



CAPITAL RESEARCH



ALSO IN THIS ISSUE:

13

The Left's Low
Power Coup

35

The W.K. Kellogg
Foundation's
Radical Leftward
Drift

42

We Helped End
GuideStar's Use of
the Southern Poverty
Law Center's Smear
Campaign

AMERICA UNDER SIEGE

ANTIFA

www.CapitalResearch.org

Capital Research is a monthly publication of the Capital Research Center (CRC), a nonpartisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

CRC is an independent, tax-exempt institution governed by an independent board of trustees. We rely on private financial support from the general public—individuals, foundations, and corporations—for our income. We accept no government funds and perform no contract work.

CRC was established in 1984 to promote a better understanding of charity and philanthropy. We support the principles of individual liberty, a free market economy, and limited constitutional government—the cornerstones of American society, which make possible wise and generous philanthropic giving.

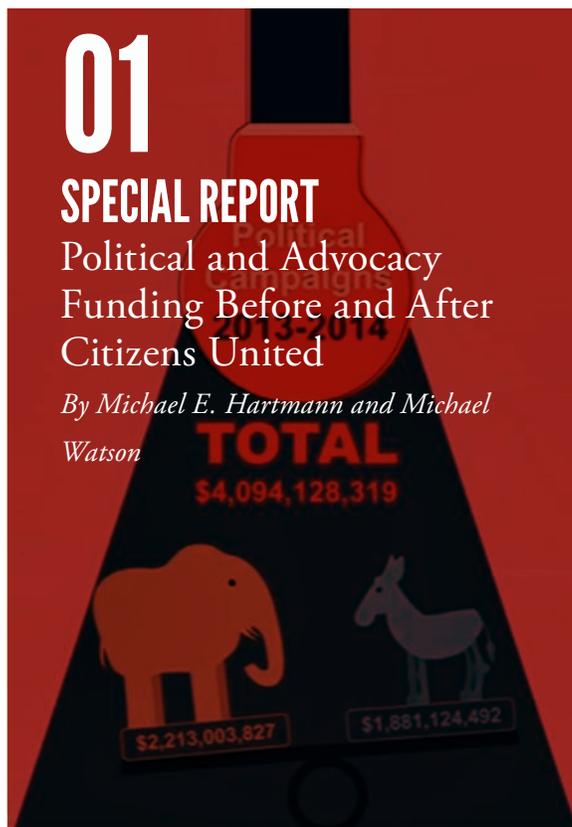
Capital Research Center
1513 16th Street NW
Washington, DC 20036
202.483.6900
CapitalResearch.org
Contact@CapitalResearch.org

Internship inquiries are welcome.

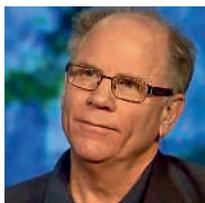
Publisher, Scott Walter
Editor-in-Chief, Kristen Eastlick
Senior Editors, Matthew Vadum & Dr. Steven J. Allen
Photo Editor, Gayle Yiotis

CONTENTS

OCTOBER 2017



Cover: Fabio Alves



13 **DECEPTION & MISDIRECTION**
The Left's Low Power Coup
By Hayden R. Ludwig



19 **GREEN WATCH**
Embarrassment of Riches
By Ned Mamula



27 **ORGANIZATION TRENDS**
The Alliance for Global Justice
By David Hogberg



35 **FOUNDATION WATCH**
Have Some Liberal Politics With Your Cereal
By Michael Volpe



42 **ORGANIZATION TRENDS**
Fighting Back Against Hate
By Scott Walter



POLITICAL AND ADVOCACY FUNDING BEFORE AND AFTER CITIZENS UNITED

Did the 2010 Supreme Court decision truly transform ideological spending?

By Michael E. Hartmann and Michael Watson

Summary: *Since the January 2010 U.S. Supreme Court decision in Citizens United held it unconstitutional to limit donations supporting independent political expenditures and electioneering communications, many automatically concluded that ideological spending—spending directly on conservative and liberal political campaigns, support to outside organizations empowered by Citizens United, and contributions to traditional public-policy groups—had been transformed. Research by CRC’s team has shown that, while funding levels across the board have increased since 2010, funding to outside Citizens United groups did not displace other types of election or nonprofit spending. What follows is an excerpt of this study, which will be officially released later this fall.*

BACKGROUND AND INTRODUCTION

By a 5-4 vote in its January 2010 *Citizens United v. Federal Election Commission*¹ decision, the U.S. Supreme Court held, among other things, that the First Amendment prohibited the Bipartisan Campaign Reform Act of 2002² (BCRA, also known as the “McCain-Feingold Act” because of its principal sponsors in the U.S. Senate)³ from limiting a nonprofit corporation’s support of independent political expenditures and electioneering communications, provided that neither the expenditures nor the communications are formally “coordinated” with any particular candidate’s campaign. The ruling’s reasoning applies to for-profit corporations, labor unions, other associations, and individuals, as well.

In March 2010’s *SpeechNow.org v. Federal Election Commission*⁴ decision, the U.S. Court of Appeals for the District of Columbia Circuit—expressly applying *Citizens United*—held that the First Amendment also prohibited limits on the amounts that individuals could donate to organizations that make such independent political expenditures and electioneering communications. The Supreme Court declined to hear an appeal of the D.C. Circuit’s *SpeechNow* decision.



While the *Citizens United* ruling is considered broad by some, neither it nor *SpeechNow* were so broad as to outright strike down limits on contributions to particular political candidates’ campaigns and political parties, however.⁵

By an 8-1 vote, *Citizens United* did uphold BCRA’s requirement that donors, and their unlimited donated amounts, to independent political organizations and for electioneering communications must be disclosed to the Federal Election Commission (FEC)—just as with donors, and their limitable donated amounts, to particular candidates’ campaigns and political parties. *SpeechNow* followed this precedent, too.

Most state agencies and courts that have considered these questions have come to similar conclusions about the funding and operations of groups making independent political expenditures and electioneering communications.

In the wake of *Citizens United*, *SpeechNow*, and FEC advisory opinions about how to apply them to certain sets of facts, there emerged an additional legal avenue for donors interested in public policy to financially support campaigns and public-policy research and education—the “independent-expenditure only committee,” or “super PACs” (political action committees), as they are called.

These avenues are in the LIST on the next two pages.

Michael E. Hartmann is a senior fellow and director of CRC’s Center for Strategic Giving. Michael Watson is a researcher at CRC.

LIST: Various legal avenues through which to financially support political campaigns and public-policy research and education

	Limits?	Tax-exempt	Contribution deductible?	Disclosure required?
<p>Political campaigns</p> <p>Expressly advocate (“vote for” or “vote against”) for election or defeat of clearly identified candidates</p> <p>Examples: Hillary for America, Friends of Scott Walker, Smith for Congress, etc.</p>	Yes	No	No	Yes
<p>Internal Revenue Code § 527 political action committees (PACs)</p> <p>Can make contributions to political campaigns that expressly advocate for election or defeat of clearly identified candidates</p> <p>Examples: Republican and Democratic Governors Associations’ PACs, Automotive Free Trade International PAC, Service Employees International Union PACs</p>	Yes	Yes	No	Yes
<p>§ 527 “independent-expenditure only committees” (“super PACs”)</p> <p>Cannot make contributions to political campaigns, but can make “independent expenditures” expressly advocating for election or defeat of clearly identified candidates—with whom the committee cannot “coordinate” any activity</p> <p>Examples: Citizens United, SpeechNow.org</p>	No	Yes	No	Yes

	Limits?	Tax-exempt	Contribution deductible?	Disclosure required?
<p>§ 501(c)(3) groups</p> <p>Includes almost all “traditional” public policy recipients; cannot participate in political campaigns, though can conduct research and engage in “public education” about issues</p> <p>Examples: American Enterprise Institute, Americans for Prosperity Foundation, Brookings Institution, Cato Institute, Center for American Progress, Competitive Enterprise Institute, Heritage Foundation, Hoover Institution, Manhattan Institute, New America Foundation, State Policy Network</p>	No	Yes	Yes	Yes
<p>§ 501(c)(4)</p> <p>“Social-welfare organizations;” can engage in political activities, but not as their “primary purpose”</p> <p>Examples: AARP, Americans for Prosperity, Crossroads GPS, Heritage Action, League of Conservation Voters, Moveon.org, NAACP</p>	No	Yes	Yes	No*
<p>§ 501(c)(5)</p> <p>Labor unions; can engage in political activities, but not as their “primary purpose”</p> <p>Examples: Service Employees International Union, Teamsters</p>	No	Yes	Yes	No
<p>§ 501(c)(6)</p> <p>Trade associations and chambers of commerce; can engage in political activities, but not as their “primary purpose”</p> <p>Examples: Americans for Job Security, U.S. Chamber of Commerce</p>	No	Yes	Yes	No

* Some states include (c)(4)s within their state disclosure regimes.

A POLITICAL TRANSFORMATION

“Super PACS” and other *Citizens United*-type organizations can effectively replace several (though not all) of the roles formerly played by campaigns and parties. There is a widespread perception that *Citizens United* has thus diminished the power of campaigns and parties. This diminishment is widely recognized to have transformed the political landscape of the country, for well or ill.

POLITICAL CAMPAIGNS

Merely comparing the aggregated total receipts of federal, state, and local political campaigns during the two full two-year election cycles immediately preceding *Citizens United* (2005-06 and 2007-08) with the two full election cycles after it (2011-12 and 2013-14), however, shows total receipts increased overall by 6.8 percent, from approximately \$8.3 billion to \$8.9 billion. This is according to data publicly available from the Federal Election Commission (FEC) and state election and disclosure agencies compiled by the National Institute for Money in State Politics (NIMSP).

Using two full cycles for both before and after the decision allows for the inclusion of both a presidential and non-presidential cycle in each case. These data are shown in Tables 1A, 1B, and 2.

As shown by the data, for all Republican campaigns, reported receipts grew 26.1 percent, from about \$3.8 billion during the two full pre-*Citizens United* cycles to \$4.7 billion for the two full cycles after it; for Democratic campaigns, though, they decreased 9.1 percent, from around \$4.6 billion before to some \$4.2 billion afterwards.

In each two-cycle increment, there are more in reported overall receipts for the presidential cycle than the non-presidential cycle, for both Republican and Democratic campaigns. If merely tracking political-campaign outcomes during the entire studied 2005-14 period, generally speaking, Republican victories occurred in the non-presidential cycles and Democrat ones coincided with presidential election years/biennials.

(Donald Trump’s victory in 2016 may seem to stand in some contrast to this observation, but that only tracks if he is considered a “traditional” Republican candidate and his a “traditional” campaign. In the 2015-16 cycle, political-campaign receipts overall totaled \$4.9 billion—with the amounts for both Republicans and Democrats totaling between \$2.4 billion and \$2.5 billion.)

McCutcheon

In April 2014’s *McCutcheon v. Federal Election Commission*, which expanded *Citizens United*,* the U.S. Supreme Court—by another 5-4 vote—held that the First Amendment prohibited the government from restricting total overall contributions that an individual can make over a two-year period to national party and federal candidate committees. *McCutcheon* may have had an effect of increasing the amount of money received by campaigns during the 2013-14 cycle and will very likely increase this amount in the future.

* 572 U.S. ____, 134 S.Ct. 1434 (2014).

During the studied period’s two full cycles pre- and post-*Citizens United*, both parties report more in receipts for state and local campaigns in the non-presidential 2005-06 and 2013-14 cycles. In the presidential 2007-08 and 2011-12 cycles, both parties report more in receipts for federal campaigns. If merely tracking political outcomes, Republican victories occurred more frequently at the state level.

The Great Recession that began in 2008 does not seem to have adversely affected the raw amounts of money given to political campaigns.

TABLE 1A: Aggregated total political-campaign receipts from 2005-08, before *Citizens United*^a

Republican	3,760,986,996
Democrat	4,576,812,790
Total	8,337,799,786

TABLE 1B: Aggregated total political-campaign receipts from 2011-16, after *Citizens United*^d

Republican	4,744,117,928
Democrat	4,162,434,367
Total	8,906,552,295

TABLE 2: Percentage change in aggregated total political-campaign receipts, before and after *Citizens United*

Republican	+26.1
Democrat	-9.1
Total	+6.8

A. CITIZENS UNITED-TYPE OUTSIDE SPENDING

Merely comparing the estimated aggregated total outside spending by conservative and liberal groups in federal elections and reported outside spending for Republicans and Democrats in state and local elections during the three full two-year election cycles immediately preceding *Citizens United* (2005-06 and 2007-08) with the two full election cycles after it (2011-12 and 2013-14), shows spending increased quite substantially—by 336.0 percent, from approximately \$367 million to \$1.6 billion.

This is according to data publicly available from the FEC as compiled and categorized by the Center for Responsive Politics (CRP) and from state election/disclosure agencies compiled by NIMSP, as shown in TABLES 3 through 5. These data include super-PAC-to-super-PAC contributions.

As shown by the data, estimated spending by conservative groups in federal elections and money given to Republicans in state elections collectively grew a whopping 371.1 percent, from about \$517 million to \$2.4 billion. By liberal groups and to Democrats, it grew 133.1 percent, from just more than \$235 million to almost \$548 million.

Again, if merely tracking political-campaign outcomes during the 2005-14 period, conservative and Republican victories generally occurred in the non-presidential cycles, and liberal and Democrat wins coincided with presidential election biennials. (Once again, Donald Trump’s victory in 2016 may seem to stand in somewhat stark contrast to this observation if he is considered a “traditional” Republican candidate and his a “traditional” campaign.)

Wisconsin Right to Life

In *Federal Election Commission v. Wisconsin Right to Life** in June 2007—three years before *Citizens United*, though by another 5-4 vote—the U.S. Supreme Court held that the First Amendment prohibited the government from preventing corporations and unions from directly or indirectly funding “electioneering communications.” BCRA had sought to bar spending by outside groups on these communications, defined as broadcast advertisements costing in excess of an aggregated \$10,000 that even mentioned a federal candidate within 30 days of a primary election or 60 days of a general election.

Wisconsin Right to Life may have had an effect of increasing the spending by outside groups during the 2007-08 cycle and those cycles thereafter.

* 551 U.S. 449 (2007).

During the studied 2005-14 period, outside-group spending in federal elections exceeded spending in state and local ones, on the order of 3:1 magnitudes in the post-*Citizens United* 2011-12 and 2013-14 cycles.

Yet again, if just crudely tracking political outcomes in the period, conservative and Republican victories were more likely to be achieved at the state level.

Overall from 2005 to 2014, in percentage terms, monetarily measured activity by *Citizens United*-sanctioned groups far outgrew traditional, or “normal,” campaign activity after the 2010 decision. In raw-dollar amounts, however, “normal” campaign activity nonetheless remained much larger than outside-group activity.

These findings are consistent with those of The Conference Board’s Committee for Economic Development’s July *The Landscape of Campaign Contributions: Campaign Finance after Citizens United*,⁸ which analyzes federal data.

TABLE 3: Estimated aggregated total outside spending by conservative and liberal groups in federal elections and reported for Republicans and Democrats in state and local elections, 2005-06 to 2013-16

	2005-06 cycle	2007-08 cycle	2009-10 cycle	2011-12 cycle	2013-14 cycle	2015-16 cycle
By conservative groups in federal elections, excluding party committees	68,800,000	19,200,000	112,600,000	189,300,000	720,600,000	303,200,000
For Republicans in state elections	41,678,220	31,510,535	63,888,886	85,057,329	159,140,457	74,380,484
<i>Total conservative/Republican</i>	<i>110,478,220</i>	<i>50,710,535</i>	<i>176,488,886</i>	<i>274,357,329</i>	<i>879,740,457</i>	<i>377,580,484</i>
By liberal groups in federal elections, excluding party committees	38,800,000	195,000,000	104,300,000	292,700,000	235,100,000	567,900,000
For Democrats in state elections	74,276,688	47,703,394	89,604,725	70,938,140	152,286,347	136,588,420
<i>Total liberal/Democrat</i>	<i>113,076,688</i>	<i>242,703,394</i>	<i>193,904,725</i>	<i>363,638,140</i>	<i>387,386,347</i>	<i>704,488,420</i>
TOTAL FOR BOTH IDEOLOGIES/PARTIES	223,754,908	293,413,929	370,393,611	1,169,095,469	1,267,126,804	1,082,068,904

TABLE 4A: Aggregated total political-campaign receipts (I) and estimated expenditures by outside groups (II) from 2005-08, before *Citizens United*

	(I)	(II)	
	\$ to political campaigns ⁹	\$ spent by outside groups ¹⁰	<i>Total</i>
Republican	3,760,986,996		
Conservative groups in federal elections, excluding party committees, and for Republicans in state and local elections		161,188,755	
			<i>3,922,175,751</i>
Democrat	4,576,812,790		
Liberal groups in federal elections, excluding party committees, and for Democrats in state and local elections		355,980,082	
			<i>4,932,792,872</i>
Total	8,337,799,786	517,168,837	8,854,968,623

TABLE 4B: Aggregated total political-campaign receipts (I) and estimated expenditures by outside groups (II) from 2011-14, after *Citizens United*

	(I)	(II)	
	\$ to political campaigns ¹¹	\$ spent by outside groups ¹²	<i>Total</i>
Republican	4,744,117,928		
Conservative groups in federal elections, excluding party committees, and for Republicans in state and local elections		1,685,197,786	
			<i>6,429,315,714</i>
Democrat	4,162,434,367		
Liberal groups in federal elections, excluding party committees, and for Democrats in state and local elections		751,024,487	
			<i>4,913,458,854</i>
Total	8,906,552,295	2,436,222,273	11,342,774,568

TABLE 5: Percentage change in aggregated total political-campaign receipts (I) and estimated expenditures by outside groups (II), before and after *Citizens United*

	(I)	(II)
	% change in \$ to political campaigns from 2005-08 to 2011-14	% change in money spent by outside groups from 2005-08 to 2011-14
Republican	+26.1	
Conservative groups in federal elections, excluding party committees, and for Republicans in state and local elections		+945.5
Democrat	-9.1	
Liberal groups in federal elections, excluding party committees, and for Democrats in state and local elections		+111.0
Total	+6.8	+371.1

I. A PHILANTHROPIC TRANSFORMATION?

While election spending after *Citizens United* undoubtedly increased (in both absolute dollars and as a percentage of growth) *Citizens United* is not really recognized for marking a complementary transformation of “traditional” public-policy philanthropy. Has this changed too, though, and if so, how?

