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The Rebirth of
the American
Coal Industry

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CHANGING THE CULTURE IS A MATTER OF FAITH, NOT POLITICS

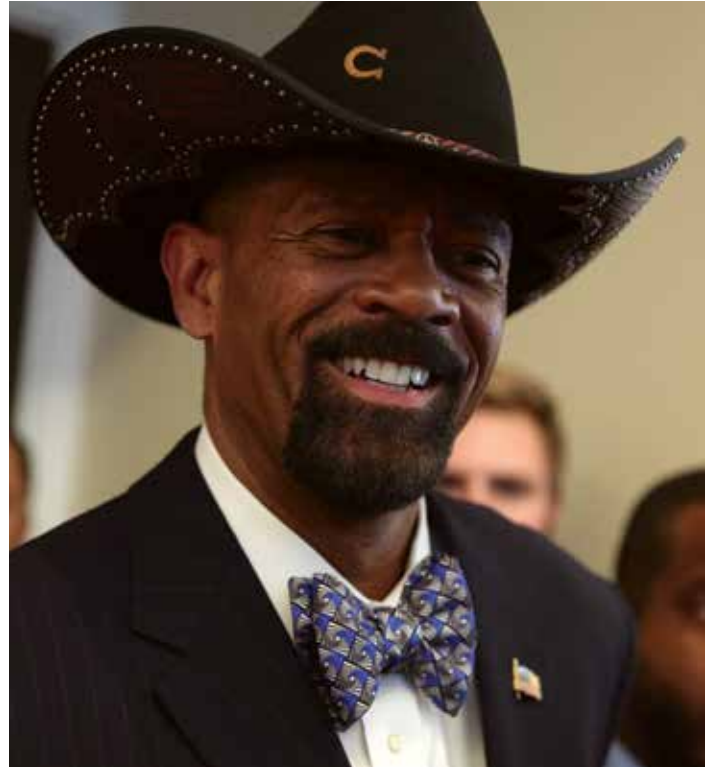
An excerpt from Sheriff David Clarke's Cop Under Fire
By David A. Clarke Jr. (with Nancy French)

Summary: *Former Milwaukee County Sheriff David Clarke will be working with Capital Research Center as the Chair of American Law & Culture. This month, we will launch an effort in Baltimore focused on local issues, including education reform. The excerpt below is from his recent book Cop Under Fire, published by Worthy Books. In this chapter, he examines the importance of faith as a catalyst for meaningful change.*

A priest walked up to me, a smile on his face. “I am Canon Benoit Jayr,” he said while warmly shaking my hand. Behind him, I noticed congregants of all ages buzzing around the pews cleaning, polishing, and mending the old church.

I was doing my rounds on the south side of Milwaukee, an area where Polish immigrants made their home during the mid-1800s. They fled their native country in such numbers that they created homeaway-from-home on Lincoln Avenue and Mitchell Street, which became dotted with Polish bakeries, grocery stores, taverns, and butcher shops. Polish flats popped up, one story at a time, to save money and to allow room for their ever-growing families. But the center of life for Milwaukee’s Polish community was the church. In 1866, the first large Polish church in all of the major American cities was built.

Of course, neighborhoods—especially in Milwaukee—are vibrant and dynamic, changing according to what’s going on in the world. In the early 1900s, Mexican immigrants began coming to Milwaukee for the same reason the Poles did: America had more opportunity than their home country. Mexican men worked in Milwaukee’s tanneries, hot and dirty places that turned hides into leather, but were still better than the job opportunities in Mexico. Before long, Mexican grocery stores, restaurants, and other businesses started popping up around the area. Now, if you drive down Mitchell Street—once the Polish shopping hub—you can find all kinds of Hispanic businesses. Today, Saint Stanislaus Church, which used to offer masses in the Polish language, offers a Sunday mass in Spanish. (It also offers a mass in Latin, which I love—old school.)



Credit: Gage Skidmore. License: <https://goo.gl/TLJmBe>.

David A. Clarke was named Sheriff of the year in 2013 and Law Enforcement Leader of the Year in 2016.

On the day of my visit, to add even more ethnic diversity to the south side equation, a smiling French priest greeted this black sheriff.

“Thank you for protecting this community,” Rev. Jayr said, his English perfect but his accent heavy. “In France, we do

David A. Clarke served as Milwaukee County Sheriff from 2002 to 2017. A graduate of the FBI National Academy and with an M.A. in Security Studies from the U.S. Naval Postgraduate School, he speaks regularly on the issues like race, crime, and politics. This excerpt was taken from Cop Under Fire, published by Worthy Books, an imprint of Worthy Publishing Group, a division of Worthy Media, Inc. (WorthyPublishing.com). Used by permission.

not have sheriffs. The only way I had heard of ‘sheriff’ was on American western films. And here you are with your boots and cowboy hat. You look exactly how I imagined a sheriff would look.”



Faith transforms: sheriffs, policies, entitlement programs, and politicians do not.

I get that a lot. People thank me for “saving the community.” However, the truth is that the priest, and others like Rev. Jayr are doing the real work that transforms communities. Faith transforms: sheriffs, policies, entitlement programs, and politicians do not. Some politicians hold faith in such disregard that they do more harm than good.

I’ll give you one of the more dramatic examples.

NO GOD IN THE PLATFORM

In 2012, the Democratic Convention was held in Charlotte, North Carolina, where delegates from all over the nation went to nominate Barack Obama as their incumbent candidate for president of the United States. That year, however, when Democratic leaders drafted their platform, they’d removed all references to Jerusalem as the capital of Israel, even though support for Israel has been a vital part of the Democratic platform for about six decades. Oh, and they eliminated all references to God.

