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### Editorials

## Turning windfall into good deed

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It's difficult to find many silver linings in Weyerhaeuser's takeover of Willamette Industries. To be sure, Weyerhaeuser is a good neighbor company based in Washington. Nevertheless, Portland is losing another major headquarters company, becoming everybody's favorite branch office.

But before handing their stock certificates over to Weyerhaeuser, Willamette Industries shareholders have a chance to spare themselves capital gains taxes while doing a good turn for charity.

They can donate shares to charity. Not only are stocks donated to federally recognized charities fully deductible, but any profit from the acquisition by Weyerhaeuser avoids capital gains taxes to the donor as well.

For Willamette Industries shareholders, who may have held shares of the local company for years, the tax implications could be considerable. Indeed, before Weyerhaeuser made its first overtures in June of 1998, Willamette shares were trading in the \$30 range. The prevailing bid of \$55.50 a share means shareholders would have to pay a sizable amount in capital gains taxes.

There is a catch, however. Shareholders can't put off a decision for very long.

In cash transactions such as the offer for Willamette, shareholders have a short time frame for decision. Whether a donor chooses to donate all the shares or a portion of the holdings, the shares must be given to the charitable organization before the target company's board of directors meets to take a formal position. Willamette directors are expected to meet sometime next week, so timing is critical.

Potential donors uncertain about choosing a charity have another option.

Charitable trusts permit donors to commit their shares to charity without having to specify immediately to which agencies. In the case of Willamette, which fought Weyerhaeuser's offers until this week, a charitable trust could be just the answer.

With its takeover of Willamette Industries, Weyerhaeuser has agreed to continue Willamette's charitable commitments for the next three years. But before Willamette moves out of state, shareholders donating to local charities can do something to keep some of the company's good fortunes here.