



The Phyllis Schlafly Report

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How the Left Wing is Funded by Big Business

Have you ever wondered how the leftwing seems to have so much money for high-powered public relations and lobbying campaigns? The answer is that they not only have their own money but they have generous donations from big corporations, too.

We are indebted to University of Texas professor Marvin Olasky for producing an original piece of research called *Patterns of Corporate Philanthropy* (Washington: Capital Research Center, 1987). Using information from the corporations which chose to cooperate, plus Internal Revenue Service Forms 990-PF for 1985 (the most recent year available), he has documented the thesis that the left is funded by big business.

Radical feminist organizations received a total of \$472,000 in 1985 donations from 19 of the Forbes "Top 25" corporations. Yet, these feminist groups are all somewhere to the left of Mondale-Ferraro, and they lobby, litigate and agitate for goals that are reliably anti-private-enterprise.

The Forbes "Top 25" gave \$71,500 to the National Organization for Women (one of the nastiest opponents of Reagan's Supreme Court nominees and other conservative candidates), \$50,000 to the Ms. Foundation (founded by Gloria Steinem), and \$61,000 to the Women's Action Alliance (also founded by Gloria Steinem). The feminists are adept at setting up many organizations with similar goals so they can receive donations under different names.

The National Organization for Women (N.O.W.) Legal Defense and Education Fund boasted that "In 1985 the corporate community

helped the Fund to make important advances." Enthusiastically expressing her appreciation, chairperson Muriel Fox wrote, "In partnership with American corporations, we are focusing on crucial enablement issues for the 1980s, the 90s and beyond, and thanks to this partnership with the corporate sector we already see results."

In 1985, the N.O.W. Legal Defense and Education Fund received grants from 24 of the 100 largest companies, including American Express, AT&T, Ameritech, Atlantic Richfield, BellSouth, Burlington Northern, Chrysler, Coca-Cola, Dart & Kraft, Dayton Hudson, Eastman Kodak, Federated Department Stores, General Motors, Goodyear, Johnson & Johnson, Manufacturers Hanover, Merrill Lynch, J.C. Penney, Nynex, Phibro-Salomon, Philip Morris, R.J. Reynolds, Standard Oil, and Xerox.

Other companies gave separate support to the Fund's parent organization, the National Organization for Women (N.O.W.), which used its contributions to work for government regulation of hiring, firing, pay, pension issues, health insurance, etc., and to make vehement attacks on the Reagan Administration.

One of N.O.W.'s "crucial" issues is Comparable Worth, a way-out plan to set up governmental commissions stacked with feminists who would then set wages on the basis of what they think jobs are worth rather than on what the free market would determine.

The Ms. Foundation, another beneficiary of corporate giving, is a funding mechanism for groups supporting Comparable Worth, voter registration of specially targeted groups, unrestricted abortion, and other radical feminist goals. Corporate grants from Aetna, Allied Stores, AT&T, Atlantic Richfield,

Dayton Hudson, Exxon, General Motors, RCA, and Westinghouse helped the Ms. Foundation to support these goals, as well as to donate to other feminist groups such as the Women's Center for Social Change and the Lesbian Resource Center.

In 1985 six corporations alone — AT&T, Citicorp, Morgan Guaranty Trust, Standard Oil, Dayton Hudson, and Union Pacific — gave \$132,000 to Planned Parenthood. No wonder, Planned Parenthood had plenty of ready cash to take out full-page newspaper ads attacking Judge Robert Bork.

The same leftward drift is apparent in other fields. In national security/foreign policy issues, organizations favoring detente and disarmament received almost twice as much funding from corporations as those favoring American military strength and skepticism about U.S.-Soviet deals.

In the energy/environmental area, the regulation-oriented groups received twice as much corporate funding as those oriented toward the free market. In the area of minorities, corporate giving shows virtually a total sweep for groups with state-oriented, highly politicized projects as opposed to innovative or free-market approaches.