To be clear, they hadn’t forgotten to include these references. They had consciously scrubbed these references from previous platforms. Their actions didn’t play well with people outside the Beltway. All over America, commonsense, God-fearing Democrats expressed their anger. Even Harvard Law School’s Alan Dershowitz described the Democratic Party as the first major American political party to abandon Israel. The party leaders realized they’d better fix this. They didn’t want their nominee (whose religion had already caused much speculation around American watercoolers) to be shackled with also being anti-God. They placed an amendment to the platform on the convention’s agenda.

Antonio Villaraigosa, the mayor of Los Angeles, was apparently instructed to pass the platform change regardless of the actual vote. “When the amendment went up on the floor, a sizeable number of delegates



The center of life for Milwaukee’s Polish community was the church. In 1866, Saint Stanislaus Church, the first large Polish church in all of the major American cities was built.

started yelling, “No!” They didn’t want God or Jerusalem in their platform. TV cameras showed close-ups of delegates holding “Palestinians for Obama” signs high above their heads as they screamed against the vote. The votes seemed like a pretty even split, but a platform change requires a two-thirds majority. Mayor Villaraigosa, unable to ignore the dissenting voices, looked confused and shocked. So he asked for a revote. Then another. After the third revote, they still had no consensus. Knowing the Democrats needed God in their platform, Villaraigosa ignored the dissenters and declared the amendment had passed.

Turns out, God’s place in the Democratic Party was tenuous at best because after this “victory,” the unbelievable happened. The crowd booed God on national television. It was one of those images that you can never unsee. The Democratic Party elites were sending a loud and clear message to America that there is no room for God in their ranks.

It has become a pattern. Four years later, candidate Mrs. Bill Clinton attended a campaign rally in Blackwood, New Jersey. Camden County Board of Freeholders member Susan Shin Angulo introduced her to the crowd. Angulo said that Mrs. Bill Clinton could create a nation “filled with promise and opportunity and not of fear, demagoguery, or radicalism.” Then, she added that Clinton could bring us “together, as one nation u-uhh...indivisible with liberty and justice for all.” The unspoken words—*under God*—hung in the air like a ghost. Clinton laughed and nodded in approval at the omission.

Credit: Sulfur at English Wikipedia.
License: <https://goo.gl/wxRTTi>.

But an antifaith movement is not a new development for the Democratic Party. When Bill Clinton was running against George H. W. Bush, remember how the liberal media and Democrats (oh, but I repeat myself) mocked Dan Quayle for advocating for “family values”?

THE VALUE OF FAMILIES

If you have forgotten, here’s precisely what Quayle said: “Bearing babies irresponsibly is simply wrong. Failing to support children one has fathered is wrong. We must be unequivocal about this,” he said in a speech to the Commonwealth Club of California.

“It doesn’t help matters when prime-time TV has Murphy Brown, a character who supposedly epitomizes today’s intelligent, highly paid professional woman, mocking the importance of fathers by bearing a child alone and calling it just another lifestyle choice.”

I never saw *Murphy Brown*. There’s not enough time in the world to make me sit down and waste my life in front of a screen playing that drivel. I don’t watch television unless it’s to catch *South Park*, a Dallas Cowboys game, or Fox News. But evidently, the main character of this show, played by Candice Bergen, believed having a kid without a father in the picture was just fine. Quayle’s speech about “family values” created a huge controversy back in ’92. But reading this quote now makes you wonder what the big deal was. His words seem like basic common sense, or maybe they are even prophetic.



For the first time in the history of the United States, fewer than 60 percent of firstborn U.S. babies were brought into this world with a married mother and father.

Since Quayle had the temerity to point out the need for fathers, the number of single parents in America has skyrocketed. For the first time in the history of the United States, fewer than 60 percent of firstborn U.S. babies were brought into this world with a married mother and father. More than one in five first-born children now have parents who are shacking up.¹ Some researchers describe these “fragile families” as only strong enough to create children, but not strong enough to support them. Frequently, these couples break apart after the babies are born.



In 2012, liberals at the Democratic National Convention didn’t want God or Jerusalem in their platform. TV cameras showed close-ups of delegates holding “Palestinians for Obama” signs high above their heads as they screamed against the vote.

Do you think this has devastated wealthy forty-something white women like the fictional Murphy Brown? No. Wealthier Americans have a bigger cushion. If they end up with a child out of wedlock, they have high enough salaries and family support that they can usually make it. But poorer people living on a shoestring can’t survive high gas prices, much less absorb the expense and complication of another human being. That’s the thing about the philosophies that white liberals so casually try to shove down the culture’s throat. When they proudly stand up and demand that marriage comes in many different flavors—or, more accurately, that it doesn’t matter at all—they’re promoting an idea that creates higher risks for poverty, lower educational attainment, and family instability. They are actually hurting poor people, not themselves. Have you ever stopped to ask yourself why college-educated folks are the only demographic left in America that still has children within the benefit of marriage? It’s better for the children, for the parents, and for society.

This answer is so obvious that even a liberal buffoon at CNN can see it. After the acquittal of George Zimmerman, Don Lemon went on air with recommendations about how black people can get their acts together. The first one was a doozy:

Black people...Just because you can have a baby, it doesn’t mean you should. Especially without plan-

Credit: Mary Jane Knopf-Neuman.
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ning for one or getting married first. More than 72 percent of children in the African-American community are born out of wedlock. That means absent fathers. And the studies show that lack of a male role model is an express train right to prison and the cycle continues.²

His comments were even more pointed than those of Dan Quayle, and a black man uttered them. Apparently, Lemon didn't get the memo: liberals don't want black people thinking for themselves. When his speech went viral, other liberals scolded him for "not understanding the plight of black people." But the first thing that happens to a black person when you say anything that doesn't align with Democratic talking points is that your "black card" is revoked. I lost mine a long time ago, and—believe me, Don—it's not worth the price to keep it. An MSNBC host called him a "turncoat." It didn't get better for him. Here are some reprintable versions of tweets³ he received:

Don Lemon feels that he's THE exception. That's perfectly fine. He'll see eventually how he's viewed by his white counterparts.