A. Numerical “snapshots” and the nature of public-policy philanthropy

1. Numerical “snapshots”

In raw dollar-amount numbers, it is difficult to measure reliably whether *Citizens United* has changed (much less transformed) public-policy philanthropy. It may be possible, however, to take numerical “snapshots” and identify loose trends in such philanthropy before and after the 2010 decision.

To begin to make such broad “trend claims,” we examined the publicly available revenue figures in 2006 (before *Citizens United*) and 2014 (after the decision) for “traditional” public-policy organizations that received financial support from six conservative and six liberal philanthropies, including donor-advised funds. For conservatives, the examination additionally includes the revenues for those two years of groups that are members and associate members of the State Policy Network (SPN), which would include support from more than just the selected conservative philanthropies.

In 2006, the sum of reported revenues received by 372 groups supported by the selected conservative grantmakers—the Bradley Foundation, the Bradley Impact Fund, Donors Trust, the Charles Koch Foundation, the Sarah Scaife Foundation, and the Searle Freedom Trust—and SPN members totaled almost \$1.3 billion. In 2014, the same revenues totaled just more than \$2.2 billion, a roughly 71 percent increase over 2006 levels.

In 2006, the sum of reported revenues of 1,078 recipient groups supported by the selected liberal grantmakers—Community Initiatives, the Marisla Foundation, NEO Philanthropy, the Open Society Foundations, the Proteus Fund, and the Tides Foundation—totaled over \$4.9 billion. In 2014, they exceeded \$7.4 billion, about a 50 percent increase. These sums are shown in TABLES 6 through 7.

Based on these quick point-in-time “snapshots,” the plausibly claimed trend would be an appreciable increase in support of “traditional” public-policy recipients, post-*Citizens United*. In percentage terms, this increase would be bigger for conservative groups. In raw-dollar terms, support of liberal groups would remain much, much larger.

Support of conservative public-policy recipients would exceed that for conservative outside groups in elections, but approach the amount given directly to Republican candidates. Support of liberal policy groups would remain far in excess of financial support for both liberal outside groups in elections and funds contributed directly to Democrat candidates.

TABLE 6A: Total receipts of selected “traditional” public-policy nonprofit recipients (III) in 2006, before *Citizens United*¹³

Conservative	1,285,375,878
Liberal	4,948,208,801
Total	6,233,584,679

TABLE 6B: Total receipts of selected “traditional” public-policy nonprofit recipients (III) in 2014, after *Citizens United*¹⁴

Conservative	2,203,142,912
Liberal	7,447,433,378
Total	9,650,576,290

Selected philanthropies that support “traditional” public-policy organizations

<i>Conservative</i>	<i>Liberal</i>
Bradley Foundation	Community Initiatives
Bradley Impact Fund	Marisla Foundation
Donors Trust	NEO Philanthropy
Charles Koch Foundation	Open Society Foundations
Sarah Scaife Foundation	Proteus Fund
Searle Freedom Trust	Tides Foundation

TABLE 7: Percentage change in aggregated total amounts directly to political campaigns (I), on expenditures by outside groups (II), and in receipts of selected “traditional” public-policy recipients (III), before and after *Citizens United*

	(I)	(II)	(III)
	% change in \$ to political campaigns from 2005-08 to 2011-14	% change in money spent by outside groups from 2005-08 to 2011-14	% change in \$ received by selected “traditional” 501(c) (3) public policy recipients from 2006 to 2014
Republican	+26.1		
Conservative groups in federal elections, excluding party committees, and for Republicans in state and local elections		+945.5	
Conservative			+71.4
Democrat	-9.1		
Liberal groups in federal elections, excluding party committees, and for Democrats in state and local elections		+111.0	
Liberal			+50.5
Total	+6.8	+371.1	+54.8

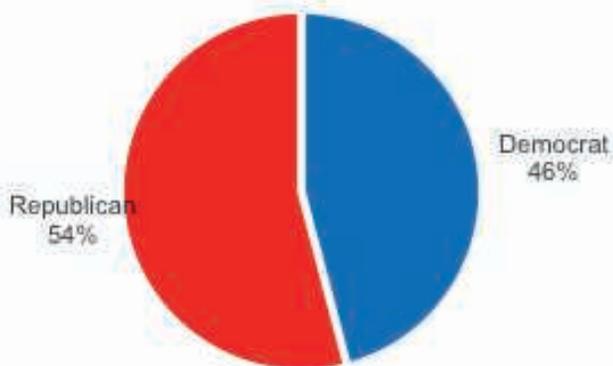
It might be worth more closely examining the direct political and outside-group amounts in the 2013-14 cycle that can be categorized by party and the sum of reported revenues to the policy-oriented (c)(3) recipients in 2014 in particular. Unlike the political and outside-group amounts, the nonprofit sum was not even close to being distributed equally between liberal and conservative organizations.

As shown in the PIE CHART 1 below, for Republicans during the 2013-14 cycle, federal and state campaign receipts were 54.9 percent of the total overall amount. For Democrats, they were 45.1 percent of the total. In the same cycle, as shown in the following PIE CHART 2, by conservatives and for Republicans, outside spending on federal and state elections was 54.5 percent of the total and for liberals and Democrats, it was 45.5 percent of the overall amount.

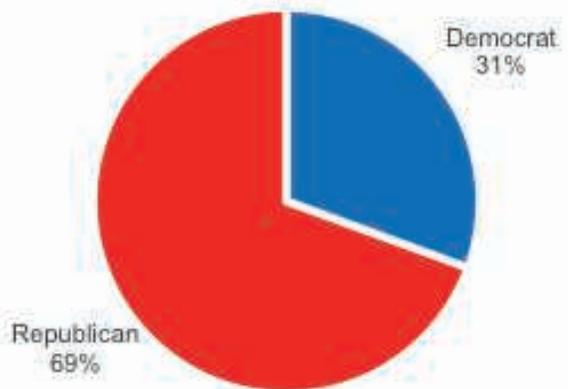
In 2014, however, the reported revenues of the 372 groups supported by the selected conservative grantmakers and SPN members summed up over \$2.2 billion, or 23.7 percent of the overall amount, as shown in PIE CHART 3. The sum of reported revenues of the 1,078 groups supported by the selected liberal grantmakers was more than \$7.4 billion, or around 76.3 percent of the total.^{14*}

In other words, the overall revenue of the liberal groups was more than three times that of their conservative counterparts. Even if discounting for reasonable disagreements about definitions of “liberal” and “conservative,” this is a lopsidedly unequal plutocratic quenching of thirst from this third flow of financial support.

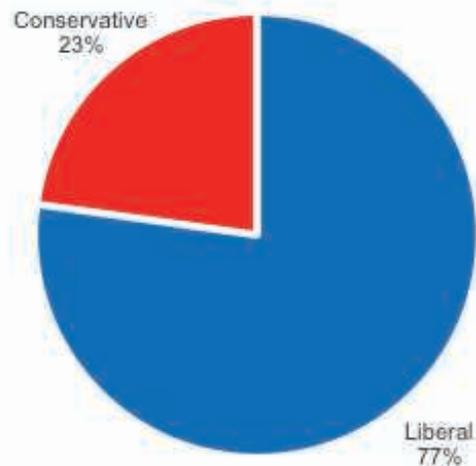
PIE CHART 1 Federal, state, and local campaign receipts, 2013-14 (\$4.1 billion)



PIE CHART 2 Outside spending on federal, state, and local elections, 2013-14 (\$1.3 billion)



PIE CHART 3 Receipts of selected "traditional" public-policy nonprofits, 2014 (\$9.7 billion)



2. The nature of public-policy philanthropy

Decisively concluding whether *Citizens United* has changed, much less transformed, the nature of public-policy philanthropy by rewarding “short-term” and “political” outcomes, may be impossible. Observers can reasonably conclude that philanthropically supported traditional public-policy organizations—for good or ill—are more cognizant of the electoral ramifications of their activities than they used to be. But whether difficult or not, researchers should continue to study the types of changes in funding patterns of direct candidate support, indirect

political spending, and nonprofit issue advocacy to identify ways that money and politics are inextricably entwined.

B. Options for the future

In examining options for future policy-oriented giving based on observations of the recent past, liberals and Democrats seem to be scoring meaningful political, policymaking, and legal victories post-*Citizens United*—despite what are sometimes clamorous claims to the contrary about conservative gains from the decision—especially in the 2011-12 presidential cycle. The huge federal Affordable Care Act (passed in 2010 and known as “Obamacare”) may be the foremost example.

Conversely, conservatives and Republicans have made meaningful achievements at the state level and in the non-presidential cycle. Some important and potentially pathbreaking state employee-rights policy changes (e.g., right-to-work laws) and a few legal decisions upholding them are the most notable examples. For conservatives, however, it might be worth wondering about another question: have these victories been worth the hyped increased investment of conservative donors—in either political campaigns, *Citizens United* outside groups, or traditional public-policy philanthropy?

Moving forward, for liberal givers interested in effectively influencing public policy, the best option may essentially be the *status quo* (perhaps with a greater emphasis on state-level activity and in non-presidential cycles, using all available legal avenues).

Conservatives interested in effectively influencing policy outcome may seriously consider:

1. “doubling down” on contributions to political campaigns;
2. “doubling down” on support of *Citizens United* outside groups, especially considering donors have a greater chance of exercising more input or control over those groups’ activities;
3. withdrawing or seriously curtailing such political and related giving in favor of supporting traditional policy groups; or,
4. a more nuanced (and complicated) giving strategy that would involve targeted contributions—in specific places, at strategic times—to particular campaigns, issues, and

traditional public-policy organizations, using all available legal avenues, with the size of contributions varying based on the anticipated effectiveness of the outcome.

The fourth option won’t be for the faint of heart or for donors who prefer to set their giving practices to autopilot. However, from our experience observing the philanthropic landscape during the pre- and post-*Citizens United* cycles, an increasing number of donors truly interested in affecting policy change are beginning to engage in innovative and entrepreneurial thinking. Some find it best to pursue short-term, low-cost projects (“low-hanging fruit”), while others seek out projects that will require multi-year commitments. Independently-minded donors are supporting projects that require fewer resources and those that can be pursued without partners or in a singular geographic area. Some with a longer view are supporting projects and plans that require collaboration and maybe time, but hold potential for structural change.

II. SUMMARY AND CONCLUSION

Overall, giving directly to politics increased after *Citizens United*. Giving to outside *Citizens United* groups increased after the decision, too, of course—more so to conservative organizations than liberal ones, but less than directly to political candidates (regardless of party).

Giving to “traditional” public-policy groups seems to have increased, as well, but much more so to liberal nonprofits than conservative ones. Giving to liberal policy groups, in fact, likely far exceeds contributions made directly to Democrats; giving to conservative policy groups is probably closer to the funds directly contributed to Republican candidates.

In the *Citizens United* world—given the political and policy outcomes since 2010, the availability of data, and the new policymaking context in which decisions are now being made—donors interested in politics and policy should explore strategic grantmaking options to more efficiently and intelligently give in more targeted ways, using all available legal means. ■

Read previous Special Reports from CRC online at CapitalResearch.org/category/special-report/.

(ENDNOTES)

1 558 U.S. 310, 130 S.Ct. 876 (2010).

2 Pub.L. 107–155, 116 Stat. 81, enacted March 27, 2002, H.R. 2356.

3 Republican Sen. John McCain of Arizona and former Sen. Russ Feingold, a Democrat from Wisconsin.

4 599 F.3d 686 (D.C. Cir. 2010).

5 In early November 2016, a three-judge panel of the U.S. District Court for the District of Columbia upheld BCRA's limit on donations to state and local political parties that have an effect on federal election activity. *Republican Party of Louisiana, et al. v. FEC* (Case 1:15-cv-01241-CRC-SS-TSC, Nov. 7, 2016). The case will likely be appealed directly to the Supreme Court, which BCRA allows.

6 Includes total receipts reported to FEC for 2008 presidential campaign and 2006 and 2008 U.S. House and Senate campaigns as of the end of each two-year campaign period, as published online by FEC as of July 7, 2017, and to state election/disclosure agencies as compiled by NIMSP for state campaigns in 2005, 2006, 2007, and 2008, as published online by NIMSP as of July 9, 2017.

7 Includes total receipts reported to FEC for 2012 presidential campaign and 2012 and 2014 U.S. House and Senate campaigns as of the end of each two-year campaign period, as published online by FEC as of July 7, 2017, and to state election/disclosure agencies as compiled by NIMSP for state campaigns in 2011, 2012, 2013, and 2014, as published online by NIMSP as of July 9, 2017.

8 <https://www.ced.org/pdf/TCB-CED-The-Landscape-of-Campaign-Contributions.pdf>.

9 Includes total receipts reported to FEC for 2008 presidential campaign and 2006 and 2008 U.S. House and Senate campaigns as of the end of each two-year campaign period, as published online by FEC as of July 7, 2017, and to state election/disclosure agencies as compiled by NIMSP for state campaigns in 2005, 2006, 2007, and 2008, as published online by NIMSP as of July 9, 2017.

10 Includes independent expenditures, electioneering communications, and communication costs reported to FEC as compiled and categorized by CRP for 2006 and 2008 as of the end of each two-year campaign period, as published online by CRP as of July 9, 2017, and expenditures reported to state election/disclosure agencies as compiled by NIMSP for state and some local campaigns in 2005, 2006, 2007, and 2008, as published online by NIMSP as of July 9, 2017.

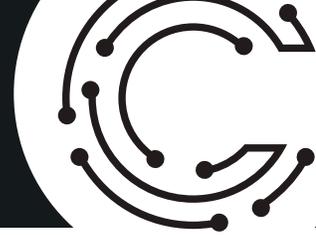
11 Includes total receipts reported to FEC for 2012 presidential campaign and 2012 and 2014 U.S. House and Senate campaigns as of the end of each two-year campaign period, as published online by FEC as of July 7, 2017, and to state election/disclosure agencies as compiled by NIMSP for state campaigns in 2011, 2012, 2013, and 2014, as published online by NIMSP as of July 9, 2017.

12 Includes independent expenditures, electioneering communications, and communication costs reported to FEC as compiled and categorized by CRP for 2012 and 2014 as of the end of each two-year campaign period, as published online by CRP as of July 9, 2017, and expenditures reported to state election/disclosure agencies as compiled by NIMSP for state and some local campaigns in 2011, 2012, 2013, and 2014, as published online by NIMSP as of July 9, 2017.

13 Includes reported revenues received by 372 groups supported by six selected conservative grantmakers—the Bradley Foundation, the Bradley Impact Fund, Donors Trust, the Charles Koch Foundation, the Sarah Scaife Foundation, and the Searle Freedom Trust—and members of the State Policy Network (SPN) and 1,078 recipient groups supported by six selected liberal grantmakers—Community Initiatives, the Marisla Foundation, NEO Philanthropy, the Open Society Foundations, the Proteus Fund, and the Tides Foundation—in 2006.

14 Includes reported revenues received by 372 groups supported by six selected conservative grantmakers—the Bradley Foundation, the Bradley Impact Fund, Donors Trust, the Charles Koch Foundation, the Sarah Scaife Foundation, and the Searle Freedom Trust—and members of the State Policy Network (SPN) and 1,078 recipient groups supported by six selected liberal grantmakers—Community Initiatives, the Marisla Foundation, NEO Philanthropy, the Open Society Foundations, the Proteus Fund, and the Tides Foundation—in 2014.

DECEPTION & MISDIRECTION



THE LEFT'S LOW POWER COUP

By Hayden R. Ludwig

Summary: *The Left has discovered a new front in the ever-shifting war for media control: low power FM radio. It's an innocuous-seeming concept with big repercussions for future audiences. But for conservatives, the fight may have been lost before it began.*

INTRODUCTION

The medium known as low power FM radio (LPFM) is, on the surface, hardly the stuff revolutions are made of. Yet this veteran medium is beloved of the free speech-hating Left because it offers a cheap buy-in with enormous gains. Since 2001, LPFM radio stations have rapidly developed in cities and regions across the United States. With an established network of leftist “free radio” groups ready to train, advise, and equip them, activists with no prior experience in broadcasting have the capability to organize people and spread their anti-American message.

For decades, left-wing ideologues have dreamed of utilizing low power radio as an organizing tool. Radio reaches an estimated 93 percent of everyone over 12 years old, and 200 million Americans tune in each week. It's an enormous opportunity for the far Left, and one that conservative groups have totally ignored and are unprepared to face. With minimal funding and a handful of volunteers, progressives working in tandem with the federal government have the opportunity to monopolize thousands of licenses for low power radio stations nationwide—and all they need to run them is the power of a lightbulb.

IT'S RADIO, JIM, BUT NOT AS WE KNOW IT

LPFM stations (or bands) are small (capped by law at 100 watts, equivalent to a household lightbulb), because of their low wattage they usually reach a maximum range of about 3 to 5 miles and are best suited for covering small communities. Early LPFMs generally provided local news



One of the most prominent pirate radio groups that led the LPFM push is Prometheus Radio Project, founded by self-described anti-war and social justice activists in 1998.

and entertainment to rural areas with little radio coverage. In comparison, major radio broadcasting stations operate at 1,500–50,000 watts or more.