Four-fifths of the leading corporations ban or restrict giving to religious groups. But they seem to have no difficulty supporting the anti-religious People for the American Way and the Center for Humanism.

Why do corporations fund the left? The reason seems to be afoot that the corporations think that donations will defang the left from some of their virulent attacks on the private enterprise system. There is no evidence that this happens; the donations just encourage the left to escalate their militant activities.

The bottom line looks like this. The Forbes Top 25 gave more than twice as much to 52 center-to-left groups as to the 48 center-to-right groups. In cash, the hard contrast was \$7 million versus \$3 million.

While the amounts may not seem large to billion-dollar corporations, the amounts are extremely significant to the recipient organizations. These donations may be the difference between survival and demise.

It's time for stockholders to speak up and redirect corporate philanthropy — that is, if they care about preserving the economic system that enables corporations to pay dividends.

Excerpt *Patterns of Corp*

To show the patterns [of corporate giving] simply, I have spotlighted grant-making activities of the "Top 25" companies, each of which made at least \$8,000,000 worth of grants in 1985 and provided, for this study or to the IRS, extensive records: General Motors, Exxon, Mobil, Ford, Chevron, AT&T, General Electric, Citicorp, Atlantic Richfield, Aetna, USX, GTE, United Technologies, Procter & Gamble, Rockwell International, BankAmerica, Standard Oil, American Express, Xerox, Eastman Kodak, Chase Manhattan, Ameritech, Dayton Hudson, Burlington Northern, and Honeywell.

These are many of the most respected names in American business. They, like other large corporations, are often portrayed as conservative organizations. I examined all listed grants made to 100 organizations for which a definite ideological component could be identified; 52 could be termed center-to-left and 48 center-to-right. I then grouped those organizations, all of which are named below, into twenty line items, listing the big financial winners separately and grouping others by interest area and ideological leanings.

For example, in the national security/foreign policy area, it is clear that Soviet moves during the past decade have created a split in the foreign policy leadership between those who still emphasize detente and those who would stress defense buildups as one part of a drive toward greater U.S. national security. Some groups can be included fairly in a pro-detente bloc, others in a national security bloc.

Similarly, there is now a fundamental fissure in the environmental area between pro-regulatory environmentalists who look to government action to preserve nature and resources and market-oriented environmentalists who see market solutions as workable and desirable. The Nature Conservancy, for example, endeavors to buy land that can then be preserved, while other organizations litigate and demand new regulations at the drop of a twig.

In economic areas, battle lines are clearly drawn between organizations that are satisfied with regulation and government-expanding "public-private partnerships" and those organizations that favor less government, lower taxes, and more entrepreneurial opportunity. Among minority and women's groups, some call for government quota-setting, while others stress color-blind and gender-blind individual and community initiative.

Some of these groupings might be challenged, but I am not going to present any statistically esoteric manipulation of this information; anyone who wants to develop an alternate chart is urged to do so, using the information for the first time made readily available in this book. The following list has two columns. The first shows how many of the "Top 25" companies showed their backing for an organization or type of organization by giving financial support; the second shows the dollar total of these grants.

Excerpts from the Summary Essay in Corporate Philanthropy by Dr. Marvin Olasky

<u>Recipients</u>	<u>Votes¹</u>	<u>Dollars</u>
Urban League	24	\$1,586,000
American Enterprise Institute	18	1,133,000
Pro-regulatory environmentalists ²	15	740,000
Misc. center-to-left groups ³	17	707,000
NAACP/NAACP Legal Defense and Education Fund (LDEF)	20	644,000
Pro-detente bloc ⁴	17	608,000
Urban Institute/Center for Community Change	10	567,000
Independent Sector/Council on Foundations	17	479,000
Radical feminist groups ⁵	19	472,000
La Raza and other Hispanic groups ⁶	14	418,000
Committee for Economic Development	16	416,000
Brookings Institution	16	366,000
Market-oriented environmentalists ⁷	16	356,000
Heritage Foundation/Hoover Institution	11	347,000
Misc. center-to-right groups ⁸	16	346,000
National security bloc ⁹	13	346,000
Conservative public interest law ¹⁰	12	297,000
Right-of-center economists ¹¹	11	191,000
Conservative minority groups ¹²	3	9,000
Conservative women's groups ¹³	0	0,000

The list indicates the direction of major corporate grant-making in public policy areas.