@DonLemonCNN must be real THIRSTY for him to try to speak for all Ms and throw our black men under the bus. Are his ratings that bad?

If you follow Don Lemon's 5-step anti-Hip-Hop plan racism magically ends?

I was tired of @donlemoncnn when he was tweeting those wack prosperity sermons every Sunday. Not surprised by this.

Next racial draft we're giving @DonLemonCNN to the whites. I don't even wanna trade him for anyone. Just give him away.

Isn't that a rather strong reaction toward someone who suggested that kids should have moms and dads? Especially when the facts bear out the undeniable truth? A stark difference exists between children raised with both parents and those from a broken home.

One in eight children with two married parents lives below the poverty line, compared to five in ten who are living with a single mom.

Regardless of income, children raised by two parents will have fewer behavioral problems, will be less likely to be hungry or have asthma, and will be more likely to achieve academically.

The principles of faith prevent poverty. Let's face it. God knows a thing or two about the way that humans interact—or the ways they ideally should interact. Though the Bible is not a self-help book, people would be better off if they lived according to the words written on the pages. Proverbs 3:5-6 (ESV) explains how life is made easier by trusting God instead of your emotions: "Trust in the LORD with all your heart, and do not lean on your own understanding. In all your ways acknowledge him, and he will make straight your paths."

Believe me. In all of my years of law enforcement, the people I've encountered would benefit from listening to biblical wisdom, especially as it pertains to marriage.

But you don't have to be a scholar to understand that getting married and staying married lift children and families from poverty. In a *New York Times* article, Annie Lowrey wrote,

Economists have done studies showing that if you snapped your fingers and suddenly all the country's poor, unmarried partners were hitched...the poverty rate would drop. With social trends pushing partners apart, why shouldn't the government push them together—and help end poverty and improve the lot of children while we're at it? It's a rare policy solution that data-crunching geeks and Bible-thumping crusaders can agree on—albeit for very different reasons. Unfortunately, there might not be much that Washington can actually do about it.⁴

Precisely. When the government inserts its nose into a problem, the problem rarely gets better. This is especially true about marriage. Can you imagine a worse Cupid than the federal government?

But it's also true about poverty.

WAR ON POVERTY

The Heritage Foundation described the complete and abysmal failure of Lyndon B. Johnson's War on Poverty over the past fifty years:

U.S. taxpayers have spent over \$22 trillion on anti-poverty programs. Adjusted for inflation, this spending (which does not include Social Security or Medicare) is three times the cost of all U.S. military wars since the American Revolution. Yet progress against poverty, as measured by the U.S. Census Bureau, has been minimal, and in terms of President Johnson's main goal of reducing the "causes"

rather than the mere “consequences” of poverty, the War on Poverty has failed completely. In fact, a significant portion of the population is now less capable of self-sufficiency than it was when the War on Poverty began.⁵

You can't undo the truth. The Bible is clear: “The one who is unwilling to work shall not eat” (2 Thessalonians 3:10 NIV). But Uncle Sam tries to protect people from the consequences of their own action, or, more honorably, to protect the children of lazy people from their parents' inaction. It makes sense to provide assistance to the infirm. But able-bodied, nonelderly adults should be working or seriously looking for a job before getting a dime of benefits. The Heritage Foundation pointed out what is wrong with giving people something for nothing: “By breaking down the habits and norms that lead to self-reliance, welfare generates a pattern of increasing intergenerational dependence.” The writers also pointed out that “by undermining productive social norms, welfare creates a need for even greater assistance in the future.”

There are some commonsense ways that the federal government can incentivize marriage and help welfare be distributed to those with an actual need instead of just being lazy. But the government can't fix what is wrong with us as human beings. We need a spiritual solution. As poor, less-educated Americans turn their backs on faith at a far greater rate than wealthy, educated Americans, the culture is splitting wide open. In this nation, those who work hard, finish school, get married, and stay married are very rarely poor. Food stamps, Medicaid, soup kitchens, and good intentions—or even hundreds of billions of government dollars—cannot alone raise people out of poverty.

It's time politicians acknowledged the limitations of government and the role of religion. It's also time we recognize people like Canon Benoit Jayr who faithfully serve God and their communities, one person at a time. They're the real heroes of our nation, even if they wear robes or a clerical collar instead of a cowboy hat, and even if they'd be more likely to pour water over other people's feet than put boots on their own.

STAY PUT OR GO HOME

Most Americans have seen *Roots*, the Alex Haley miniseries aired during the 1970s that detailed the plight of African slave Kunta Kinte. But one scene contains a powerful visual that should speak to us today. Social activist Roland Warren described the scene:

One day, while Kunta was putting the horses away, he heard a drumbeat that sounded very familiar. So, he followed the beat, and it led him to an old slave. Turns out that this old man was from a tribe in Africa that lived close to Kunta's people. In any case, this man told Kunta to listen for the drumbeat again because it would signal an upcoming escape attempt.

An excited Kunta rushed home to share the news about the drumbeat and the escape with his wife Bell. However, she became very afraid. Her first husband had tried to escape, and he was killed. She said that she did not want to lose Kunta, too. Then, she put his hand on her stomach to feel a baby growing inside of her. Kunta understood and promised not to escape.



The government can't fix what's wrong with us as human beings.

When the baby was born, Kunta wanted to dedicate his daughter in the same way his father did for him. One night, he took his swaddled little one outside for the special ceremony. But, as he lifted her into the night sky, he was interrupted by a familiar sound. It was the drumbeats. They were calling to him. He quickly bundled up his little girl and ran toward home. Bell, who was clearly panicked, rushed to meet him. She had heard the drumbeats, too. She approached him quickly and said, “The drums.... You ain't gonna run, is you? This is our home.” Kunta said defiantly, “This is not my home.” Bell's legs buckled as she burst into tears. But then, Kunta steadied his wife, pulled her close as he wrapped his arms around her and said, “But, this is my child, and we are a family!” And, they walked back into their home.⁶

Why am I reminding you of an episode of an old miniseries? Because that scene has a lot of truth in it. As a national figure, I'm frequently asked about how to save this nation. The question, often asked in a public forum, might have a sense of desperation underlying it. As much as I would love to talk about proposals to cut back on entitlements or the Convention of States' plan to restrain the federal government, I know that the answer is much simpler.