LPFM traces its roots to the amateur ham radio movement of the early twentieth century and for most of its history was left unregulated. It grew in popularity because it was cheap and local—a short-range, low-wattage form of FM radio used to reach small, rural audiences.

The basic nature of radio, however, limits space on the radio spectrum. Only so many stations can broadcast at any given time, and must be a certain distance from each other on the dial to avoid interfering with one another. As FM radio access and popularity grew in the 1940s, stations began to bump up their power and interfere with other signals, prompting national broadcasting conglomerates to lobby the FCC to institute new controls on the number

Hayden Ludwig is the Communications Assistant at Capital Research Center.

Screenshot. License: <https://goo.gl/dTQLsg>

of small stations licensed in a given area. The Federal Communications Commission (FCC) began issuing licenses to small broadcasters in 1948, mostly to schools and universities.

After it was established by a congressional act in 1967, the Corporation for Public Broadcasting—which today funds National Public Radio (NPR) and the Public Broadcasting Service (PBS)—lobbied the FCC to further restrict low power bands, calling them a “waste of spectrum.” LPFM licenses were banned altogether by the FCC in 1978.

PINKO PIRATES

But the end of LPFM in America spawned a whole wave of “pirate radio” stations—tiny operations mostly concentrated in liberal cities such as Berkeley, California. The pirate radio movement has argued its broadcasting is constitutionally protected by the First Amendment, but the Supreme Court disagrees. In the 1969 case *Red Lion Broadcasting Co. v. the United States*, the court ruled that:

... [B]ecause of the scarcity of radio frequencies, there was no First Amendment right for all citizens to own a radio license...the right of viewers and listeners was paramount, not the right of broadcasters.

During the Cold War, these pirates organized demonstrations using Marxist-Leninist propaganda, stylizing themselves the proletarian vanguard in the fight against corporate control of radio. The pirates held that low power FM licenses are essential to ending media consolidation and offering local reporting to communities. Privately, however, they espoused revolutionary goals: toppling corporate control being chief among their aims. This left-wing pseudo-intelligentsia envisioned low power FM radio as an essential component in the radicalization of America. Without LPFM—or “microradio,” as it also called—Marxists could never effectively mount a broader cultural war.



Progressives working in tandem with the federal government have the opportunity to monopolize thousands of licenses for low power radio stations nationwide—and all they need to run them is the power of a lightbulb.



Credit: saraz@eabrahimi.com. License: <https://goo.gl/jMemd1>.

Sarah Zia Ebrahimi admits that the movement’s ultimate objective is far more extreme than merely expanding LPFM legality. Ebrahimi calls the “complete redistribution of [radio] spectrum” a “great idea”—if currently unfeasible.

Radical radio outlets spread quickly during the 1990s as individual stations coalesced under the professional Left. Groups like Steal This Radio and Radio Free Berkeley were merged or replaced with broader coalitions such as Fairness and Accuracy in Reporting (FAIR) and the San Francisco, California-based Microradio Empowerment Coalition (MEC).

Unlike most pirate radio stations, these coalitions were not single-issue outfits. Instead, they sought to expand LPFM as part of a larger progressive agenda. According to the book *Market Rebels: How Activists Make or Break Radical Innovations*, the MEC organized the Green Party, native American tribes, and the American Civil Liberties Union to support LPFM licensing. But Sarah Zia Ebrahimi, a member of MEC’s steering committee, admits that the movement’s ultimate objective is far more extreme than merely expanding LPFM legality. Ebrahimi calls the “complete redistribution of [radio] spectrum” a “great idea”—if currently unfeasible. FAIR regularly assails capitalism and conservatives as the stooges of Big Business. FAIR’s founder, Jeff Cohen, now works at RootsAction.org, the new front for his extremism. In Cohen’s words:

We need a fresh approach to defend the public interest. Our country faces a far-right Republican Party regime that is largely a subsidiary of corporate America, and a Democratic Party whose leadership is enmeshed with corporate power.

MICRORADIO MENSHEVIKS

Conservative talk radio has long been a target of the Left. When the Reagan-era FCC revoked the Fairness Doctrine in 1987—a set of rules from the Kennedy era that required stations to allot time to both sides on political issues, effectively stifling political radio—many on the Left were furious. For the last three decades, so-called media reformers have called for a new Fairness Doctrine in the knowledge that it would destroy conservative talk radio.

Most recently this took the form of the “Hush Rush” campaign leveled at syndicated radio host Rush Limbaugh. Funded by George Soros’s Media Matters for America, an anonymous group of anti-Limbaugh activists attempted to pass off their censorship war as a grassroots effort with computer-generated tricks. Their efforts were exposed by former Limbaugh media analyst Brian Glicklich using Capital Research Center’s investigations into the Left’s attempts to silence conservatives. The broader effort to stifle the Right, however, rolls on.

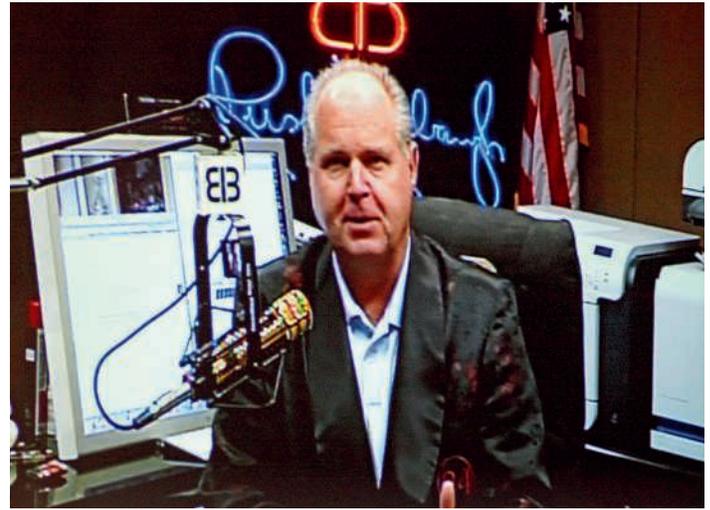


This left-wing pseudo-intelligentsia envisioned low power FM radio as an essential component in the radicalization of America Without it, Marxists could never effectively mount a broader cultural war.

Chief among the modern Left’s media reformers is Robert McChesney, a professor at the University of Illinois. Among McChesney’s recent works are *Blowing the Roof off the Twenty-First Century: Media, Politics, and Post-Capitalist Democracy*, and *Digital Disconnect: How Capitalism Is Turning the Internet Away from Democracy*. To McChesney, capitalism is an evil propagated by U.S. mainstream media, as he notes in a 2008 interview with the Marxist publication *Monthly Review*:

The media system reflect[s] the nature of the U.S. political economy, and any serious effort to reform the media system would have to necessarily be part of a revolutionary program to overthrow the capitalist political economy.

McChesney draws from a school of left-wing thought that views the modern, profit-driven media industry as a threat to democracy itself. The solution, predictably, is more government control, euphemized to “democratizing the airwaves.” He penned a forward touting more media



For the last three decades, so-called media reformers have called for a new Fairness Doctrine in the knowledge that it would destroy conservative talk radio. Most recently this took the form of the “Hush Rush” campaign leveled at syndicated radio host Rush Limbaugh.

statism in a 1999 folio by Greg Ruggiero, a closely aligned ally, called *Microradio & Democracy*. Ruggiero says that pirate radio stations are critical to ending the profit-driven media system:

This is a movement made up of hundreds of community groups who operate unlicensed clandestine radio stations in much the same spirit that Rosa Parks sat in the front of the bus: to resist and challenge a dehumanizing and unconstitutional system.

The FCC’s decision to ban low power FM radio constitutes, Ruggiero says, mixing his metaphors, an “Iron Curtain” akin to “Hitler’s Germany.” Pirate radio in the U.S., he adds, is like the World War II “resistance movement [that] used unlicensed radio as a strategy against the Nazis.” Ruggiero wholeheartedly supports LPFM expansion.

Along with his longtime crony, John Nichols, McChesney profiles his case for media statism in a 2003 essay entitled *Our Media, Not Theirs: The Democratic Struggle Against Corporate Media*:

Media reform needs its equivalent of the Voting Rights Act or the Equal Rights Amendment—simple, basic reforms that everyone can understand, embrace and advocate in union halls, church basements and school assemblies. There is no way around it: Structural media reform is mandatory if we are serious about addressing the crisis of democracy in the United States.

Not coincidentally, first on the McChesney-Nichols laundry list of structural reforms is the establishment of “low-power, non-commercial community radio and television stations across the nation.”

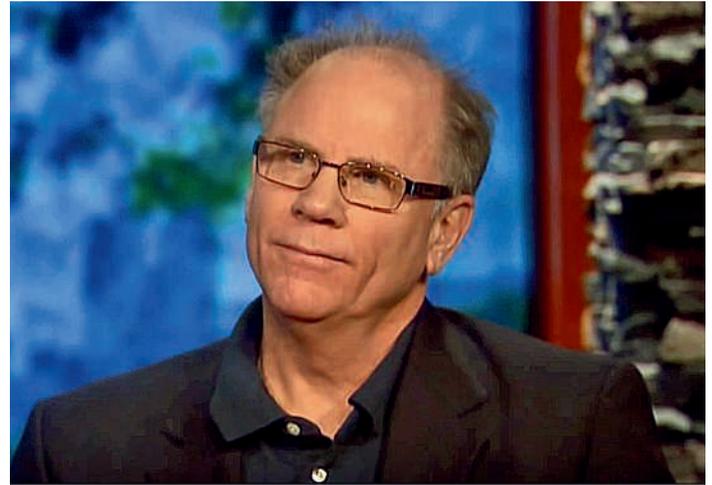
In 2003, McChesney and Nichols founded Free Press, a so-called “media reform” group that cut its teeth campaigning for the 2002 McCain-Feingold campaign finance reform act. That act restricted political spending and individual contributions until it was altered by the Supreme Court’s 2010 *Citizens United v. FEC* ruling. Seeking to restrict political speech online, Free Press then shifted its focus to establishing net neutrality—the rule giving the FCC full control to regulate the Internet—a fight it won under the Obama administration in 2015 (the Trump FCC has since signaled its intent to undo the rules).

Little wonder, then, that Free Press is eagerly funded by the anti-free speech cabal, including George Soros’s Open Society Institute, Bill Moyers’ Center for Media and Democracy, the Ford Foundation, and the MacArthur Foundation.

Since its inception, Free Press has made key inroads into mainstream politics and earned support from many Democrats and some Republicans for its media policies. The group runs the National Conference for Media Reform (NCMR), a convention focused on promoting social justice activism in journalism, and attended by a bevy of leftists such as Rep. Nancy Pelosi, Sen. Bernie Sanders, former Peace and Freedom Party presidential nominee Ralph Nader, Rev. Jesse Jackson, and crypto-authoritarians Bill Moyers and Arianna Huffington. Notably, Bush-era FCC commissioners Michael Copps and Jonathon Adelstein are regular presenters at NCMR, where they have offered their opinions on “special interest types in stuffy suits... crow[ing] on and on about the virtues of the extremely free market.” (Copps now works as special adviser to Media and Democracy Reform Initiative at Common Cause, a big government advocate created by a founding father of Lyndon B. Johnson’s Great Society. Adelstein, a longtime Democratic aide to former Senate Majority Leader Tom Daschle and Sen. Harry Reid, left the FCC in 2009 to serve in Barack Obama’s Department of Agriculture.)

Much of the mainstream media treats Free Press like a legitimate government watchdog. Its staff and allies are given credence as objective experts, and regularly appointed to positions in the government.

Jen Howard, press secretary for Obama-era FCC Commissioner Julius Genachowski, is a former media relations employee of Free Press. Mark Lloyd, the Obama FCC’s “diversity czar,” co-authored a 2007 paper titled



Credit: Moyers & Company.
License: <https://go.gl/FvXs3>.

Chief among the modern Left’s media reformers is Robert McChesney, a professor at the University of Illinois. To McChesney, capitalism is an evil propagated by U.S. mainstream media.

“The Structural Imbalance in Political Talk Radio” with a Free Press co-founder in which he calls for broad new FCC rules intended to force out conservative talk radio stations. A former employee of the George Soros-funded Center for American Progress, Lloyd has also advocated for the removal of white people from the commanding heights of American media, to be replaced with minorities. Lloyd even praised the odious Venezuelan dictator Hugo Chavez for leading an “incredible revolution—a democratic revolution.”

“*Mark Lloyd has also advocated for the removal of white people from the commanding heights of American media, to be replaced with minorities.*”

Years of steady infiltration by leftists has left the FCC as ideological as the pirate radio movement it used to hunt. In many ways, the modern FCC operates as an active ally of the pirate radio movement.

FCC HOISTS THE JOLLY ROGER

Beginning in the Bill Clinton administration, a rift between the free market and statist wings of the Democratic Party widened over the issue of Internet regulation. Seeking to tighten government control of the media and free speech, statisticians like Gigi Sohn (an alum of the Ford Foundation

and Open Society Institute) worked to appoint like-minded individuals to the FCC.

Their first victory came with the appointment of William Kennard to FCC Chairman in October 1997. Kennard has stated his view that the “First Amendment is a robust, living document,” and under his chairmanship steered the FCC away from simple regulation and towards “encouraging increased minority ownership” of media outlets. A year before his appointment, the Republican-majority Congress passed the Telecommunications Act of 1996, the largest overhaul of telecommunications law since the creation of the FCC in 1934, favoring cross-media ownership by corporate conglomerates. Considered by many on the Left (including Kennard) to be a throwaway to Big Business aimed at paying off a Clinton campaign promise, the stats responded by doubling down on the lower power FM radio campaign.

One of the most prominent pirate radio groups that led the LPFM push is Prometheus Radio Project. Founded by self-described anti-war and social justice activists in 1998, Prometheus sought to pressure the FCC and Congress into reinstating LPFM licenses with a series of “Lower Power FM Action Days”—protests organized in Washington, D.C. They hardly needed to demonstrate; congressional Democrats and FCC commissioners practically flung their doors wide to meet with the activists—including then-Senator Barack Obama, who agreed to co-sponsor pro-LPFM legislation.



The real intent of the LPFM decision—filling the airwaves with propaganda—was always ideological, never practical.

In 1999 the Kennard FCC announced its intent to revisit LPFM licensing. In January 2000, the Low Power FM radio service was established under FCC direction by a 4-1 vote. Critically, the service only licenses individual owners in order to “retain their independence” from larger conglomerates; and most urban areas were excluded under the 2000 rules. Kennard, who first proposed the service, offered his thoughts on the issue:

Six months from today, the first low power radio stations may be on the air... Unfortunately, there are those who have been working non-stop to keep those first small stations from going on the air. Why? Because they know that once new voices can be heard, nothing can silence them.

This is about the haves—the broadcast industry—trying to prevent many have-nots—small community and educational organizations—from having just a little piece of the pie. Just a little piece of the airwaves which belong to all of the people.

The National Association of Broadcasters (NAB), the industry’s trade association, pushed back. They found an unlikely ally in National Public Radio (NPR)—a traditionally liberal, government-funded outlet. Together, the NAB and NPR argued that hundreds of small new stations would cause interference with major broadcasting bands on the dial, without increasing minority ownership. Their protests fell on deaf ears, however. The real intent of the LPFM decision—filling the airwaves with propaganda—was always ideological, never practical. The evidence is in the figures: the NAB in 2000 represented some 5,400 stations nationwide; under the 2000 LPFM rules, the FCC estimated it could eventually license as many as 4,000 low power stations.

The NAB-NPR coalition succeeded in lobbying Congress to pass the Radio Broadcasting Preservation Act of 2000. The law authorized the FCC’s low power licensing, but ordered the agency to cease licensing of stations that had operated illegally (radio pirates). It also ordered an independent study of the interference issue by the Mitre Corporation, an engineering research nonprofit.

The plan backfired. To NAB-NPR’s chagrin, the study, completed in 2003, reported no interference by LPFM stations on existing bands. Free Press executive director Josh Silver spoke triumphantly:

Low Power FM stands out in an era of massive media consolidation. The public is pleading for the opportunity to expand this service into larger cities and increase the diversity of local voices. Congress shouldn’t stand in the way of these community-oriented stations any longer.

LOW POWER PALS IN HIGH PLACES

Silver soon got his wish as the march to expand LPFM radio ramped up during the George W. Bush administration, encouraged by FCC Chairman Kevin J. Martin. During his tenure, Martin spoke about his efforts to increase licensing at an event hosted by the Rainbow Push Coalition, a group run by the black nationalist and Reverend Jesse Jackson.

In 2005, Senators John McCain (R-Arizona), Patrick Leahy (D-Vermont), and Maria Cantwell (D-Washington) introduced the Local Community Radio Act specifically

aimed at freeing the FCC to license pirate radio stations. It failed to pass the Senate. The bill was reintroduced in the House of Representatives in 2007, to the support of presidential candidates Barack Obama, Hillary Clinton, and John McCain. It, too, failed to leave committee.

Finally, the Local Community Radio Act was again introduced in the Senate in 2010 and signed into law by President Obama, with important changes. Besides requiring the FCC to license LPFM stations, it expanded the number of potential licensees by eliminating the minimum distance requirement between low power and full-service FM stations—a handout to the LPFM crowd.

It was a significant victory for the Left, yet hardly covered by conservatives. In effect, Congress legalized hundreds of unlawful stations by requiring the FCC to offer them free licenses (albeit in limited quantities released in waves). But they didn't stop there. In July 2011, the FCC announced it would expand LPFM coverage even further by implementing *minimum floors* in every radio service market:

Specifically, the Commission proposes a set of service floors to ensure at least eight LPFM channels in markets 1-20, seven in markets 21-50, six in markets 51-100 and five in markets 101-150 (as well as smaller markets where more than four translator applications are pending).