The radical feminist groups: Opposed not just to many current corporate economic practices, but also, in many cases, to the social and philosophical foundations of American business, radical feminist groups received support in 1985 from over three-fourths of the "Top 25." Some grants were small; but they still represented curious obeisance to groups that, judging by the 1984 election results, were increasingly isolated politically. Again, although ideological sympathy in corporate public affairs offices should not be discounted, noise level produces results.

The largest success story is the domination of center-to-left groups generally. Of our twenty organizations or groups of organizations, the eleven that tend toward the liberal side in current political, economic, or social debates ranked first, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, and twelfth. The nine organizations or groups of organizations that could be classified as more conservative ranked second, thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, and twentieth.

National security/foreign policy: Foreign policy organizations favoring reliance on detente and disarmament received much more (\$608,000) than did those that are skeptical of U.S.-Soviet deals and therefore emphasize the need for American military strength (\$346,000).

Footnotes

¹ "Votes" means how many of the "Top 25" companies gave financial support to the listed recipient.

² American Society for Environmental Education, Conservation Foundation, Environmental Law Institute, International Institute for Environment and Development, Resources for the Future, World Wildlife Federation.

³ Aspen Institute, Center for Law and Social Policy, Center for Law in the Public Interest, Center for National Policy, Center for Population Options, Center on Social Welfare Policy and Law, Children's Defense Fund, Fund for Human Dignity, Gray Panthers, Lawyers' Committee for Civil Rights Under Law, National Committee for Responsive Philanthropy, People for the American Way, Planned Parenthood, Public Agenda Foundation, Public Justice Foundation.

⁴ Council on Foreign Relations, Foreign Policy Association, Trilateral Commission, United Nations Association of the United States of America, World Affairs Council.

⁵ Center for Women Policy Studies, Feminist Press, Ms Foundation, National Organization for Women, National Women's Law Center, National Women's Political Caucus, Women and Foundations, Women's Action Alliance, Women's Association for Women's Alternatives, Women's Equity Action League, Women's Research and Education Institute. Does not include predominantly economic development groups such as Catalyst or American Woman's Economic Development Corporation.

⁶ Chicano Summit Foundation, Hispanic Policy Development Project, Mexican American Legal Defense and Education Fund, National Council of La Raza, National Network of Hispanic Women, Puerto Rican Legal Defense and Education Fund.

⁷ Ducks Unlimited, Izaak Walton League, Nature Conservancy, Texas Nature Conservancy, Trout Unlimited, Wetlands Research.

⁸ American Spectator, Cato Institute, Chalcedon, Ethics and Public Policy Center, Free Congress Research and Education Foundation, Freedoms Foundation, Institute for Contemporary Studies, Institute for Educational Affairs, Institute for Humane Studies, Manhattan Institute, National Center for Policy Analysis, Pacific Institute for Public Policy Research, Philadelphia Society, World Research, Inc.

⁹ American Defense Preparedness Association, Center for Strategic and International Studies, Institute for East-West Security Studies, National Strategy Information Center.

¹⁰ Capital Legal Foundation, Gulf and Great Plains Legal Foundation, Mid-America Legal Foundation, Mid-Atlantic Legal Foundation, Mountain States Legal Foundation, National Legal Center for the Public Interest, New England Legal Foundation, Pacific Legal Foundation, Southeastern Legal Foundation, Southwestern Legal Foundation, Washington Legal Foundation.