I said simpler. Not easy.

As the end of the *Roots* episode described above, Kunta named his daughter Kizzy, which means “stay put” in his native tongue. Warren wrote, “Now, consider what happened here. Kunta Kinte was a married father with no economic rights, no civil rights or rights of any kind. But he had one power that no master’s whip could take away. He had the power to stay put, despite the obstacles, risks and challenges, and do everything that he could to provide for and protect his family.”

Modern black men have this power too—much more power than this fictional slave had. We live in the greatest nation ever created, with more opportunities than any people who have ever lived. No matter what you think about our politicians or Black LIES Matter or so-called police brutality, you have the power to improve your life dramatically when you simply “stay put.”

Sadly, fathers these days can’t even obey this two-word command.

They’ve already left their kids and families. They’re out there searching for a better gig, looking for approval in places where it can’t be found, trying to find a more interesting path than the boring old domestic life with a wife and kids. But sometimes—almost always—what’s boring is the solution. It’s called hard work. Personal responsibility.

I was walking down the street one day when a young black man approached me.

“You’re Sheriff Clarke, right?” he asked. “I just got out of jail, and I can’t get a job.”

He then went on to explain the many ways he’d been trying to find employment. It sounded hard. I admit it. Because I have such a close relationship with the criminals in Milwaukee, I’m frequently presented opportunities to speak into their lives. Often, it comes down to a choice between pity and responsibility. I never choose pity. I always choose responsibility. Maybe, more accurately, I always choose the truth. As Martin Luther King Jr. said in his speech “The Other America,”

I want to discuss the race problem tonight and I want to discuss it very honestly. I still believe that freedom is the bonus you receive for telling the truth. Ye shall know the truth and the truth shall set you free. And I do not see how we will ever solve the turbulent problem of race confronting our nation until there is an honest confrontation with it and a willing search for the truth and a willingness to admit the truth when we discover it.⁷



Credit: tutincommon. License: <https://goo.gl/Ka69Nj>.

[The prodigal son] arose and came to his father. But when he was still a great way off, his father saw him and had compassion, and ran and fell on his neck and kissed him. And the son said to him, “Father, I have sinned against heaven and in your sight, and am no longer worthy to be called your son.”

This guy didn’t need anyone to help him wallow in self-pity. And the truth usually has something to do with people taking responsibility for their lives. Right there on the street, I laid some truth on him. Perhaps it was the first time in his life someone made him face reality.

“How many kids do you have?” I asked.

“Three.”

“Well, *there’s* your job,” I said. “Go home and be a great dad so your kids don’t end up like you did. You made some lifestyle choices that you are paying for now. Keep working at it, and if you stay determined, something will break for you. But for now, go home and be a good dad to your kids.”

He was dumbfounded. “I never looked at it that way,” he said. Then after a short conversation, he extended his hand and said, in a softer voice, “Thanks, Sheriff.”

Some things can’t be done by the government, no matter how well-meaning. All of us are at a critical moment in America’s history—blacks, whites, and everyone else. We have the opportunity to choose to be better than the culture demands of us. While the media and politicians will bend over backward to avoid the word *responsibility*, we have to turn from their constant drumbeat of mediocrity and choose another path.

It's a path that many have traveled before. It's a path described most eloquently in the most famous parable in the Bible. The story of the prodigal son tells the story of a young man who asked for his inheritance even before his father died. He left home and partied, slept around, and ended up poor, destitute, lonely, and wondering where his next meal would come from. That's where many are today. But the prodigal son realized he didn't want to be where he was. So he got up and walked home.

Just the word *home* evokes many feelings. I think of being with Julie in our house, where she created a man cave for me in the basement. That's where I can sit and think, dream, and plot my next steps in life. The word also reminds me of that small, well-kept house at 39th and Kaul Avenue, where my mother put food on the table, and we sat down together to eat. It's also the place where my dad stole my shoes at night to make sure I didn't try to sneak out and get into trouble.

Do you see the pattern?

All of us have a tendency to want to sneak away from home and get into trouble. But we also have the opportunity—the moral responsibility—to come back home. Ever hear the phrase “You can't go home again?” Well, that's a lie. Recently, when I was just beginning the process of writing this book, I went back to my old neighborhood to look at the home I'd lived in as a kid. Believe it or not, I couldn't easily locate the house. Maybe it was because I'd never driven to it as a child, or maybe it's because too many years had passed. When my eyes finally settled on that old house, I didn't see the faded, small home that sat next to dozens just like it. In my mind's eye, I saw a place of love, restrictions, discipline, and frustration. A place where I bristled under my dad's constant supervision and the rules I thought were so onerous at the time.



“[L]et us eat and be merry; for this my son was dead and is alive again; he was lost and is found.”

It's true that I couldn't very well pull up to that house and ask the owner to let me in. And even if I did, my toys wouldn't be there; my room wouldn't be the same. My mother's meals wouldn't be on the stove, the wonderful scent beckoning me to come to the table.

Going home doesn't mean literally going back to the place where you were a kid. Sometimes, it means going back to

the place you know you should be. When the prodigal son went home, he wasn't sure what to expect. But you know how that story ends:

He arose and came to his father. But when he was still a great way off, his father saw him and had compassion, and ran and fell on his neck and kissed him. And the son said to him, “Father, I have sinned against heaven and in your sight, and am no longer worthy to be called your son.”