In just over a decade, “media justice activists” managed to transform LPFM radio from a federally harangued to a federally mandated medium—quite a feat. Obama FCC Commissioner Mignon Clyburn hailed the triumph in vaguely revolutionary tones:

Today, we start the countdown on the return of local voices to the radio waves, as low power radio stations will finally be given space to broadcast in large urban markets.

Clyburn went on to thank the radio pirates who organized the Left's takeover of LPFM radio, offering a “special thanks” to Prometheus Radio Project—quite a feat, indeed.

WHERE THINGS STAND

In October 2013, the FCC offered a new batch of over one thousand LPFM licenses in what has been called the “biggest expansion of community radio” in U.S. history. Free Press hailed it as “the moment we've all been waiting for.” Prometheus Radio Project called it the Left's chance to combat the conservative “push [for] anti-worker, anti-

immigrant, and anti-choice policies,” and led the effort to snag the licenses before they could be obtained by “religious networks and conservatives, which have historically dominated the radio dial.”

They were joined by a bevy of left-wing groups, including the NAACP, the National Council of La Raza, Greenpeace, the National Association of Broadcast Employees & Technicians (a broadcasters' union), Color of Change, the Cesar Chavez Foundation, the New America Foundation, and the United Church of Christ.

Free Press and Prometheus Radio Project published step-by-step guidebooks for activists looking to start their own low power FM radio station, even providing sample mission statements to prospective groups, legal advice, used equipment, and subsidizing engineering costs.

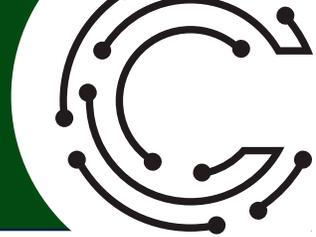
As a result, the FCC was barraged with nearly 3,000 applications. It granted construction permits to 1,900 new stations—this time in major cities, where low-range radio stations have the capability of reaching upwards of 100,000 people each.

Today the push for LPFM licenses seems to be slowing down. The FCC has not scheduled another batch of licenses since the 2013 wave, but it's likely only a matter of time before they do. A Pew Research Center study from September 2016 found that the number of low power FM radio stations had nearly doubled since 2014, bringing the total to roughly 1,500 across all fifty states and U.S. territories. The statistics are noteworthy:

LPFM stations are spread across all 50 states. Twenty-two states have a moderate number of stations (20-39), though three have more than 100 stations each: Florida (121), Texas (114) and California (102).

It remains to be seen what effect these stations will have on future generations of radio listeners, or whether many of them will even be able to keep up with maintenance costs. But one thing is certain: conservatives have work to do in the fight for media control. In future years, they may discover an ugly truth—there's nothing low energy about the low power Left. ■

Read previous articles from the Deception & Misdirection series online at capitalresearch.org/category/deception-and-misdirection/.



EMBARRASSMENT OF RICHES

Environmentalists put America's vast mineral wealth off limits, ceding our future to China

By Ned Mamula

Summary: *The United States is a treasure trove of mineral resources. But politicians, bureaucrats, and the courts have, over the last few decades, imposed strict restrictions on domestic mining, making the U.S. reliant on imports of critical and strategic minerals from adversarial countries like China. Environmentalists crying “Leave it in the ground!” have teamed up with certain business interests to restrict access to the strategic minerals required to maintain American leadership in technology. They have given us suffocating permitting processes, multi-million-acre federal land withdrawals that ban mining, and an array of anti-mining lawsuits. The result? Our economic future and our national security are at grave risk. And the worst is yet to come, as China, Russia, and other countries take advantage of the vulnerable position in which we’ve placed our nation.*

INTRODUCTION

Despite having a vast reserve of mineral resources, the U.S. is dependent for minerals on the goodwill and cooperation of other nations, including China and Russia.

Why are we in this situation? The answer is simple: Over the past five decades, our mining industry has been crippled by poor stewardship on the part of the federal government and by severe restrictions imposed at the behest of the environmentalist movement. It’s the major reason that scores of mining companies have gone under and tens of thousands of American jobs have been lost.

By contrast, in recent years, with horizontal drilling and hydraulic fracturing (fracking), the oil and gas industry has prospered. New technology has presented us with the prospect of abundant energy, even energy independence—a seeming impossibility just a generation ago. Unfortunately, the story of strategic minerals has taken a very different and indeed sinister turn.

First, some definitions: The broad term “minerals” captures a variety of elemental metals, compounds, and exotic substances which provide the building blocks of today’s technologies and economies. Collectively, minerals are



Credit: benkaturo. License: <https://goo.gl/FxMzXg>

One of the largest mineralized regions on earth occurs in the geologic terrain extending from Colorado to the Pacific Ocean across the Western U.S., including Arizona’s Morenci mine.

essential to the manufacture of almost everything including household items, buildings, cars, trucks, energy equipment, medical devices, electronics, cell phones, agricultural products, and a wide range of essential goods, central to the economy. Minerals deemed key to the economy are termed “critical.” Those necessary for national defense and military operations are termed “strategic.”

As recently as 1990, the U.S. was the world’s largest producer of minerals. However, in the past thirty years or so, quite a different trend has emerged.

According to the latest data from the U.S. Geological Survey (USGS), the U.S. is now 100 percent import-dependent for at least 20 critical and strategic minerals, not

Dr. Ned Mamula, a geoscientist, is an adjunct scholar at the Cato Institute’s Center for the Study of Science.

counting the individual “rare earths.” (The rare earths are a group of 17 elements, used in devices ranging from magnets to lasers, that the USGS groups together in one category.) We’re also between 50 and 99 percent import-dependent for another group of 30 key minerals.



According to the latest data from the U.S. Geological Survey (USGS), the U.S. is now 100 percent import-dependent for at least 20 critical and strategic minerals.

All told, the nation is more than 50 percent import-dependent for at least 50 key minerals—more, if you count rare earths separately. This trend of increasing imports and decreasing domestic mineral production is currently worsening. In its annual Mineral Commodity Summary for 2016 published earlier this year, the USGS notes:

Several U.S. metal mines and processing facilities were idled or closed permanently in 2016, including iron ore mines in Michigan and Minnesota; three primary aluminum smelters in Indiana, Missouri, and Washington; one secondary zinc smelter in North Carolina; a titanium sponge facility in Utah, the only such facility in the United States; and titanium mineral operations in Virginia.

Domestic trends aside, minerals are needed for virtually everything technological. The industries that rely on minerals such as construction and manufacturing contributed \$2.78 trillion to the domestic economy, or nearly 15 percent of gross domestic product (GDP)—a statistic reported by the Office of Management and Budget (OMB). On that basis alone, boosting U.S. minerals production should rank among the highest policy priorities of the Trump administration, but so far there is no priority status for minerals.

Lack of sufficient U.S. mineral production is not the fault of mineral-poor geology in the Americas. Quite the opposite, here we enjoy a geological abundance. Our artificial shortfall is the product of defective *government policy*. Elements of our existing policy have gradually morphed into a leave-it-in-the-ground mentality, backed by a liberal environmentalist lobby with strong support in Congress, the bureaucracy, the news media, and Hollywood.



A great irony is that the mining the environmentalists and their allies oppose is necessary to provide minerals and metals for the “green revolution” they support.

A great irony is that the mining the environmentalists and their allies oppose is necessary to provide minerals and metals for the “green revolution” they support. Those same minerals and metals also drive the technology revolution. They are critical for the national defense and for rebuilding America’s infrastructure. And without them we are reliant on countries that, to put it mildly, don’t have Americans’ best interests at heart.

Of the top 50 key minerals imported into the U.S., 28 are imported from China and six are imported from Russia. That’s a total from those two countries of 34 out of 50 vital minerals needed for U.S. economic health and national security. Both countries have effectively used their mineral export dominance as diplomatic and trade weapons in the recent past.

This presents a straightforward challenge to policymakers: If one or more foreign suppliers should decide to limit exports of a key mineral, can the U.S. adapt? Probably not. The dependency runs too deep, and the permitting and extraction process moves too slowly; it takes at least a decade to develop a new mine.

An “America First” policy on minerals would (1) provide better access to public lands that contain mineral deposits or are geologically favorable to hosting ore deposits, and (2) streamline the environmental permitting for mining, as has been done in other major mining countries such as Canada and Australia.

Planning for the mineral production necessary to economic expansion and the rebuilding of America’s infrastructure will require a 180-degree about-face from our current mineral policies. Can the U.S. begin playing the long

Credit: <https://www.gettyimages.com>
License: <https://www.gettyimages.com>

game with its mineral resource wealth, as China has done successfully for decades?



Planning for the mineral production necessary to economic expansion and the rebuilding of America's infrastructure will require a 180-degree about-face from our current mineral policies.

AMERICA'S TREASURE TROVE OF MINERALS

For the first 150 years of its existence, the mineral-rich U.S. was largely self-sufficient, with a surplus minerals trade balance. That enormous mineral wealth was derived largely from public lands in the Western states.

Today, access to large parts of those federal lands has been eliminated or severely restricted. Regarding key minerals, the American people are being denied their endowment.

One of the largest mineralized regions on earth occurs in the geologic terrain extending from Colorado to the Pacific Ocean across the Western U.S. According to USGS reports, this mineral belt contains world-class deposits of antimony, arsenic, chromium, cobalt, copper, fluorine, gold, iron, lead, manganese, mercury, molybdenum, nickel, platinum, silver, tin, titanium, tungsten, uranium, vanadium, and zinc—many of which are critical and strategically important.

Abundant concentrations of minerals over such a vast area make our western “mineral belt” almost unique compared to other such geological features on the earth. Some of the largest mines in the world—Colorado's Climax molybdenum mine, Alaska's Red Dog lead-zinc mine, the Nevada's Newmont and Cortez gold mines, Arizona's Morenci copper mine, and the Greens Creek polymetallic mine in Alaska—can be found in this belt.

The USGS has also compiled lists of hundreds of major mineral deposits in the belt, along with thousands of lesser mineral “occurrences,” which are indicative of ore deposits. Well over a thousand of these occurrences are thought to be significant; most remain unexplored. Presently, a preponderance of the mineral resources and mining in the U.S. are associated with a small number of major deposits.

Current USGS assessments of deposits of the most valuable metals—iron, aluminum, gold, silver, copper, lead, and zinc—indicate that various as-yet unexploited deposits of these metals will dwarf the totals of all previous production. Good news: there is virtually no end to the mineral wealth. Bad news: there may be no access to these minerals.

U.S. MINERAL IMPORTS—OUT OF CONTROL

Incredible, but true: At the beginning of the 1980s, the U.S. maintained a 100 percent import-reliance on only four lesser minerals. Also, at that time no minerals were imported from either China or the former USSR. Fast forward to 2017 and the U.S. import situation is dire. Now heavily import-dependent on both countries, we have made ourselves vulnerable to mineral blackmail. Indeed, both China and Russia have effectively used their readily accessible mineral resources as a diplomatic and trade weapon in the recent past.

Rare earth elements (REE) are the poster child for mineral import reliance on China. This suite of 17 individual minerals, abundantly common in the U.S., have been referred to as “the vitamins of chemistry.” They exhibit unique attributes like magnetism, stability at extreme temperatures, and resistance to corrosion, to name a few—indispensable properties in today's manufacturing. REE are essential for military and civilian use, an integral component of high-performance permanent magnets, GPS guidance systems, satellite imaging, night vision equipment, cell phones, iPads, flat screens, sunglasses, and a myriad other technology products.

In 1993, the U.S. produced 33 percent of global REE, China 38 percent, Australia 12 percent, with smaller contributions from Malaysia, India, and several other countries. But by 2011, China had cornered the market, accounting for over 95 percent of the world's REE production. Molycorp, the last rare earth mining company in the U.S., filed for bankruptcy in 2015.

Today the U.S. is almost 100 percent dependent upon Chinese imports for REE and other minerals. Chinese leader Deng Xiaoping noted in 1992 that “The Middle East has its oil. China has rare earth.” That statement is made all the more ominous today as our reliance on rare earths from China resembles our reliance on OPEC for petroleum imports before the Gas Crisis of 1973. Will the U.S. repeat the pain of gas lines again, only this time with products made from Chinese-embargoed minerals?

The short answer is “quite possibly.” During a recent discussion of rare earths, a defense industry analyst unequivocally stated, “Absolutely, China could cut off the supply.” The same applies to other U.S. imported minerals from China, Russia, and elsewhere.

Also imported from China are two other highly-specialized and very strategic metals: tantalum and gallium.

Demand for tantalum, critical to the economy and national defense has skyrocketed in the U.S. This element is a key component in smartphones, computers, tablets, surgical implants, carbide tools for metalworking equipment, chemical processing equipment, steel alloys for jet engine components, nuclear reactors, and missiles.

Gallium has been called a “smart metal” for its ability to combine with other elements to form a variety of semi-conductors useful in microchips and optical-electronic devices, including smart phones, wireless equipment, medical equipment, solar technology, LED lighting, photodetectors and solar cells.

A PROBLEM OF POLICY, NOT GEOLOGY

Although U.S. mineral wealth exceeds an estimated \$6 trillion, according to the National Mining Association, many abundant minerals still need to be imported in large quantities because of the policies foisted on the mining industry by the environmental cabal.

Yet with such inherent mineral abundance the U.S. somehow managed to quadruple its mineral trade deficit between 1973 and 1980. This sharp rise in imports is directly connected to the conspicuous reduction of access to federal lands, which in turn can be linked to the rise of the environmentalist movement in the 1970s.

Environmentalist roadblocks come in many shapes and sizes. They include restricted access to federal and state lands, federal land withdrawals, overregulation, extreme permitting timeframes, and activist legal efforts to engage the courts in shutting down mining operations. As noted above, the federal government’s history of decisions regarding public (and private) lands suggests that policy, not geology, determines whether or not mining will occur.

Three policy factors have contributed mightily to the domestic minerals downturn. First, the permitting process for mineral development on federal lands is grotesquely long. Second, environmental opposition to mining triggers litigation delays and regulations that increase development costs. Third, federal land withdrawals, usually with

permanent restrictions on exploration and mining, force manufacturers to look for mineral resources elsewhere.

Together, these factors have added up to a disaster for American mining.

PERMITTING DELAYS

U.S. mining projects require multiple permits. And many, many cooks are involved in the making of this stew: Relevant federal and state land management agencies, nongovernmental groups such as nonprofit organizations, local groups classified as “indigenous,” other government agency stakeholders and the general public usually participate in the process, conducted under the umbrella of the National Environmental Policy Act (NEPA).

Input from all of these groups requires substantial coordination. Mining companies are often forced to alter plans or mine designs, revise timelines and accommodate numerous and varied interests. Poor agency coordination and endless government timeframes usually make the environmental permitting process the lengthiest step in approving a mine.

On average, the NEPA process takes three to five years, often longer. Most mining projects require the most rigorous form of NEPA analysis—the dreaded Environmental Impact Statement (EIS). This is a comprehensive assessment of direct and indirect environmental, economic, and social impacts as well as a consideration of potential project alternatives.

The EIS results may also require more studies to be undertaken, mine plan modifications, and more time for consultation. This stage can easily occupy seven years, sometimes ten. Accounting for other required documentation, the full permitting timeline for a major mining project usually exceeds ten years.

Other major mining countries—think Australia and Canada—have limited permitting processes to roughly two years, even though they maintain environmental requirements no less stringent than our own. In these countries, a reduced permitting timeframe, mated to quality environmental analysis helps stabilize investors’ interest in the national mining industry. But in the U.S., significant delays increase uncertainty for investors and kill the potential development of many otherwise available mineral resources. The National Mining Association describes the problem thusly:

A permitting process that appears to be “bogged down,” and takes longer than projected, increases the risk profile for the project. If investors associate the delay with the increased possibility the project may ultimately not proceed, or the delay will decrease the returns from their investment, they may re-evaluate their financial commitments to the project and withdraw their funds.

The Bear Lodge REE deposit in Wyoming’s Black Hills National Forest offers a telling example of this phenomenon. Developer Rare Element Resources submitted an application to develop a high grade REE resource in 2012. They met with officials at the White House, the Departments of Defense and Energy, and other government agencies.

Despite considerable political support and the exciting promise of a high grade domestic REE supply—half a decade later, the Forest Service has yet to complete the EIS required by NEPA. The project remains stalled and investors have pulled out.

ENVIRONMENTALIST OPPOSITION AND OVERREGULATION

In the past few years, activists have actually been moving away from expensive environmental litigation and other forms of obstructionism, though this doesn’t mean they’ve abandoned their fundamental opposition to mineral mining. Instead, they’ve found it advantageous to directly prod federal agencies, the EPA in particular, to exact an undue and corrupting influence over the permit approval process.

Consider the recent example of environmental opposition to developing the proposed Pebble mine project in southwest Alaska. Among the most significant metallic mineral deposits ever discovered, the Pebble mine contains an estimated 6.44 billion metric tons of copper, gold, molybdenum and silver.

The Pebble mine site is located on state lands that were secured in 1974 as part of a land swap with the federal government, specifically for its mineral potential. The site has since been designated through two public land-use planning processes for mineral exploration and development.

While developer Pebble Limited Partnership was pursuing a permit to develop the deposits, the Environmental Protection Agency (EPA) used an obscure section of the

Clean Water Act to derail the project. In a 2014 proposal, EPA’s Region 10 Seattle office wrote that it would seek to shut down the mining operation “because of the high ecological and economic value of the Bristol Bay watershed and the assessed unacceptable environmental effects that would result from such mining.”

Crucially, EPA released this proposal in advance of any formal permit application from the Pebble Partnership, effectively vetoing the mine project in its opening stages. The EPA “veto” was based on less information than would have been included, considered, and vetted by stakeholders in the NEPA process. EPA’s unprecedented action was widely perceived to be both outside the law and a reflection of corrupt environmentalist influence on the agency decision-making process. Nevertheless, EPA is facing pressure to intervene preemptively in a number of similar cases.

