inexplicably failed to rein in Hays and rule him out of order for his numerous outbursts and disruptive behavior. With regard to Wormser, Dodd stated in an interview with author William McIlhany that "Wormser was in cahoots with the very side that was to be investigated." Wormser's odd behavior, his sympathy toward the foundations, and his hostility toward publication of the committee's report are difficult to understand in any other light. Immediately before one crucial hearing, Wormser destroyed the copies of testimony that were to be given to committee members. He crumpled up Dodd's copy and tossed it at him, so that Dodd was forced to read to the packed hearing from a dirty, crumpled report.

This Is War!

In that same year, 1954, the same globalist and communist forces combined in identical manner to destroy Senator Joseph McCarthy (R-Wis.). Anthony Lukas, writing for the *New York Times*, a CFR stronghold and one of McCarthy's harshest critics, noted that "as McCarthy bulled ahead it became clear that his real target was the Eastern Establishment, which had run the nation's foreign policy for decades." Lukas observed that although "McCarthy never explicitly attacked" the CFR, nevertheless, "many of those he denounced were or had been Council members."

It was this fear that McCarthy might publicly connect the dots between communists and the globalists that sent the CFR brain trust into full panic mode and sealed the senator's fate. Their unrelenting demonization of McCarthy has served as an effective deterrent; no congressional efforts to expose the funding of subversion (and perversion) by the tax-exempt foundations has taken place in the nearly three-quarters of a century since the Reece-McCarthy era. Since that time the number of foundations and the size of their subversive grant-making have seen a manifold increase. With remarkable consistency, many of the largest of these foundations have been using their vast resources to fund groups, institutions, and individuals that apply simultaneous pressure from above and below to undermine Christian society and our constitutional order, with the aim of replacing it with a totalitarian "New World Order."

George Soros and his Open Society Foundations network provide the most conspicuous example of this revolutionary process in action. Any serious effort aimed at bringing him and his fellow billionaire subversives to heel must learn from history and be ready for the merciless onslaught that has been visited upon all those who have attempted this in the past. They are waging total war against God, family, country, and civilization, and we must meet them on the battlefield. Their funding spigots must be cut off, their tax-exempt status removed. And where possible, these malefactors of great wealth must be prosecuted, severely fined, and jailed



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