But the father said to his servants, “Bring out the best robe and put it on him, and put a ring on his hand and sandals on his feet. And bring the fatted calf here and kill it, and let us eat and be merry; for this my son was dead and is alive again; he was lost and is found.” And they began to be merry. (Luke 15:20-24 NKJV)

The older brother, who'd stayed on the straight and narrow his whole life, resented the celebration. He complained to his father:

These many years I have been serving you; I never transgressed your commandment at any time; and yet you never gave me a young goat, that I might make merry with my friends. But as soon as this son of yours came, who has devoured your livelihood with harlots, you killed the fatted calf for him. (Luke 15:29 NKJV)

You can just hear the resentment dripping from his voice.

The challenge of the modern American is to begin that journey home. That might mean literally getting in the car and making up with your spouse, going to your kids' baseball games, taking a job you think is beneath you, or even sitting down and eating dinner together. It also might mean going back to the faith that your mother taught you, or apologizing for the thing you did that's been separating you from the ones who love you.

The challenge of modern political and religious leaders is to not be the older brother who resents that the younger brother has problems.

Regardless of whether we are in the “stay put” crowd or the “go home” group, we all need to take assessment of life once we're back at the house. The world doesn't need a bunch of prodigal sons. The world doesn't even really need a bunch of older brothers. Eventually, people have to grow up and mature. Your goal should be to become more like the father in this scenario. All of us—regardless of whether we're parents—need to mature, extend our arms, and welcome the people in this culture who are desperately searching for the ever-elusive place called home.

After all, America is merely a bunch of these homes seemingly connected by miles of dirt roads, blocks of city concrete, or just hallways in an apartment building. What really connects these homes into a larger collection that creates a nation has nothing to do with the type of house or the geographic location. What really connects us is our hope that we can do better.

We can—and must—if our nation is to survive. It's time to tune out the constant drumbeat trying to get us to leave the values we've long cherished. It's time to turn off the Internet and our computer screens, to forget the hashtags, and to cherish the people right before us.

It's time to come home, America. The door is open for now. But if we keep maligning, criticizing, and complaining about each other, we might accidentally destroy the very nation many have called home for the past 240 years.

The journey back won't be easy, but it's a path worth taking.

FOOTNOTES:

1. Cheryl Wetzstein, "Census: More first-time mothers give birth out of wedlock," July 8, 2014 (washingtontimes.com)
2. Louis Jacobson, "CNN's Don Lemon says more than 72 percent of African-American births are out of wedlock," July 29, 2013 (politifact.com).
3. Tommy Christopher, "Tweemado: MSNBC's Goldie Taylor Calls Don Lemon a 'Turn Coat Mofo,'" July 27, 2013 (mediaite.com).
4. Annie Lowrey, "Can Marriage Cure Poverty?" February 4, 2014 (nytimes.com).
5. Robert Rector and Rachel Sheffield, "The War on Poverty After 50 Years," September 15, 2014 (heritage.org).
6. Roland Warren, "The Important Lesson the 'Roots' Miniseries Taught Me About Fatherhood," September 12, 2016 (sixseeds.patheos.com).
7. <http://www.gphistorical.org/mlk/mlkspeech/mlk-gp-speech.pdf> ■

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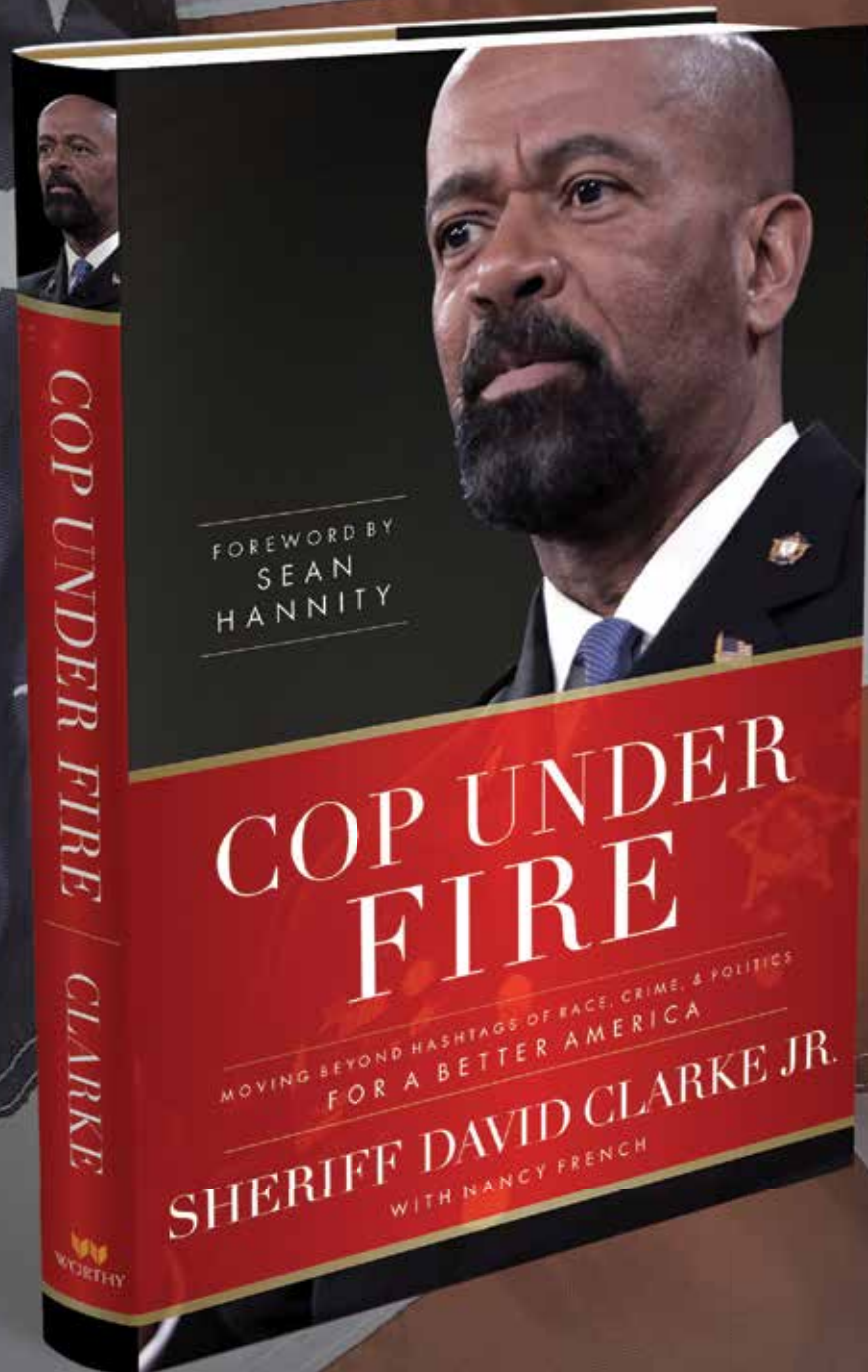