Here are a few examples: an iron ore mine in the aptly named Iron County, Wisconsin, is being challenged by the Bad River Band of the Lake Superior Tribe of Chippewa because it might harm tribal wild rice beds; an environmental group in Minnesota is aiming to kill a nickel-platinum-palladium mine in the northeastern part of the state because this is a popular wilderness vacation destination; a planned nickel mine in Oregon near a tributary of the Smith River is facing an EPA veto, ostensibly to protect fish stocks.

All of these mining projects are still in the initial planning stage and have not progressed through the normal NEPA consideration process used for decision making: “What these projects have in common is that none has put forward an actual mine plan,” says Daniel McGroarty of the American Resources Policy Network (ARPN). “This action would trigger a thorough mine review as required under the National Environmental Policy Act. For more than 40 years NEPA has defined a process by which a mine plan is evaluated. Under the law, every one of the concerns raised by opponents to the Wisconsin, Minnesota, and Oregon mines would be aired publicly, examined by scientists and a range of technical experts, before approval is granted or denied. Now, using the Pebble mine as precedent, anti-mining activists are urging the EPA to ignore NEPA and bar mining projects with no review necessary.”

FEDERAL LAND WITHDRAWAL

Another pernicious obstacle to domestic mineral development is the increasing withdrawal of public lands from development. Vast tracts of public lands have been

withdrawn from entry to mineral exploration, leasing, mining, and other similar activities. A number of excuses have been mustered to explain this withdrawal to the public, including designation of wilderness areas, national monuments, habitat preservation, and military use.

The Obama administration dramatically increased land withdrawals through an abuse of the Antiquities Act, seeking to satisfy the anti-mining and anti-drilling agenda of the environmentalist cabal. He used the act a record 29 times to establish or expand national monuments. Obama was also the first president to use the Outer Continental Shelf Lands Act to withdraw coastal areas from mineral leasing activities.

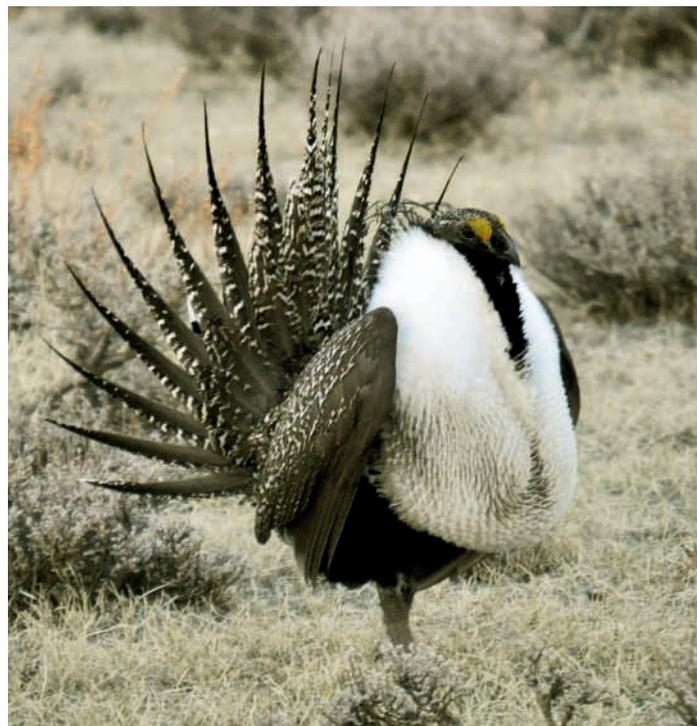


The Obama administration dramatically increased land withdrawals through an abuse of the Antiquities Act, seeking to satisfy the anti-mining and anti-drilling agenda of the environmentalist cabal.

The Trump administration has been confronted by major land withdrawals rushed through at the close of the previous administration and now under review. One egregious example is the Bureau of Land Management (BLM) proposal to protect the greater sage grouse and its sagebrush habitat.

If enacted, BLM would restrict federal land from future mining operations on 10 million acres in Idaho, Montana, Nevada, Oregon, Utah, and Wyoming. These sites would be declared off limits to exploration and mining in favor of habitat preservation. The National Mining Association (NMA) is opposed to this massive land withdrawal. They assert it would damage mining industry jobs and revenue and further restrict access to critical minerals. This last point is crucial, considering that western states account for 75 percent of U.S. metals mining and that half of the nation's federal hardrock minerals are already off limits for minerals development. A final decision to enact the greater sage-grouse withdrawal will definitely increase our mineral import dependence.

Blanket withdrawals of mining rights are usually irreversible. Environmentalists and government agencies fail to acknowledge cumulative effects on future access to mineral resources. Withdrawals no longer conform to the classic "conservation ethic" on which our public lands



One egregious example is the Bureau of Land Management (BLM) proposal to protect the greater sage grouse and its sagebrush habitat. A final decision to enact the greater sage-grouse withdrawal will definitely increase our mineral import dependence.

policies were first founded. In fact, the environmentalist cabal pushes for federal land withdrawals in areas where known *or suspected* mineral deposits are located to prevent their eventual mining!

Withdrawing mega-acreages that contain important minerals can create artificial shortages and greatly increase imports, as has been the case in the domestic minerals market for at least the past three decades. Another hidden consequence plagues land withdrawals: Americans will probably never know the full extent of mineral resources located in the public domain, as detailed geologic mapping, evaluation, and exploration are usually prohibited on withdrawn lands.

But what if the sum total of all U.S. mineral wealth could be suddenly deposited in a "mineral bank savings account"? Sadly, under current conditions, the U.S. government would have no way to examine this deposit, and in any case, would not be able to determine the "balance" of the nation's minerals savings—the true amount obfuscated by hundreds of land withdrawals involving many millions of acres.

Credit: Pacific Southwest Region USFWS.
License: <https://goo.gl/A6pzcG>.

Federal land withdrawals present the “ultimate resource challenge” to our economy. They beg the question: has the U.S. government already withdrawn so much land from exploration and mining as to preclude future supplies of badly needed key domestic minerals? The answer can’t be known, but the impact of withdrawals on the mining industry is obvious and substantial.

CONSERVATION VERSUS PRESERVATION

The federal government manages 640 million acres of land, roughly 28 percent of the United States. More than 90 percent of those holdings are in 12 Western states, and contain mineral deposits of substantial economic significance—especially Alaska, Arizona, Utah, Idaho, and Nevada—where most of the land is federal.

Unfortunately, approximately 390 million acres of land is no longer accessible for mineral exploration, and 520 million acres are not open under the mineral leasing laws of the U.S. That’s almost one thousand million acres—a billion acres!

These land withdrawals reflect the longstanding debate between the “conservation” versus “preservation” of our natural (mineral) resources. The conservationist ethic of managing public lands in the U.S. at the beginning of the 20th century held that the public resources are to serve the public good. In his memoir, Gifford Pinchot, the founding chief of the U.S. Forest Service defined conservation as, “the wise use of the earth and its resources for the lasting good of men.”

The conservation ethic implies good stewardship, while the preservation ethic has typically meant preventing development—known today known as “leave it in the ground.” Federal resource stewardship policies have tended over the years to abandon the conservation ethic in favor of out-and-out preservation, leaving nearly everything in the ground.

REASSERTING STEWARDSHIP OVER AMERICAN MINERAL WEALTH

To revive the domestic mining industry, secure supply chains for critical and strategic minerals, and better support the nation’s economy and defense sector, reasonable measures that can be enacted by Congress and the Executive Branch, with an eye to the role of the land management functions at the Interior Department and the Forest Service.

A January 2016 Government Accountability Office (GAO) study titled *BLM and Forest Service Have Taken Some Actions to Expedite the Mine Plan Review Process but Could Do More*, indicates that better government and industry cooperation would ostensibly shorten review and permitting timelines. The new report offers a positive outlook on this contentious issue.

The U.S. consumes more minerals and metals than any other nation but because of overregulation and snail-pace permitting, ranks seventh in the world in mining output. In a September 2016 GAO study titled *Strengthened Federal Approach Needed to Help Identify and Mitigate Supply Risks for Critical Raw Materials*, the agency recommended a few changes that might impact this dismal statistic: First of all, the Executive Branch must define the roles and responsibilities of relevant federal agencies and come up with joint strategies to improve mineral access. Then, it should develop a reporting structure that allows all agencies to assess progress on permitting and leasing.

The GAO study also suggested that access to critical and strategic minerals is too narrow a target; especially as the Executive Branch possesses no internal metrics for judging when a resource is critical or strategic. The GAO urged the Executive Branch to engage with industry stakeholders as a way to appreciate ever-shifting private sector needs.

The process of federal land withdrawals also needs to be seriously examined by the Executive Branch and Congress, according to the GAO. A list of 24 federal monuments is now being studied by the Interior Department to determine the advisability of redefining some of their boundaries. An executive order should emphasize the importance of considering mineral resources in any proposed land withdrawal. The executive must also address the need for exploration and resource evaluation on previously withdrawn lands, including immediate access to those lands with critical and strategic mineral deposits for contingency planning.

An opportunity exists for a legislative solution to these issues: The National Strategic and Critical Minerals Production Act (S. 145 and H.R. 520), introduced in January 2017, would “require the Secretary of the Interior and Secretary of Agriculture to more efficiently develop domestic sources of the minerals and mineral materials of strategic and critical importance to the economic and national security and manufacturing competitiveness of the United States.”

A significant part of this bill recognizes the abundance of U.S. mineral resources as well as our increasing dependency on foreign sources of minerals. If passed, the legislation

might finally enable an increase in domestic mining and a decrease in critical mineral imports—a great outcome for the country.

CONCLUSION

Secure access to critical and strategic minerals is a basic prerequisite to maintaining a thriving manufacturing industry, geopolitical strength, and a strong national defense. Decades of unsustainable public policy choices have threatened to turn each of those national strengths into national weaknesses. Currently, the U.S. mineral mining posture is weak from within and import reliant from without.

As recently as 1990, the U.S. was the world's largest minerals producer. Over the past four decades, as our standard of living and defense industry increased demand for critical and strategic minerals and metals, the U.S. mining industry has fallen into a precipitous decline.

The decline is not related to a shortage of resources domestically but instead by tight-fisted and corrupt policies of the environmentalists and their allies in the government and media. To fight against these powerful special interests, the U.S. must reaffirm its commitment to “conservation” and stewardship by adopting policies that pair environmental protection with reasonable access to mineral resources.



The U.S. has chosen the dangerous and perhaps fatal path of importing an ever-increasing number of minerals.

Environmental policies carried out by federal and state governments as described here are seen as foolish by many, especially conservationists. However, the environmentalist cabal that promotes the radical leave-it-in-the-ground agenda has a zero-sum attitude towards mining policy. Consequently, we are engaged in a battle with extremists for the mineral inheritance of all Americans. Alas, at the moment the cabal seems to be winning!

Viewing this battle from afar, the Chinese and their acolytes have positioned themselves to supply all the minerals the U.S. requires. They are secure in their geopolitical mineral strength in part because the U.S. has chosen the dangerous and perhaps fatal path of importing an ever-increasing number of minerals.



With horizontal drilling and hydraulic fracturing (fracking), the oil and gas industry has prospered in recent years, and their experience offers a lesson for the mining industry.

Of course, some mineral imports will always be necessary. However, making use of our abundant domestic minerals according to a conservation ethic would be the best counterweight to the potential instability of international supply chains. Do we really want the Chinese, the Russians, and other adversarial nations providing minerals key to our economy and national defense?

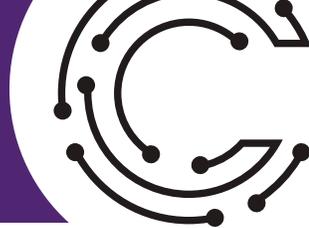
The Trump Administration has been presented with a unique opportunity by the American people to reverse this trend. But President Trump and his cabinet must confront both the internal and external policy threats to America's mineral independence. Given an effective template to follow—the positive changes wrought by technology in the energy sector—the problem is not as intractable as it once might have been.

Technological breakthroughs that catapulted the U.S. from heavily import-dependent on OPEC yesterday to the world's largest producer of oil and natural gas today, makes a good analogy to the current mineral import situation. The mining industry, with the help of the Executive Branch and Congress, must emulate the energy sector's astonishing success.

Meanwhile, our country has maxed out its minerals import credit card and China is the bank. ■

Read previous articles from the Green Watch series online at [CapitalResearch.org/category/green-watch/](https://www.CapitalResearch.org/category/green-watch/).

Credit: Erick Gustafson.
License: <https://goo.gl/W7rBif>



COMMUNITIES FUNDING THE RESISTANCE

The Alliance for Global Justice

By David Hogberg

Summary: *The obscure left-wing nonprofit, Alliance for Global Justice, punches well above its weight. The organization serves as a conduit, keeping funds flowing to radical and anti-American groups that terrorize conservatives on campus. It has helped to set the tone of the “resistance” movement opposed to President Trump.*

During the salad days of the Cold War, communists developed a clever tactic for infiltrating the mainstream of American society. Whenever they founded an organization, they almost never used the term “Communist” in the name. Rather, communists would give the organization a professional-sounding title.

Groups like American Youth for Democracy, League of American Writers, and National Lawyers Guild were either fronts for the Soviet Union or established by American-born communists. By using an innocuous title, these groups were able to make themselves appealing to mainstream America. Avoiding the term *Communist*, they were able to hide their true aim, the spread of an ideology that destroyed liberty and caused the deaths of tens of millions of persons.

After the Cold War, communists replaced the veneer of professionalism in their titles with a hefty dollop of sanctimony. Otherwise, the tactic is the same: employ a name that, on its face, few will find objectionable and that hides the group’s true goals.

One of the better known such groups is International Act Now to Stop War and End Racism (ANSWER). This group came to prominence during the Iraq War of the last decade. ANSWER is an umbrella group that organizes anti-war protests. About the only objection one could have was to point out how sanctimonious its name was.

But the group’s seemingly innocent title concealed a sinister reality. ANSWER was established by the International Action Center, a front group for the Workers World Party. The Workers World Party wears its communism on its sleeve, openly embracing the totalitarian nightmare that is North Korea.



AfGJ Screenshot.
License: <http://afgj.org>

Alliance for Global Justice (AfGJ) gained notoriety when it was revealed that it had funneled \$50,000 to Refuse Fascism, the group that was behind the riotous shutdown of a speech that conservative speaker Milo Yiannopoulos was scheduled to give at the University of California, Berkeley.

Another such organization is the Alliance for Global Justice (AfGJ). This Tucson, Arizona-based group had largely flown under the radar since its 1998 founding.¹ Yet in February 2017, AfGJ gained notoriety when the *Daily Caller* revealed that it had funneled \$50,000 to Refuse Fascism, the group that was behind the riotous shutdown of a speech that conservative speaker Milo Yiannopoulos was scheduled to give at the University of California, Berkeley.

AfGJ bills itself as “A little bit people’s think tank, a whole lot of organizing.” Indeed, everyone on AfGJ’s staff has considerable experience in organizing, both at home and abroad. But AfGJ does more than just organize. It helps fund many different left-wing groups through a legal maneuver known as “fiscal sponsorship.” And, as explained below, in a nation that is as polarized and has as many discontented young people as today’s America does, an organization like AfGJ can prove dangerous.

¹ There is a Seattle, Washington-based group called the “Community Alliance for Global Justice.” This is a separate entity unrelated to the Tucson-based group.

David Hogberg is a writer living in Maryland. He is author of Medicare’s Victims: How the U.S. Government’s Largest Health Care Program Harms Patients and Impairs Physicians.

FUNDING

According to its most recent (2015) IRS filing, AfGJ had just under \$2.3 million in revenue, \$2.1 million in expenses, and \$753,909 in assets.

AfGJ's funding reads like a Who's Who of radical left-wing foundations. Since 2004, AfGJ has received over \$200,000 in funding from the Tides Foundation. Tides' radicalism has been documented many times by Capital Research Center. Indeed, when other left-wing foundations want to give money to radical leftist groups but don't want to be seen giving it directly, they donate to Tides as a pass-through. (Previous CRC papers on Tides: *Green Watch*, August 2012; *Foundation Watch*, July 2011; and *Foundation Watch*, October 2010.) From 2004 to 2006, the Open Society Institute (now known as Open Society Foundations) gave \$100,000 to AfGJ. The Open Society Institute was founded by billionaire George Soros, who seems never to have met a leftist cause he didn't want to fund.



The Open Society Institute was founded by billionaire George Soros, who seems never to have met a leftist cause he didn't want to fund.

Other such foundations include:

- The Arca Foundation, which has given \$245,000 since 2002. CRC's Matthew Vadum described Arca as "on the cutting edge of radical left-wing causes, embracing Fidel Castro's Cuba, the Palestinian cause, Saul Alinsky-inspired community organizing, and the never-ending social justice campaigns of the Left" (*Foundation Watch*, October 2011).
- The Firedoll Foundation has given \$101,500 since 2008. Firedoll has also donated to the Palestine Children's Relief Fund, a "charity" that had financial ties to the Holy Land Foundation. The founders of the Holy Land Foundation were given prison sentences ranging from 15 to 65 years in 2009 after being convicted of funneling over \$15 million to the terrorist organization Hamas.
- The Brightwater Fund has donated \$510,00 to AfGJ since 2011. Brightwater also funds the radical leftist Popular Resistance, which has

protested at the homes of members of the Federal Communications Commission. In one instance, members of the group blocked the driveway of Commissioner Tom Wheeler.