¹¹ American Council for Capital Formation, Atlas Economic Research Foundation, Center for the Study of American Business, Competitive Enterprise Institute, Emory Law and Economics Center, Institute for Research on the Economics of Taxation.

¹² Lincoln Institute for Research and Education, National Center for Neighborhood Enterprise.

¹³ Concerned Women for America and Eagle Forum are two of the best-known.

Business Should Not Apologize

by Donald H. Rumsfeld

In 1889, in *The Gospel of Wealth*, Andrew Carnegie wrote that "Of every thousand dollars spent in so-called charity today, it is probable that nine hundred and fifty dollars is unwisely spent." If he were alive today, Carnegie might well repeat himself, especially if forced to contemplate the realities of corporate-related philanthropy in America. The fact is that he was remarkably prescient.

A common perception of American corporations and their leaders seems to be that they constitute an almost monolithically conservative (if not reactionary) force in our society. Many appear to regard the American businessman merely as some species of economic primitive despoiling the environment and exploiting both consumer and worker in the name of untrammelled free markets and economic growth, as a creature of pure self-interest devoid of charity and avid in his pursuit of profit without regard for the human costs involved. Certainly, this is the picture viewers of American television see portrayed with seeming regularity.

The truth is that this image, while perhaps fashionable in some quarters, is rubbish. Also, and perhaps even more to the point, the enduring myth of the rapacious economic royalist is based on a false assumption that no believer in economic and political liberty should ever concede: that self-interest is somehow evil and antithetical to the interest of society as a whole. It is not merely an exercise in semantics to observe that there is a very real difference between self-interest and what most of us would condemn as greed or selfishness.

If legitimate self-interest were at work here, however, gifts to civic and public affairs causes by large corporations and by corporate-sponsored foundations would be targeted at groups dedicated to promoting the free market and economic growth; this at least would represent tangible support for the system that has enabled them to grow and prosper.

The reality is often far different. Seven out of every ten public affairs dollars from the top 25 corporate contributors support establishment liberal — and some support even outright radical — causes. Organizations demanding more federal dollars and regulation and in some cases promoting causes clearly at odds with our political and economic system, a system which, whatever its faults, has nonetheless endured successfully for better than 200 years and provided our people with a degree of personal freedom and prosperity unprecedented in recorded history, are in fact big winners in the

billion-dollar philanthropic sweepstakes.

Some corporations try to maintain a balancing act, giving to groups across the philosophical spectrum; others may be motivated by appeasement, funding the more vocal groups that work through political pressure; and a courageous minority demonstrate their commitment to a free economic system by supporting organizations working for limited government, individual freedom, and economic growth.

In resigning from the board of trustees of the Ford Foundation, Henry Ford II wrote: "The foundation exists and thrives on the fruits of our economic system. The dividends of competitive enterprise make it all possible. A significant portion of the abundance created by U.S. business enables the foundation and like institutions to carry on their work. In effect, the foundation is a creature of capitalism — a statement that I'm sure, would be shocking to many professional staff people in the field of philanthropy. It is hard to discern recognition of this fact in anything the foundation does. It is even more difficult to find an understanding of this in many of the institutions...that are the beneficiaries of the foundation's grant programs."

Henry Ford II's point was — and still is — well taken. All too often, grants are made as if the granting corporation or related foundation were somehow trying to apologize for being "a creature of capitalism" rather than being proud of it.

Why should this be? Why should corporations give their shareholders' dollars — "the fruits of our economic system" — to those who, however noble their goals may seem to be, work to undermine it in the name of some amorphous concept of corporate "social responsibility?" The American corporation exists to produce goods and services and to sell them at a profit, which means that it provides jobs and sustenance to people who might otherwise go hungry. The idea that this function should occasion any sort of apology is fundamentally wrong.

(This article is excerpted from the Preface in Patterns of Corporate Philanthropy. Donald Rumsfeld is a former Congressman, Secretary of Defense, and Chairman and Chief Executive Officer of G.D. Searle & Co.)

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