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Sheriff Clarke writes about the lessons he's learned over the course of his thirty-eight years of law enforcement and shows once again that he's a true American.

— SEAN HANNITY —





UNDER NEW MANAGEMENT

The Trump-era National Labor Relations Board takes shape
By Michael Watson

Summary: After the “Card Check Bill” pushed by the left wing of the Democratic Party and Big Labor collapsed early in the Obama Presidency, Obama appointees at the National Labor Relations Board (NLRB) pioneered “pen and phone” legislating-by-regulation that would become a hallmark of Obama’s last six years in office. But after the election of President Donald Trump, the NLRB is operating under a new, management-friendly philosophy, which now has an opportunity to advance labor reform on behalf of America’s employers and working people.

OVERVIEW

After the 2008 elections, which saw Democrats gain control of the Presidency, expand their majority in the U.S. House of Representatives, and gain enough U.S. Senate seats to break a filibuster on a party-line vote, labor unions agreed on one overriding priority: They sought to pass the misleadingly named Employee Free Choice Act (EFCA), which would have codified numerous union privileges into labor law. Most notable of these privileges required employers to negotiate with unions via a public “card check” procedure rather than by the usual secret ballot votes.

Despite overwhelming Democratic majorities, Big Labor proved unable to get the EFCA through Congress. But the AFL-CIO, Service Employees International Union (SEIU), and their allies in the Obama administration didn’t give up trying to advance their agenda to place union privileges above worker rights; the fight merely underwent a change of venue.

When the January 2010 election of Scott Brown foiled Senate Democrats’ ability to break a filibuster on a party-line vote, and House Democrats lost their majority in the November midterms, labor unions moved the focus of their campaign elsewhere: to the five-member National Labor Relations Board (NLRB).

The NLRB is a powerful, nominally independent, quasi-judicial body that regulates interactions between unions and



After the election of President Donald Trump, the NLRB is operating under a new, management-friendly philosophy, which now has an opportunity to advance labor reform on behalf of America’s employers and working people.

management representatives. A majority of NLRB members (traditionally three, of whom one serves as Chair) and a chief prosecutor (called General Counsel) are members of the President’s party. The General Counsel also heads the Division of Advice, which provides legal advice regarding what cases and legal theories should be brought before the Board.

An eight-year assault on decades of labor law precedents resulted from this partisan pressure on the NLRB—interrupted briefly when the Supreme Court ruled that President Obama had exceeded his recess appointment powers in naming NLRB members. (By one estimate, 4,559 years of cumulative precedents were reversed by

Michael Watson is a researcher at Capital Research Center.

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Obama's efforts.) Unions obtained the ability to rush organizing elections, giving them the upper hand in campaigns. Longstanding rules on the size and composition of bargaining units were thrown out, allowing unions to gain footholds in workplaces by forming "micro-unions." And the General Counsel's office, run by Richard Griffin, a former attorney for the International Union of Operating Engineers (IUOE), backed the SEIU's power play against restaurant chains by pushing the notion that national brands are "joint employers" with the independent small-business franchisees who run most chain restaurants.



By one estimate, 4,559 years of cumulative NLRB precedents were reversed by Obama's efforts.

But now, under President Trump, the makeup of the National Labor Relations Board is changing. Two new pro-free-market Republican members have been added to the NLRB's ranks, giving the Republicans a majority on the NLRB for the first time since late 2007, when then-Senate Majority Leader Harry Reid (D-Nevada) began denying votes to President George W. Bush's nominees as seats came open. (Members confirmed by the Senate rather than recess appointment serve staggered five-year terms.) Also, a veteran of President Ronald Reagan's labor reform efforts has been nominated to take over as General Counsel when Griffin's term expires in November 2017.

NOMINATIONS CONTROVERSIES

The NLRB was formed to carry out a quasi-judicial and regulatory role managing labor-management disputes as part of the National Labor Relations Act (aka the Wagner Act) of 1935. The NLRB would adjudicate "unfair labor practices"—violations of workers' rights under the Wagner Act committed by employers. Later, the National Labor Relations Act was amended to give workers and employers rights enforceable against their unions, violations of which are also adjudicable before the NLRB as unfair labor practices. The NLRB also came to oversee union organization elections in the private sector and investigate allegations of unfair labor practices.

Over the years, the NLRB created a body of precedents that function as law governing not only unfair labor practices but also union organization and bargaining.

However, unlike judges—who may bring ideological priors to legal analysis but are supposed to be non-partisan—NLRB board members are explicitly partisan. Common practice sees Republican seats filled by management-side labor lawyers while Democratic seats filled by union-side labor lawyers. In the words of Competitive Enterprise Institute labor policy analyst Trey Kovacs, "Democrats and Republicans basically appoint labor lawyers or employment lawyers who favor one side or the other, so it no longer represents the public interest."