- The New World Foundation has donated \$95,000 since 2003. The philanthropy also gives money to the Tides Foundation. From 1982 to 1988 it was chaired by none other than Hillary Clinton. During that time, it donated money to radical groups like the Christic Institute, Committee in Solidarity with the People of El Salvador (CISPES), and the National Lawyers Guild (the aforementioned communist front group).
- AfGJ has also received \$30,000 in grants from the Foundation for Deep Ecology, an environmental foundation that considers human beings to be a plague upon the earth; \$172,000 from the Hill Snowdon Foundation, which has given over \$5 million since 2000 to the Tides Foundation; and \$30,000 from the charitable arm of every leftist's favorite confectionary maker, the Ben and Jerry's Foundation.

AfGJ has also taken money from corporate foundations, including \$10,000 from the Bank of America Charitable Foundation, \$10,000 from the Aetna Foundation, \$5,000 from the Bank of America Charitable Gift Fund, \$119,000 from the Fidelity Investments Charitable Gift Fund, and \$21,100 from the Schwab Charitable Fund (the last three corporations provide "donor-advised funds" to individuals or foundations who use the funds to make charitable donations, often anonymously).

Earlier this year, Capital Research Center reported about these funding streams on its blog *Bombthrowers*, ("Do Bank of America, Fidelity, and Schwab support the Berkeley violence?" February 8, 2017). The blog post asked:

Now that esteemed companies like Bank of America, Fidelity Investments, and Charles Schwab Corporation know that the money they give to [AfGJ] can be funneled to violent groups like Refuse Fascism, do they condone violence like that which occurred in Berkeley?

Do they approve of mobs that prevent conservative speakers from being heard?

And, if they don't, will they stop funding [AfGJ]?

This prompted a response from Adam Banker of Media Relations at Fidelity Charitable. In his email, Banker stated that Fidelity Charitable is a national donor-advised fund

and that such funds “are cause-neutral charitable giving vehicles that enable those who fund their own donor-advised fund accounts to recommend grants from those accounts to IRS-qualified, 501(c)(3) public charities.” Grants “recommended by donors do not, in any way, represent an endorsement by Fidelity Charitable or Fidelity Investments.” (Again, Bank of America Charitable Gift Fund and the Schwab Charitable Fund also provide donor-advised funds.)

Fair enough. However, this writer replied to Banker by asking if Fidelity would allow future donations to the AfGJ now that it was aware AfGJ sponsored a violent group like Refuse Fascism. Banker did not respond. I followed up with Banker for this article, and posed the same question to the Aetna Foundation, Schwab Charitable Fund, Bank of America Charitable Foundation, and Bank of America Charitable Gift Fund. Only Schwab Charitable responded:

Schwab Charitable account holders recommend grants to charities of their choice. These recommendations do not reflect the views of Schwab Charitable, its management, or employees.

Our role is not to encourage or discourage individuals from making donations to specific, eligible charities. Our role is to ensure that charities are eligible to receive grants recommended by donors. The Internal Revenue Service determines which organizations are eligible charities, and we rely on the IRS’s judgment. We verify each organization’s charitable status regularly, and if a charity loses its eligible status, we stop approving grants to that organization.

Apparently corporate donor-advised funds will facilitate donations to a tax-exempt organization regardless of that organization does or believes.

IS AFGJ REALLY ‘COMMUNIST’?

Calling an organization communist is potentially inflammatory and, in some cases, defamatory. The term has very negative connotations in the United States, albeit well-deserved ones. Thus, it is important to be precise when defining communism.

A communist is someone who, in theory, supports an economic and social system in which all property and resources are controlled by a classless society and not by individuals. In practice, being a communist means supporting a government run by a small elite whose members control most of society’s resources and put severe restrictions on individual liberty.



YouTube screenshot. License: [https://goo.gl/MLk\]hd](https://goo.gl/MLk]hd).

Refuse Fascism was launched in December 2016 as the Left lost its collective mind in the wake of Donald Trump’s election victory. Its website proclaims, “It’s Fascism: Drive Out the Trump/Pence Regime!”

Does AfGJ fit that definition? The “Our Principles” page of the AfGJ’s website proclaims, “We are anti-capitalist without rigidly adhering to any one utopian alternative economic model.” It also states, “We support group rights as equal to or superior to the rights of individuals articulated by 18th Century European men.” Anti-capitalist, utopian economic model, group rights over individual rights—that fits the first part of the definition of communist quite well.

But what about the second part? There are two countries in the world that few would dispute are run by communist regimes, Cuba and North Korea. James Jordan, an employee of AfGJ, boasts that he “got to visit Cuba before Pres[ident] Obama did. There was not nearly the fanfare, but I can say I experienced some moments of warmth that may have even exceeded what the president encountered.”

Jordan visited the island prison twice in 2015. In his description of his visits he focuses on “myths that persist until this day” that “have been the driving force shaping US policy towards Cuba.” One of those myths is that there is no freedom of religion in Cuba. Jordan says, “I can say categorically in both of my visits that I saw absolutely no evidence of any kind of suppression of the right to worship, or not to worship, as one pleased.” One suspects he didn’t look too hard.

Another myth is that “there is no freedom of speech or dissent and that censorship is rampant” in Cuba. Jordan writes, “I did hear dissent openly expressed. More often I heard nuanced criticisms of the government made by persons who were nonetheless supportive, but they recognized some problems and had ideas on how to make things better.” Jordan follows that up with this whopper:

My general impression was that the Cuban people I spoke with, whether dissidents, critical supporters or 100% gung-ho fans of the socialist government seemed significantly less paranoid and worried about surveillance and government repression than my fellow Leftist activists living here in the United States, especially since passage of the Patriot Act and its spawn. It amazes me that pundits in the United States will still drone on about the lack of freedom in Cuba, and that many find these over-the-top pronouncements to be valid. They seem to forget or ignore that we are living in the nation with the world's largest rate of incarceration of its population (even though crime rates have been going down since the 1970s), in a land where people just assume the NSA, FBI and a variety of other initials are keeping tabs on us, in a nation that in fact has hundreds of political prisoners.

We in the U.S. can laugh ourselves silly at Jordan's useful idiocy. Armando Valladares and Óscar Elías Biscet, dissidents who spent decades in Fidel Castro's gulags, would no doubt be less amused.



What is clear is that AfGJ does its best to put a warm, kind face on two of the most brutal regimes on the planet.

The staff at AfGJ are also able to suspend disbelief regarding the totalitarian nightmare that is North Korea. Stansfield Smith, a committed Marxist and frequent contributor to AfGJ's website, visited North Korea in 2013 when tensions were particularly high over North Korea's nuclear weapons program. On AfGJ's website Smith wrote, "I asked my Korean tour guides to be interviewed so I could present their views to US people" on the escalating tension in the region.

Smith took at face value his tour guides' claims that the tension was due to American, South Korean, and Japanese hostility, that North Korea developed nuclear weapons to protect itself from U.S. aggression, and that North Korea negotiated with the U.S. over nuclear weapons "but the U.S. broke agreements, and increased sanctions five times."

The biggest howler came in response to Smith's question about the effect of U.S. sanctions:

The sanctions affect every household, every individual in (North Korea). There are power cuts, a heating and energy shortage, a food problem. Even you



Credit: Open University of the Left YouTube screenshot.
License: <https://goo.gl/BQMC66>.

Stansfield Smith, a committed Marxist and frequent contributor to AfGJ's website, visited North Korea in 2013 when tensions were particularly high over North Korea's nuclear weapons program.

visiting tourists are affected by the sanctions, as you see with your hotels. There is a lack of oil and spare parts for machinery.

For loyal communists in an organization like AfGJ it is axiomatic that North Korea's economic problems are the result of U.S. "aggression." It would never occur to them that such problems are the result of Pyongyang's central planning. Nor does it occur to Smith that his tour guides are toeing the party line because if they didn't, they'd be lined up and shot.

It's not clear how anyone can be so patently deluded decades after the barbarity of communist regimes all over the world has become common knowledge. What is clear is that AfGJ does its best to put a warm, kind face on two of the most brutal regimes on the planet. As such, AfGJ fits the second part of the definition of communist to a T.

HARD CORE LEFT-WING LEADERSHIP

The Alliance for Global Justice finds its origins in an organization founded in 1979 called the Nicaragua Network, a group that was dedicated to supporting the Marxist Sandinista regime in Nicaragua. By the 1990s the Nicaragua Network was running a number of international campaigns involving World Bank protests and labor rights. According to AfGJ's website, when a group named Nicaragua Network tried to organize campaigns that had little to do with Nicaragua, it confused its activists and donors. In response, members of the Nicaragua Network formed the Alliance for Global Justice in 1998.

AfGJ was initially headquartered in Washington, D.C. It still maintains an office there, and its most recent IRS filing lists a telephone number with DC's 202 area code, but in 2013 AfGJ moved its primary headquarters to Tucson, Arizona, according to its IRS disclosures.

Katherine Hoyt and Chuck Kaufman have served as “National Co-Coordination” for AfGJ, which they joined as staff members in 2003. Both have long histories of involvement in far-left causes. Hoyt received a Ph.D. in political science from Rutgers University. In the 1960s, she moved to Nicaragua where in 1967 she married Dr. Bayardo Gonzalez. She was an active supporter of the Sandinistas prior to their overthrow of the corrupt Somoza regime.

When the Sandinistas advanced against the Somoza government in 1979, she and her husband permitted the Sandinista guerrillas to use her house. At one point, according to Hoyt, the guerillas stockpiled Molotov cocktails in her dining room.

After the coup, Hoyt went to work for the Sandinista government, ultimately working as a translator for the national legislature. After leaving Nicaragua, she was involved in numerous leftist groups and causes, including the Nicaraguan Network, the Pledge of Resistance, and the Michigan Interfaith Committee on Central American Human Rights. Recently, she stepped down as a Co-Coordinator for AfGJ but has stayed on as an advisor.

Kaufman has long been active in anti-war movements and Latin American “Solidarity” networks. His biography states that he was one of the original founders of International ANSWER, the communist group with affinity for North Korea mentioned earlier. More recently, he has been coordinator of the Nicaragua Network and Venezuela Solidarity Network.

AfGJ provides fiscal sponsorship services that fund groups that do not have 501(c)(3) nonprofit status from the Internal Revenue Service. This means AfGJ is a “pass through” entity that allows donors who want to give to a group that lacks tax-exempt status to donate instead to the AfGJ. This mechanism helps individual donors, who may now deduct the donation from their income taxes, and also helps foundation donors, who are generally forbidden to give to groups that lack nonprofit status. It also helps the groups that finally receive the monies, because they don't have to report on their activities to the public and, if convenient, they can pop up, perform legally dubious actions, and then disappear with no accountability. AfGJ takes a 7 to 8 percent administrative fee from the money that it passes on to other groups.



Credit: Inside Higher Ed.
License: <https://goo.gl/ihutU1E>.

On February 1, 2017, a group of about 150 masked thugs rioted before the scheduled speech of conservative provocateur Milo Yiannopoulos at U.C. Berkeley.

The purpose of AfGJ's fiscal sponsorship service, according to its IRS filing, is “to help the progressive movement grow and gain more influence on regional, national, and international levels.” AfGJ claims to have supported over 85 groups in this manner.

WHO'S THE FASCIST?

On February 1, 2017, a group of about 150 masked thugs rioted before the scheduled speech of conservative provocateur Milo Yiannopoulos at U.C. Berkeley. They caused injuries and over \$100,000 worth of property damage on campus and, according to the Downtown Berkeley Association, another \$400,000 to \$500,000 worth of damage elsewhere. The university cancelled Yiannopoulos's speech.

A group calling itself Refuse Fascism organized the thugs. Refuse Fascism was launched in December 2016 as the Left lost its collective mind in the wake of Donald Trump's election victory. Its website proclaims, “It's Fascism: Drive Out the Trump/Pence Regime!”

Its leaders appeared to have no compunctions about causing the Berkeley riot, because they brag it was “righteous.” Calling Yiannopoulos a “major fascist operative,” Refuse Fascism justified shutting down his speech” with the assertion, “Milo Yiannopoulos is not engaging in ‘free speech.’ He is consciously spearheading the Nazification of the American University.” Lastly, Refuse Fascism declared, “These protests should be supported and defended by all those who value critical thought.”

Yet if one visits Refuse Fascism’s website, it becomes readily apparent that critical thinking is not the group’s strong suit. The website never actually explains why the Trump administration or Yiannopoulos are fascist. (Perhaps Mike Pence goosesteps into his office every day, or Milo’s cameraman wears a brown shirt?) The silliest part of the website is the page that purports to list Trump’s “crimes against humanity,” which include revoking “federal guidelines that mandated transgender students have the right to use public restrooms that match their gender identity,” signing “a law giving states the option to deny funding for Planned Parenthood and other organizations that provide legal abortions,” and refusing “to hold regular press briefings; attack[ing] and threaten[ing] individual reporters and news outlets, and... tweet[ing] a video of himself beating up a CNN reporter.” Refuse Fascism doesn’t explain how such actions rise to the level of, say, genocide.

AfGJ didn’t appear to have any regrets about being a pass-through for Refuse Fascism. When the Daily Caller contacted AfGJ about Refuse Fascism’s role in the Berkeley riot, Co-coordinator Kaufman responded, “AfGJ acts as fiscal sponsor for Refuse Fascism which means we process tax-deductible donations for them. As long as their use of the money falls into areas permitted for tax-exempt 501(c)(3) organizations, we don’t involve ourselves one way or the other in their program work.” Just a guess, but provoking a riot probably doesn’t qualify for tax-exempt status.

More recently, Refuse Fascism claimed to be a big part of protests at the G20 summit in Hamburg, Germany. Those protests turned violent as well, with hundreds of police officers injured. It’s not clear whether Refuse Fascism took part in the violence.



What Refuse Fascism did at Berkeley came much closer to resembling Kristallnacht than anything the Trump administration or Yiannopoulos has done.

Despite the riot in Berkeley, AfGJ still assists Refuse Fascism. The fundraising part of Refuse Fascism’s website states: “To support our educational activities and make a tax-deductible donation by mail, make your check out to Alliance for Global Justice”...designate Refuse Fascism in the memo and mail to the address above. RefuseFascism.org is a fiscally sponsored project of the Alliance for Global Justice, a registered 501(c)3.”

It seems hypocritical for an organization like AfGJ, which supposedly promotes “peace” around the world, to support a violent group. But AfGJ’s commitment to peace is just a matter of convenience. The group states in its principles that, “We do not criticize the strategies and tactics of authentic organizations of the oppressed. Our parent organization, the Nicaragua Network, was founded to support an armed revolution.” It claims to respect pacifism but does “not support imposing that personal belief on others, especially the marginalized and oppressed.” The leaders of AfGJ see their role as articulating the “priorities of our oppressed partners rather than to tell them what we think is best for them.” Presumably Refuse Fascism is somehow an “oppressed group,” and thus AfGJ won’t criticize its strategies and tactics, even violent ones.

Ultimately, what may be most disturbing about Refuse Fascism, aside from its violent nature, is the irony of its name. After all, what the group did at Berkeley came much closer to resembling Kristallnacht than anything the Trump administration or Yiannopoulos has done.

OTHER “SOLIDARITY” PROJECTS

Since 2000, AfGJ has raised over \$2.2 million in grants for an organization called the Chiapas Media Project. Chiapas is the southernmost state of Mexico and the base of operations for the Zapatista Army of National Liberation, known more commonly as the Zapatistas. While it is hard to nail down the exact ideology of the Zapatistas, it is undoubtedly a left-wing movement.

The Chiapas Media Project bills itself as a “bi-national partnership that provided video equipment, computers and training enabling marginalized indigenous communities in Southern Mexico to create their own media.” “Marginalized indigenous communities” is a euphemism for Zapatista supporters, as is clear from the documentaries produced with support from the Chiapas Media Project. Some documentaries display this in their titles, such as *We Are Equal: Zapatista Women Speak* and *The Silence of the Zapatistas*.

For other videos, one has to look a bit beyond the title. For example, the description of *The Sacred Land* states:

For more than [*sic*] 500 years indigenous people in Chiapas have been struggling to regain ownership of their lands. Until the Zapatista uprising in 1994, most indigenous people in Chiapas existed by working on large plantations for rich landowners.... Produced in the autonomous municipality of

“November 17th” and edited by indigenous video makers, The Sacred Land helps provide a context for the events of 1994 through unique insight into the past. Community members reflect on how life has changed since 1994 and express their hopes and dreams for their collective future.

Is this really a documentary showing the struggles of indigenous people in Chiapas, or is it a veiled justification for the violence unleashed by the Zapatistas? One can't find out for free since the documentaries are not available on YouTube. Rather, this leftist organization sells its videos for \$20 each online.

If supporters of the Zapatistas are filming these documentaries, chances are slim that these films come anywhere close to an objective look at the violent conflict between the Zapatistas and the Mexican government. They are more likely pro-Zapatista propaganda that the filmmakers and their funders are trying to pass off as examinations of “indigenous people.” Little wonder, then, that AfGJ has been so active in the funding of the Chiapas Media Project.

The other groups that are part of AfGJ's fiscal sponsorship run the gamut of left-wing causes: pro-Palestine, remnants of Occupy Wall Street, LGBT, pro-illegal immigration, anti-prison, and anti-police (a.k.a. Black Lives Matter), and environmentalism. Of particular note are groups like The FANG Collective and We Are Cove Point. FANG, which is short for Fighting Against Natural Gas, and We Are Cove Point are anti-fracking organizations. Although study after study has shown fracking to be safe, that hasn't put a dent in the Left's anti-fracking activism.



A member of We Are Cove Point was arrested for trespassing on a construction site and trying to deliver a “People's eviction notice” to Dominion Construction.

As with many groups supported by AfGJ, FANG and We Are Cove Point engage in civil disobedience, i.e., breaking the law to harass private citizens and businesses. Recently, a member of We Are Cove Point was arrested for trespassing on a construction site and trying to deliver a “People's eviction notice” to Dominion Construction. In November 2016, FANG activists used bike locks to chain themselves

to the door of a TD Bank in Providence, Rhode Island, because TD Bank funded construction of the Dakota Access Pipeline.