Former College of William and Mary Law School professor Ronald Turner analyzed NLRB voting from the board's founding to the middle of the George W. Bush administration. He found that:

[...] as a descriptive matter ideology has mattered in a number of cases presenting controversial and sharply contested issues of law and policy, cases in which Board majorities have cast votes consistent with and reflecting the differing philosophies of Republican or Democratic administrations and the pre-Board backgrounds of members.

Bush administration and Obama administration NLRB appointees followed these trends, which led to showdowns between both Presidents and the Senate over NLRB confirmations. From 2003 through 2013, the NLRB lacked a full panel of Senate-confirmed members. Senate Democrats filibustered President George W. Bush's appointees, forcing several Bush-nominated NLRB members to take office under recess appointments. These recess appointments continued until Democrats took control of the Senate in the 2006 midterms, after which they refused to either confirm Bush administration nominees or recess the Congress to allow recess appointments.

When President Barack Obama took office in 2009, these bitter nomination fights continued. Obama nominated SEIU attorney Craig Becker to fill one of the vacant posts; Becker's views proved so extremist that two Democrats voted to sustain the Republican filibuster of his nomination. This defection didn't deter President Obama who gave Becker a recess appointment before Republicans took control of the House of Representatives in 2010.

By law, both Houses of Congress must approve a resolution to recess. Republicans used their control of the House to prevent President Obama from making recess appointments by refusing to recess. As a result, term expirations and a lack of recess appointments brought the NLRB below its necessary decision-making quorum. This appointments battle came amid backlash to a decision by the NLRB

Acting General Counsel, Lafe Solomon. Solomon charged Boeing with unfair labor practice for expanding production of the new 787 airliner at its non-union South Carolina plant rather than its unionized Washington state plants. Pressure from Congressional Republicans, South Carolina officials, and the business community made the controversy public. Ultimately, Boeing and the International Association of Machinists agreed to a new collective bargaining agreement for the Washington plants, finally leading Solomon to drop the charges.

Rather than compromise on his hyper-aggressive pro-union agenda, Obama pushed his appointments forward by imperial fiat, claiming to restore quorum at the NLRB. But his appointments were ultimately invalidated by a unanimous Supreme Court in *NLRB v. Noel Canning*. The decision held that only Congress could decide when Congress was in recess.

Though SCOTUS invalidated Obama's appointments and thus all decisions made by the invalid members, by the time *Noel Canning* was decided Senate Democrats had already broken the nominations impasse, allowing the Obama-appointed NLRB to resume its war on Board precedents. As part of a soon to be broken deal to preserve the filibuster for nominations in 2013, in exchange for Senate Democrats agreeing to drop the "nuclear option" Republicans lifted their blanket block on President Obama's NLRB nominees.



The attack on Boeing's ability to locate production in a right-to-work state was not the most lasting maneuver by the NLRB in President Obama's first term.

RECENT DECISIONS AND PRECEDENT CHANGES

Notice Posting Rule

Even before the appointments invalidated by *Noel Canning*, the Obama-era NLRB had acted aggressively to expand union power. In 2011, the NLRB voted on party lines to use its regulatory authority to require employers to post a notice that informed employees of a list of unionization rights, including the right to form a union, the right to bargain



Credit: Scott Beale. License: <https://goo.gl/LB6PYy>.

The UFCW union proposed that 41 employees in a Macy's store's cosmetics and fragrances department should be able to unionize, even though the rest of the store's 120 salespeople would not be unionized.

collectively, the right to strike, and the right to be protected from various forms of employer retaliation in response to union activities.

Employers cried foul, and sued to block the rule. Ultimately, multiple U.S. Circuit Courts of Appeals held that the notice posting rule exceeded the NLRB's rulemaking authority under the National Labor Relations Act. In 2014, the NLRB backed down, opting not to seek a Supreme Court hearing to restore the rule.

Micro-Unions

The attack on Boeing's ability to locate production in a right-to-work state was not the most lasting maneuver by the NLRB in President Obama's first term. In a case titled *Specialty Healthcare*, the NLRB changed its longstanding precedent on the size of bargaining units. Prior to 2011, unions could only organize bargaining units that consisted of all workers in a workplace conducting similar tasks. This was part of a rulemaking and precedent set in 1991. Under the new ruling, however, unions could petition that any clearly identifiable group of employees formed a bargaining unit unless employers could show other employees formed an "overwhelming community of interest." This made it much easier for unions to get toe-holds in the workplace by organizing small groups of employees into "micro-unions."

To get an idea of how this new micro-union rule aids unions, consider a 2014 case involving the department store Macy's that went before the NLRB and into federal

litigation. The United Food and Commercial Workers (UFCW) union proposed that 41 employees in a Macy's store's cosmetics and fragrances department should be able to unionize, even though the rest of the store's 120 salespeople would not be unionized.

Applying its *Specialty Healthcare* decision, the NLRB ruled along party lines that the UFCW's proposed micro-union was appropriate, allowing the UFCW to get a toe-hold in the store among the employees the union believed were most open to unionization. Additionally, employers feared a "Balkanization" of similarly situated employees into different unions, each having its own contract and work rules which could drive up labor costs.

Joint Employer Liability

Post-filibuster, the NLRB was given a fully constituted, Democratic-majority Board and former union lawyer Richard Griffin was installed as General Counsel. This allowed the Labor Board to resume advancing the unions' agenda by the pen and phone.