AfGJ's support for anti-fracking groups seems particularly ironic, if not hypocritical, given its constant cries for economic justice. According to one analysis, the fracking boom has created over 4.6 million jobs. Many of those jobs go to working-class people, people that socialists like AfGJ pretend to fight for.

WHY AFGJ MATTERS

It would be easy to dismiss AfGJ as an insignificant group that takes in about \$2 million in revenue annually—a relatively small amount for a group trying to exert both national and international influence. That, however, would be a mistake.

First, many of its employees, such as Hoyt and Kaufman, are experienced organizers who have considerable skills at mobilizing the left-wing grassroots. Additionally, the costs of organizing are much less today than they were a quarter century ago, thanks to the Internet and social media. Just consider the beginning of Refuse Fascism, which AfGJ participated in. Within two months of its founding, the group had enough organizational prowess to cause a riot and shut down a speech at UC Berkeley. Barely eight months later (July 15) it was able to organize nationwide protests.

Of course, organizing is of limited use if people aren't buying what you're selling. In more normal times, when the economy was more robust and the political landscape was less polarized, AfGJ would probably be finding its radicalism a hard sell. The group wouldn't be much more than an irritant, occasionally causing problems, but seldom doing any long-term damage.

But these are not normal times. The U.S. economy has been sluggish for years, and as the recent presidential election suggested, the electorate is more polarized than at any time since the 1960s. In such times many people, especially young people, are looking for easy explanations and simple solutions. Communist organizations like AfGJ are eager to provide them.

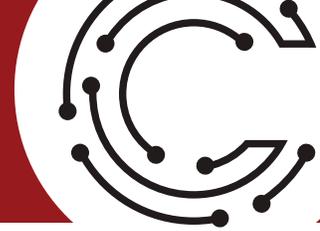
Another reason to be concerned is that here in the U.S. and in other nations, a particular demographic is ripe for exploitation by groups like AfGJ: a class of young people who are well-educated but either unemployed or underemployed. Seduced by the false promises of a college education, they often major in soft subjects

like sociology or ethnic and gender studies. After they graduate, they find such degrees have little value in the job market, and if they find employment, it's often in jobs that do not require a college degree. Worse, they've often piled up thousands of dollars in student loans that will take decades to pay off. This is borne out by surveys of protesters. A poll of Occupy Wall Street found that 49 percent of the participants were under age 30, and 33 percent were either unemployed or underemployed. A recent study of a left-wing protest in Berlin found 72 percent of the participants under age 30, 92 percent still living with their parents, and a third unemployed.

As the economist Thomas Sowell noted, "People who have acquired academic degrees, without acquiring any economically meaningful skills, not only face personal disappointment and disaffection with society, but also have often become negative factors in the economy and even sources of danger especially when they lash out at economically successful minorities and ethnically polarize the whole society they live in."

This is a phenomenon that has occurred in many nations throughout history, including the former Czechoslovakia, India, Hungary, Nigeria, Kazakhstan, Romania, Sri Lanka, and Canada. And now it may be playing out in the United States. Groups like AfGJ will fan the flames of these young people's resentments, focusing their ire on corporations, wealthy people, and conservatives. Fan it enough, and eventually many of these people will act out violently, causing millions of dollars in property damage, injuries, and perhaps even death. Berkeley and Hamburg may be portents of things to come. ■

Read previous articles from the Organization Trends series online at CapitalResearch.org/category/organization-trends/.



HAVE SOME LIBERAL POLITICS WITH YOUR CEREAL

The W.K. Kellogg Foundation's radical leftward drift

By Michael Volpe

SUMMARY: *One of America's oldest philanthropic organizations, the W.K. Kellogg Foundation, was the brainchild of the famously apolitical cereal magnate. Founded almost a hundred years ago, the Kellogg Foundation has long since watered down its main mission—the welfare and medical care of children—with donations to trendy left-wing causes, including the racist polemicists of Black Lives Matters and other radical groups promoting open borders with Mexico.*

If you apply the old Woodward and Bernstein adage “follow the money,” to the W.K. Kellogg Foundation, then there are few philanthropies whose unstated politics are more easily understood.

The W.K. Kellogg Foundation is currently the seventh-largest philanthropy in the U.S. in terms of dollars, according to a 2016 analysis of the foundation. In 2015, the last year for which its IRS filings are available, the foundation distributed nearly 2,000 grants totaling \$268,065,253. It ended the year with \$448,430,564 in assets.

The cereal magnate W.K. Kellogg created the foundation because his grandson, despite the family's enormous wealth, couldn't get decent health care in small town Michigan where he lived. Kellogg quickly grasped the need for funding in underserved areas.

Since its founding, the Kellogg philanthropy has given hundreds of millions of dollars to hospitals, schools, and youth centers, especially in rural and underprivileged areas. But it has strayed from the goals of its conservative founder, thus betraying what is called “donor intent,” an important concept in the philanthropic community. In the last few years, the Kellogg Foundation has sent billions of dollars to left-wing causes like open-borders groups, liberal think tanks, and projects supported by billionaire leftist George Soros. (We previously profiled the Kellogg Foundation in the May 2013, February 2010, and April 2007 issues of *Foundation Watch*.)



Credit: Kellogg Foundation. License: <https://goo.gl/3ChM89>

Founded almost a hundred years ago, the W.K. Kellogg Foundation was the brainchild of the famously apolitical cereal magnate, and is one of America's oldest philanthropic organizations.

Although it seems clear W.K. Kellogg himself would not approve of what his foundation has become, its leftward drift has been aided by the man's inherent reticence: As philanthropy expert Martin Morse Wooster recently wrote, “Kellogg never expressed his ideas at length. He was a quiet, unassuming man, who would sit in the back row in ceremonies in his honor. When asked for an autobiography, he produced a 150-word statement.”

After spending a decade in finance, Michael Volpe has been a freelance investigative journalist since 2009. His work has been published locally in the Chicago Reader, Chicago Crusader, Chicago Heights Patch, and New City. Nationally, Volpe's work has appeared in a wide variety of publications including the Washington Examiner, the Daily Caller, Crime Magazine, the Southern Christian Leadership Conference Newsletter, and Counter Punch. His most recent book, Sandra Grazzini Rucki and the World's Last Custody Trial, was released in October 2016.

A BIT OF HISTORY

Will Keith Kellogg was born April 7, 1860, in Battle Creek, Michigan, to John Preston Kellogg and his wife Ann Janette Stanley Kellogg under a lucky star: “I was my father’s seventh son, born on the seventh day of the week, on the seventh day of the month. My father was a seventh child and the name ‘Kellogg’ has seven letters,” W.K. Kellogg, something of a numerologist, later recalled.

“Kellogg was one of 14 children in a strict Seventh-day Adventist family,” adds his biography, in Philanthropy Roundtable’s *Philanthropy Hall of Fame*. “They observed the Sabbath on Saturday, and abstained entirely from alcohol, tobacco, coffee, tea, and meat. Schooling for W.K. (as he liked to be called) ended at age 13, when he was apprenticed to his father’s broom-making business. It was a childhood filled with work and responsibility. ‘As a boy,’ W.K. lamented, ‘I never learned to play.’”

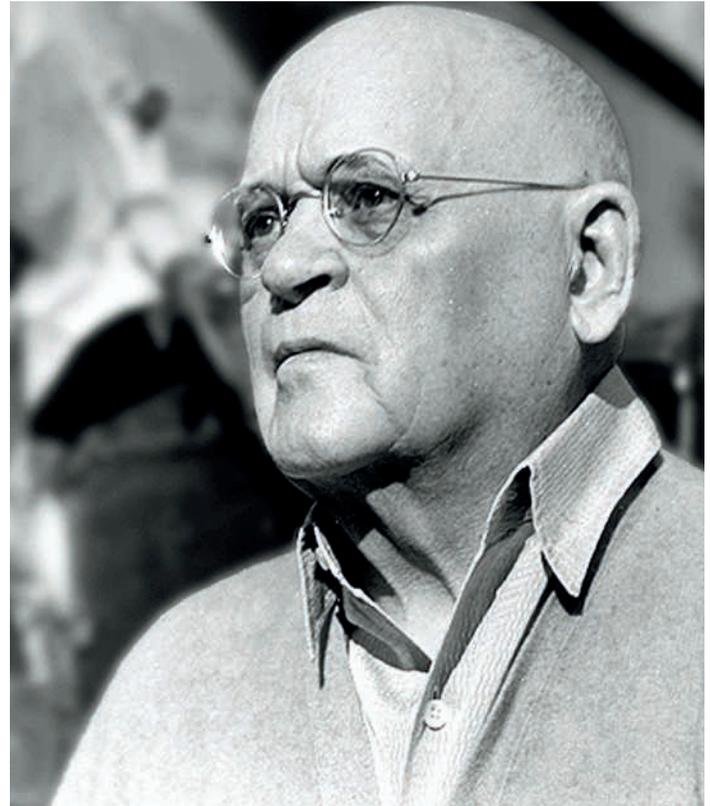
Today, Battle Creek, a small city of 52,347 people about 120 miles west of Detroit, is still the headquarters of both the Kellogg’s Company and the foundation. Though the foundation still owns tens of millions of shares of Kellogg’s stock, according to *Inside Philanthropy* magazine, the company and the foundation, at least on paper, have remained separate entities.



The W.K. Kellogg Foundation has strayed from the goals of its conservative founder, thus betraying what is called “donor intent,” an important concept in the philanthropic community.

In 1879, W.K. Kellogg got married to the beautiful Ella Osborn Davis. Soon after this, W.K.’s brother John Harvey Kellogg, a doctor, hired him to work at the Battle Creek Sanitarium, where the latter was superintendent. This job, remunerated with the princely sum of \$6 per week, also included room and board. As described in a noted biography, *Will Keith Kellogg: The Breakfast King*, “...a testy relationship existed between the brothers that had its origins in childhood; John would occasionally whip his younger brother for real or perceived infractions.”

Seven years older than W.K., John Harvey is considered a genius or a quack, depending on who’s writing the opinion: “John, the author of more than fifty books, was



Credit: Google images. License: <https://goo.gl/qCedfG>.

“I was my father’s seventh son, born on the seventh day of the week, on the seventh day of the month.”—W.K. Kellogg.

a medical genius far ahead of his time, who introduced new surgical techniques, coined the term ‘sanitarium’ and pioneered the concept of healthy eating and regular exercise,” says the biography. “Battle Creek Sanitarium had only twelve patients when he joined as chief physician,” the biography continues. “He ordered the patients to eat natural food and refrain from smoking—he believed smoking caused cancer.” What would eventually become corn flakes was first dreamed up by John Harvey for his sanitarium patients. Though he also had his quirks: He became obsessed with masturbation; the breakfast flakes he created he believed would curb what he saw as an unhealthy and addictive practice, their bland taste a palliative to reduce sexual arousal.

In his obsessions, right or wrong, John Harvey was following in a tradition of wholeness and health emphasized by the Seventh-day Adventist church from its creation in the 1860s. The church preached a vegetarian kosher diet, as prescribed in the Bible in *Leviticus 11*.

Among John Harvey’s patients was Charles William (C.W.) Post, who himself would go on to form his own successful cereal company.

When numerous former patients wanted to make the breakfast flakes a regular part of their diet after leaving the sanitarium W.K. and J.H. Kellogg together opened a small plant to produce the stuff. But unlike J.H., W.K. thought big: He envisioned a global brand powered by a global marketing campaign, while his brother only wanted his breakfast flakes available to former patients.

A battle of wills soon broke out between the two brothers; it became clear W.K. couldn't implement his vision while still working for J.H. He quit the sanitarium in 1906 and incorporated the Battle Creek Toasted Corn Flake Company.

"W.K. took a third of the stock," the biography explains, "and gave the rest to John in exchange for the rights to the cereals. John, parsimonious to a fault, paid sanitarium employees in stock in lieu of cash. W.K. surreptitiously purchased their shares and gained control."

"Litigation between the two brothers ensued. John wanted to use the Kellogg name on his own food packaging but W.K. claimed the right to the Kellogg name...The breach between brothers was complete. They would only speak to each other when required at some annual family gathering."

Meanwhile, W.K., who routinely worked 18-hour days, made his company a huge success, creating an entire breakfast food industry in the process.

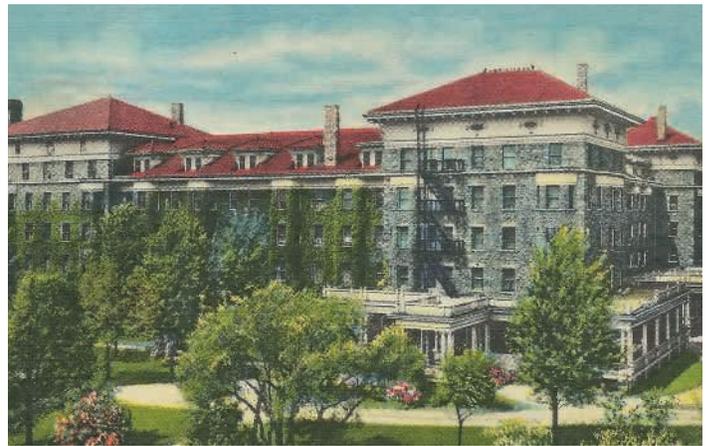
THE W.K. KELLOGG FOUNDATION

Now, on to philanthropy: The roots of W.K.'s philanthropic urges go back to 1913 when his grandson, a toddler named Kenneth Williamson, fell out of a second story window. Though the unfortunate tyke didn't die, he was physically disabled the rest of his life.

Despite the vast wealth he had accrued, W.K. Kellogg could not find good health care for his grandson anywhere near Battle Creek. In a letter to a physician, Kellogg said the accident, "caused me to wonder what difficulties were in the paths of needy parents who seek help for their children when catastrophe strikes, and I resolved to lend what aid I could to such children."

W.K. founded the Fellowship Corporation in 1923 and the W.K. Kellogg Foundation in 1930, with children's health care, especially in the Battle Creek area, its main focus.

"A year after opening its doors, the Kellogg Foundation launched the Michigan Community Health Project," his hall of fame biography notes. "Focused on the seven counties of southern Michigan, the 17-year initiative built



W.K.'s brother John Harvey Kellogg, a doctor, hired him to work at the Battle Creek Sanitarium, where the latter was superintendent.

new hospitals in rural areas, helped organize public health departments, and provided nurses and doctors for remote towns. In 1942, the State Department asked Kellogg to expand the program to Latin America as a wartime gesture of goodwill. Kellogg willingly complied.

"In doing so," observes historian Joel Orosz, "the foundation curiously became international in scope before it became national."

THE W.K. KELLOGG FOUNDATION'S FATAL FLAW

When W.K. created his foundation, he stated that its purpose would be "...confined to receiving funds for the health, education, and welfare of mankind, but principally of children or youth, directly or indirectly, without regard to sex, race, creed, or nationality."

Kellogg died on October 6, 1951, having been an active voice in the foundation and donating a total of \$66 million—more than \$1 billion in inflation-adjusted dollars—to the foundation over his lifetime.

While W.K.'s intent was to provide funds only for "health, education, and welfare of mankind," the foundation experienced mission drift over time.

According to Martin Morse Wooster:

Since 1930 the mammoth W.K. Kellogg Foundation has given billions of dollars to causes and projects that encourage dependency on government. Founder W.K. Kellogg rejected socialism, but he was not specific about his intentions and not forceful about trying to fulfill them. As a result, the foundation

Kellogg created has gone down the well-worn path of liberal philanthropy, donating to nonprofit advocacy groups that support government programs dealing with public health, agriculture, and the amelioration of poverty and it has little to show for all the money it has spent.

Today, against the understated but definite leanings of its capitalist founder, the foundation skews decidedly left. Its mission statement says the foundation “supports children, families and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society.”



Today, against the understated but definite leanings of its capitalist founder, the foundation skews decidedly left.

Grants are split into six categories: WKKF Community Leadership Network; Educated Kids; Healthy Kids; Secure Families; Racial Equity; Community & Civic Engagement. Plenty of funding finds its way to left-leaning groups focused on racial equality and community and civic engagement. For example, the American Civil Liberties Union (ACLU) received six grants totaling \$1,297,079 between 2013 and 2015.

The National Association for the Advancement of Colored People (NAACP) also did well, receiving \$2,095,000 from three grants in the same time period.

That's not to say that grants to well-known left-wing nonprofits are rubber stamped: Planned Parenthood received a paltry \$2,140 from Kellogg between 2014 and 2015.

THE GOOD PART: KELLOGG GIVES AWAY MILLIONS TO WORTHY CAUSES

The foundation continues to dole out tens of millions of dollars every year to hospitals, schools, and other charitable ventures.

The Boston Medical Center received \$1,455,975 between 2013 and 2015 for a variety of child and infant programs. In 2015, the University of Nebraska Medical Center

received \$200,000; Health Connect One of Chicago, according to its website “the national leader in advancing respectful, community-based, peer-to-peer support for pregnancy, birth, breastfeeding and early parenting,” received \$900,000.

The foundation gave two grants—totaling \$348,001—to the Henry Ford Health System to “decrease the high infant mortality rate in at-risk populations by scaling an effective infant mortality reduction model and institutionalizing it to become sustainable, replicable, and reimbursable.”

The foundation also gives dozens of grants to schools, church based groups, the United Way (both to the national office and to myriad local chapters), the Humane Society, the Boy Scouts, and the Boys and Girls Club.

Charities serving Battle Creek, Detroit, and Kalamazoo are regular recipients of funds. More than twelve grants in 2015 including: a \$55,800 grant to the Battle Creek Catholic Schools, another \$2,503,000 in grants to the Battle Creek Public Schools, and \$1,911,332 to the Battle Creek Community Foundation, itself a nonprofit that funds local community programs.

“Since our founding in 1930, the W.K. Kellogg Foundation has been committed to ensuring that all children have the opportunity to thrive,” the WK Kellogg Foundation said in a statement to me. “In order to achieve this objective as a grantmaking organization, we seek to address the root causes of issues that adversely impact the lives of children, their families, and their communities.”

WHO RUNS THE W.K. KELLOGG FOUNDATION?

The current president and CEO, La June Montgomery, has held the post since 2015 after joining the foundation in 1987—so says her biography on the foundation's website.

The board of trustees is a who's who of power brokers throughout America's heartland: Ramon Marguia is a noted attorney in Kansas City; Richard Tsoumas heads a wealth management group in Battle Creek; Cathan Kress is Iowa State University's Vice President for Extension and Outreach; and Cynthia Milligan is a director with Wells Fargo and was the dean of the College of Business Administration at the University of Nebraska at Lincoln.

Several of the Foundation's high-ranking employees show a distinct radical bent. One of them is the Rev. Alvin Herring, the Foundation's Director of Racial Equality. In a December 2016 expose, Breitbart examined Herring's

social media postings and dug up the following RIP for a murderous socialist despot: “Rest in power #Fidel” Herring posted, to mark Fidel Castro’s death.

Herring has also penned a handful of posts for *Sojourners*, the eponymous magazine of a far-left group funded by the Open Society Institute.

In a *Sojourners* article, Herring cheered on the race rioters who brought Ferguson, Missouri, to its knees after the fatal police shooting of Michael Brown in August 2014. His tone recalled that of radical 1960s lawyer William Kuntzler who denounced police as “an occupying army” in the inner cities.

“Last night democracy was trampled not as the media would suggest by the angry footfalls of sullen youth determined to disturb the peace and wreak havoc in their own community, but by the heavy march of a police force that seemed determined to create tension and antagonize young people—young people who are carrying the trauma of nights of unrest and lifetimes of dehumanizing racism,” Herring wrote in his breathy, demagogic prose.

“Law enforcement was outfitted with the machinery of war. The officers wore military fatigues and carried automatic weapons. They were helmeted, with their faces obscured, and in the darkness, they looked more like machines than human beings. They perched atop huge military vehicles with glaring lights and screeching sirens. It was otherworldly—and all of this to face down a group of wounded children, wounded tonight and many nights before this night.”

OPEN BORDERS

Unfortunately, Herring oversees grants related to keeping the U.S.-Mexico border wide open for illegal aliens and terrorists.

Under his leadership, the foundation gave \$2,400,000 to the far-left racists of the National Council for La Raza for “general operating support” in 2015. A significant jump in Kellogg’s support for this organization: the foundation gave nothing to La Raza in 2014, and only \$45,000 for a charitable “annual conference luncheon lecture”—a far-left speaker talking to a thousand or more La Raza members at its annual conference—in 2013.

The foundation maintains an office in Albuquerque, New Mexico, and has doled out millions of dollars in grants to open-borders groups. One of them, El Centro De Igualdad y Derechos (The Center for Equality and Rights) is a “grassroots, Latino immigrant led organization based in



In a Sojourners article, Herring cheered on the race rioters who brought Ferguson, Missouri, to its knees after the fatal police shooting of Michael Brown in August 2014. His tone recalled that of radical 1960s lawyer William Kuntzler who denounced police as “an occupying army” in the inner cities.

Central New Mexico that works with Latino immigrant communities and allies to defend, strengthen, and advance the rights of our community,” according to its website.

The \$125,000 grant El Centro received goes to “increase family stability for mixed status (presumably to both legal and illegal aliens) immigrant children by increasing the number of families who can start down *a path to citizenship*” (italics mine).

Another Albuquerque area open-borders group name La Plaza De Encuentro (The Meeting Place) received two grants from Kellogg totaling \$400,000 in 2015. According to a story in *Alibi*, an alternative magazine in Albuquerque, the two groups worked together against SB 1070.

La Plaza De Encuentro’s “mission is to transform New Mexico into a thriving community for all of its residents. We do this by engaging Latino immigrant families in educational opportunities that build skills for economic and social justice.” But the group’s office was a staging area for pro-illegal alien demonstrations on May Day in 2010, and agitated vigorously against the tough immigration bill known as Arizona SB 1070. According to *Alibi*’s report:

In Albuquerque, El Centro de Igualdad y Derechos hosted a Day of Action that incorporated a vigil, concert and party.... Though the event was fun and family-friendly, says community organizer Adonai Morales, it was also meant to make a stand against Arizona’s new law. “We wanted to gather support for comprehensive immigration reform,” he says. Hundreds attended, including Albuquerque City Councilor Rey Garden.

El Centro held the event at Plaza de Encuentro in Barela, where the organization will launch an immigrant center in June. El Centro will expand its services in fighting for immigrant rights...as well as offer courses in English, computer literacy, business development, and parenting. The Barela's location (714 Fourth Street SW) is ideal, he says, and will serve as a bridge between immigrants and local Chicanos.

The Latin American Youth Center in Washington D.C., which received a Kellogg grant of \$25,000 in 2015, has previously advocated for DACA (Deferred Action for Childhood Arrivals), a controversial amnesty program. The group was featured in a *Washington Post* story on the supposedly harmful psychological effects of being an illegal alien.



The Rev. Alvin Herring oversees grants related to keeping the U.S.-Mexico border wide open for illegal aliens and terrorists.

Other open-borders groups received grants. National Hispanic Media Coalition, which received \$204,000 for two grants in 2013 and George Soros's National Immigration Forum. The foundation also gave a grant to the Migration Policy Institute (MPI) to "improve immigrant and refugee workers' credentials in the early age and education field through concerted national and state based initiatives and advocacy efforts."

THE UBIQUITOUS GEORGE SOROS

The foundation and interests of left-wing mega-donor George Soros frequently overlap. Soros is the hedge fund manager who believed that George W. Bush won in 2000 because Republicans had superior think tanks which dominated the media. He wanted to create a network of think tanks to challenge them.

According to a December 2016 Breitbart profile of the foundation, it gave \$200,000 between 2010 and 2012 to Soros's Open Society Institute, which certainly didn't need the money. It has also given a staggering \$40 million-plus to the shadowy far-left Tides Foundation since 2008.

In most cases the parameters of the grant are nebulous like this one highlighted in the Breitbart piece: "Provide updated publications/tools describing the state of grantmaking with a

racial equity/racial justice lens, including insights to support grantmaking considerations at the program officer and institutional levels, through support of the Philanthropic Initiative for Racial Equity."

Another Breitbart article by Aaron Klein revealed the foundation gave at least \$930,000 to an arm of the violent, racist Black Lives Matter movement. Black Lives Matter, by the way, has come a long way. In 2016, it announced it was partnering with something called the International Development Exchange (IDEX), which claims to provide "incubation services and global learning opportunities for the movement for Black lives."

In a press release IDEX, a 501(c)(3) nonprofit that offers fiscal sponsorship services, and the "Black Lives Matter Global Network" announced their strategic partnership. The two groups "will support one another with the goals of promoting social change within marginalized communities." IDEX describes itself as "a 30-year-old international grantmaking organization" that "provides fiduciary oversight, financial management, and other administrative services to BLM."

Meanwhile, the Center for American Progress (CAP)—the left-wing think tank started by Clinton loyalists John Podesta and Harold Ickes—has taken in more than \$5 million from Kellogg since 2013. "It's not completely wrong to see it as a shadow government, a kind of Clinton White-House-in-exile—or a White House staff in readiness for President Hillary Clinton," according to a *Nation* article written before the 2016 presidential race.

LEFT-WING THINK TANKS

Another left-wing think tank cited by Breitbart as a Kellogg benefactor was the Center for Equitable Growth which has received \$395,625 from them since 2016.

According to a 2014 email dug up by Breitbart, John Podesta, also listed as a founder of this think tank, was trying to create a wall of secrecy between the two groups: "While we believe there is much to be gained from our affiliation with CAP, we also believe that for us to be successful—and to do the most to support the work of CAP and other progressive organizations—requires that CAP's support 'leaves no fingerprints.' (Please burn this email after you read it!)"

Among the other left-wing think tanks to accept Kellogg grants in recent years are Demos (\$3.3 million) and the Center for Social Inclusion (\$1,789,815).

The Center for Social Inclusion was founded in 2002, by two obdurate lefties, Maya Wiley and Jocelyn Sargent, with a \$75,000 grant from the Tides Foundation and the Open Society Institute. Wiley, the daughter of George Wiley, a notorious figure in the community organizing world started the National Welfare Rights Organization (NWRO), the parent organization of the now-defunct ACORN. George Wiley was an early mentor to ACORN founder Wade Rathke—see our profile of Rathke entitled, “Wade Rathke Shakes Down the Whole World.” (*Organization Trends*, October 2013)

Sargent has deep ties to the Kellogg Foundation: “Prior to coming to the Hogg Foundation,” her biography says, “Jocelyn was a Program Director and Program Officer at the W.K. Kellogg Foundation. She designed and led grantmaking programs targeting the elimination of racial disparities and improving conditions for marginalized communities and served on the Racial Equity; Food, Health & Well Being; Education and Learning and Evaluation teams.”

The Center for Law and Social Policy (CLASP), which has taken in \$698,086 from Kellogg, calls itself non-partisan and boasts of being an “anti-poverty nonprofit advancing policy solutions for low-income people. Working at the federal, state, and local levels, we develop practical yet visionary strategies for reducing poverty, promoting economic security, and addressing barriers faced by people of color.”



Needless to say, the supposedly non-partisan Kellogg Foundation gives a teensie fraction of its grant monies to conservative think tanks.

Ralph Nader’s Public Citizen, has taken in \$125,000 from Kellogg since 2013.

Needless to say, the supposedly non-partisan Kellogg Foundation gives a teensie fraction of its grant monies to conservative think tanks: In 2015, the foundation did not give grants to the Heritage Foundation, Cato Institute, the Hoover Institution, or the Competitive Enterprise Institute.; while the American Enterprise Institute got a meager \$127,773. State Policy Network, the National Center for Policy Analysis, along with CEI, also received no grants in 2015.



Credit: W.K. Kellogg Foundation.
License: <https://goo.gl/joqc3W>.

Maya Wiley, the daughter of notorious community organizer George Wiley, started the National Welfare Rights Organization (NWRO), the parent organization of the now-defunct ACORN.

CONCLUSION

The W.K. Kellogg Foundation was established to improve the lives of children but like so many well-endowed philanthropies over time it betrayed the beliefs of its founder as it drifted steadily leftward.

It supports trendy, left-wing causes that contend America is a hopelessly racist country, along with groups that wage war on the free markets that the great capitalist Kellogg championed while alive. Kellogg would naturally approve of the foundation’s modern-day funding of hospitals, community centers, and children’s welfare organizations. But he never used his foundation to promote his politics which were apparently right of center for his times.

According to Martin Morse Wooster, Kellogg complained about the “Socialist trend” in politics, and “could not possibly have foreseen the way his organization would be used after his death to combat “white privilege,” or assist groups like La Raza.”

“The direction he gave to guide future trustees was to ‘use the money as you please so long as it promotes the health, happiness and well-being of children.’”

Unfortunately, when big money is involved, vague directions about how to spend it aren’t enough. ■

Read previous articles from the Foundation Watch series online at CapitalResearch.org/category/foundation-watch/.

ORGANIZATION TRENDS



FIGHTING BACK AGAINST HATE

We helped end GuideStar's use of the Southern Poverty Law Center's smear campaign

By Scott Walter

When the Southern Poverty Law Center (SPLC) sets its sights on slandering conservative groups, it usually gets its way. But not this time.

In June, Capital Research Center proudly joined the fight to halt SPLC's attempt to expand its "hate group" labels on conservative nonprofits into GuideStar, a popular website that monitors charities.

You may have used GuideStar to look up charities before donating, and for good reason; the group has earned a reputation as an objective database for viewing public information regarding the nonprofit world. Given their nonideological reputation, CRC and others were alarmed when GuideStar quietly decided to flag certain mainstream organizations as "hate groups" using SPLC claims.

The Southern Poverty Law Center is a far-left smear machine notorious for demonizing any group that doesn't abide by its extremist, partisan agenda. One such supposed "hate group", the nonpartisan Federation of American Immigration Reform, claims over 1.3 million members. Another so-called "hate group," the nonprofit Liberty Counsel, defends religious freedom. Amazingly, SPLC has even called a Muslim who fights Islamic extremism an "Islamophobe." He is currently suing the SPLC for this ridiculous accusation.



The Southern Poverty Law Center is a far-left smear machine notorious for demonizing any group that doesn't abide by its extremist, partisan agenda.

CRC has long reported on the SPLC's partisan antics. Their rabid efforts to vilify anyone opposed to their agenda have ended up inciting the kind of hate crimes they criticize: In 2012, a shooter attacked the offices of the Family Research Council (FRC), a respected Christian group, because the SPLC had labelled the FRC a hate group

OPINION



Capital Research Center joined the fight to halt SPLC's attempt to expand its "hate group" labels on conservative nonprofits into GuideStar, a popular website that monitors charities.

for supporting traditional marriage. SPLC also deemed Charles Murray—a never-Trump, pro-same sex marriage scholar at the American Enterprise Institute—a "white nationalist," racist, and sexist. Murray suffered a violent assault by radical student protesters during a speech he gave at Middlebury College in March. The student lynch mob also gave a concussion to a liberal professor, who was there to *debate* Murray, when she attempted to shield him from their collective violence.

CRC is not alone in decrying the SPLC. Many center-left media outlets, such as *the Nation*, have published pieces criticizing the vitriolic group. *Harper's* published a letter to the University of Alabama from Stephen Bright, president of the Southern Center for Human Rights, in which he called SPLC founder Morris Dees "a con man and fraud" who has "raised millions upon millions of dollars with various schemes" from middle-income individuals to line the pockets of his own \$175-million hate group. The cash-hungry SPLC, another journalist writes, "shuts down debate, stifles free speech, and most of all, raises a pile of money, very little of which is used on behalf of poor people."

Scott Walter is president of the Capital Research Center.

Credit: Daily Caller.
License: <https://goo.gl/zkn6aY>.

When GuideStar disingenuously tarred FRC and other conservative organizations as “hate groups” on its website earlier this year, it was immediately clear the SPLC was up to their usual libelous game. CRC and a host of other groups quickly criticized GuideStar for its decision to broadcast SPLC’s unjust slurs; for our part, we examined the SPLC’s endless campaign to infect the sphere of nonprofits with their hate-mongering brand of partisan politics. In late June, Fox News featured my comments on GuideStar’s use of the biased labels:

If they’re going to use something from a highly ideological group like the SPLC, GuideStar should also ask conservative groups to draw up [hate-group] lists.

Forty-one center-right groups signed on to a letter denouncing the labels as “nothing more than a political weapon targeting people [SPLC] deems to be its political enemies.” After all, the letter adds, SPLC is suspiciously mum about Islamist groups which are anti-Semitic and have been linked to actual terrorist attacks. SPLC’s labels are not intended to inform—they’re intended to demonize and further polarize the nation.



SPLC is suspiciously mum about Islamist groups which are anti-Semitic and have been linked to actual terrorist attacks.

Undoubtedly, the decision to sully GuideStar’s reputation by promoting the SPLC’s labels was an ideological decision. As experts on the nonprofit field, GuideStar surely knows the SPLC’s penchant for spreading hate and its bad reputation as a charity that prefers fundraising to helping the poor.



Credit: CRC.
License: <https://goo.gl/F2rkQS>.

A shooter attacked the offices of the Family Research Council (FRC), a respected Christian group, because the SPLC had labelled the FRC a hate group for supporting traditional marriage.

At first, GuideStar pushed back with various gassy claims: “Our task is to take this diversity of sources to offer a multi-dimensional view of nonprofits,” they offered. But this time the public uproar only grew louder. Soon GuideStar faced an exposé by the Philanthropy Roundtable, a scathing article in the Wall Street Journal, reports by the Daily Signal and Breitbart, complaints by targeted charities, and threats of lawsuits. CRC senior fellow Michael E. Hartmann noted GuideStar’s “bow to left-wing ideology” in an article on Philanthropy Daily:

Let’s urge GuideStar to back off its...collusion with the Southern Poverty Law Center. Otherwise, GuideStar should ’fess up and admit it has no intention of being objective.

In early July 2017, GuideStar finally announced it would stop using the SPLC “hate group” flags—a point I covered in an op-ed for *the Daily Caller*. Capital Research Center is proud of the role we played in ending the SPLC’s takeover at Guidestar, which represents a modest victory for free speech in America’s culture wars. ■

Read previous articles from the Organization Trends series online at [CapitalResearch.org/category/organization-trends/](https://www.CapitalResearch.org/category/organization-trends/).



AMERICA UNDER SIEGE

ANTIFA

FREE SPEECH DIES UNDEFENDED

The communist movement known as Antifa (short for Anti-Fascist Action) has sparked violence across the nation. In the wake of their battling white supremacist in Charlottesville, Antifa has begun to gain mainstream popularity. But unbeknownst to much of the public, the vast majority of Antifa violence isn't targeted at genuine fascists, but mainstream conservatives and civilians. With help from those who have encountered Antifa, Trevor Loudon guides us through the history and ideas behind the Antifa movement, starting with Leon Trotsky and going all the way through the events in Berkeley, CA and Charlottesville, VA.

WATCH AT:

DangerousDocumentaries.com/film/America-Under-Siege-Antifa/



CAPITAL RESEARCH CENTER
AMERICA'S INVESTIGATIVE THINK TANK

WWW.CAPITALRESEARCH.ORG

**CAPITAL RESEARCH CENTER WELCOMES
LETTERS TO THE EDITOR.**

Please send them to
Contact@CapitalResearch.org or
1513 16th Street N.W.
Washington, DC 20036
202.483.6900