By 2014, the Service Employees International Union (SEIU) had begun its "Fight for \$15" minimum wage and unionization corporate campaign aimed at chain restaurants, especially McDonald's. Within that campaign was a novel legal theory that relied on overturning decades of precedent holding franchisors—the national branding companies whose names are on chain restaurant doors—free from liability from the alleged labor law infractions of their franchisees—the local small businesses that run most chain restaurant locations. The left-wing labor movement newspaper *In These Times* explained the strategy in November 2013:

But conversations with various SEIU sources—as well as statements from the leadership and developments in fast-food organizing around the country—indicate SEIU also has a comprehensive national plan in the works, centered on the two public demands of \$15-an-hour pay and the right to unionize free of intimidation. If successful, the multi-stage strategy would allow SEIU to secure collective bargaining agreements and gain thousands of new union members.

The first step is to challenge the legal distinction between a corporation and its individual franchises. Take McDonald's: Ninety percent of its 14,000 U.S. restaurants are franchises, but the corporate parent micromanages key aspects of the business—menus, promotions, insurance, software, advertising, cleaning and so on. At the same time, McDonald's takes



Credit: Mike Mozart. License: <https://goo.gl/WBxDZP>.

General Counsel Griffin filed charges against McDonald's USA, the corporate parent of McDonald's franchises, holding it liable for the labor law actions of its franchisees—exactly in accordance with the SEIU's plan to advance Fight for \$15 and contrary to all prior NLRB precedent.

pains to spell out in contracts that it has "no implied employment relationship" with a franchisee or their workers. SEIU aims to hold corporations liable for their franchises' actions.



In 2014, the SEIU began its "Fight for \$15" minimum wage and unionization campaign aimed at chain restaurants, especially McDonald's.

Unsurprisingly for an Obama appointee, General Counsel Richard Griffin bought the SEIU's theory wholesale. In May 2014, Griffin solicited briefs concerning whether the "joint-employer standard" (the rule determining when franchisors and other businesses that contract labor are responsible for franchisee or subcontractor labor practices) should be loosened according to SEIU's wishes. In a case called *Browning-Ferris Industries*, Griffin persuaded the NLRB to rule along party lines that Browning-Ferris Industries, a waste-disposal company, was liable for the labor practices of its subcontractors. It could be thus compelled to bargain with a union representing those subcontracted employees. [For more detail on the *Browning-Ferris* case, see David Agnew, "The NLRB Targets the American Dream," *Labor Watch*, March 2015]

Before the Board even ruled in *Browning-Ferris*, General Counsel Griffin filed charges against McDonald's USA, the corporate parent of McDonald's franchises, holding it liable for the labor law actions of its franchises—exactly in accordance with the SEIU's plan to advance Fight for \$15 and contrary to all prior NLRB precedent. The SEIU, the Obama-era NLRB, and Big Labor allies in the administration saw this joint-employer theory as a way to get around the failure of the Congressional card-check bill: By holding McDonald's jointly liable with local franchises, McDonald's could be compelled to recognize the SEIU at its franchises through a card-check agreement or another “neutrality” arrangement. In this sort of arrangement, employers would not be able to present the potential negatives of unionization to workers. Litigation has tied up the McDonald's USA cases for the time being, and the NLRB has yet to rule on the SEIU's and General Counsel Griffin's theory. [For more on McDonald's, the NLRB, and card-check, see Diana Furchtgott-Roth, “The NLRB Rigs the Rules,” *Labor Watch*, February 2015.]

Quickie Elections

After the failure of the EFCA card-check bill, unions sought to reduce the time from filing a unionization election petition to the holding of that election. Unions believed shortening the campaign period would make it harder for employers to present the negative effects of unionization to workers, making it easier for unions to win.

And so, as part of a Friday news dump in December 2014, Obama's NLRB handed out another gift to labor, again along party lines. This time, the NLRB issued new representation case procedures known as “quickie” or “ambush” election rules, designed to reduce the time from the filing of an election petition to voting day. By prohibiting the hearing of challenges to bargaining unit size before election day and removing a 25-day minimum time between an election order and a final vote, the NLRB gave unions a leg up in unionization votes—considering that unions can spend an unlimited amount of time presenting their propaganda to employees by various methods before filing for an election.

To make matters worse for worker rights, the NLRB forced employers to hand over long lists of personal contact information to labor organizers, a move intended to assist the dissemination of union propaganda. The dissenters noted: “In sum, the majority's message to employees in a Board representation election is that ‘the government wants your personal data—and we are going to compel it without your consent—and then we are giving it to someone else, too.’ To say the least, that is not a good message to give the citizenry in 2014.”



Credit: NLRB License: <https://goo.gl/d6eQgK>.

Marvin Kaplan (left) and William Emanuel (right) were the first Republicans to be nominated to the NLRB by President Trump and confirmed by the Senate, giving Republicans the majority on the NLRB for the first time since Sen. Reid blockaded President George W. Bush's Board nominees in 2006-2007.

For the unions' purposes, the favor has paid off—though perhaps not as much as they had hoped: In 2016, election campaign periods had fallen 40 percent from pre-2014 levels; union win rates—already in excess of 60 percent in 2014—jumped to 72 percent.

Student Unionization

As unionization in the private sector has continued to decline, Big Labor has sought new populations of employees to unionize. The Obama-era NLRB was happy to help clear the way for unionization of new blocs of workers, most prominently graduate student teaching assistants at private universities. In 2016, the NLRB ruled along party lines that graduate students at Columbia University represented by the United Auto Workers union were eligible for unionization. The decision reversed a precedent set in 2004.

The decision reopened a debate that the NLRB had punted in 2015—whether college athletes at private universities were employees subject to unionization. In early 2017 (while Democrats still maintained a majority on the NLRB), General Counsel Griffin suggested that they were.

THE NLRB'S NEW MANAGEMENT

Big Labor's plans to expand joint-employer liability to franchisors and unionization to college students were rudely derailed in November 2016 with Republican Donald Trump's election to the Presidency. The new

president brings a new majority to the NLRB and, effective November 2017, a new General Counsel. The Senate's "Reid Rule," (instituted when then-Senate Democratic Leader Harry Reid [D-Nevada] welched on his deal to keep the nomination filibuster in place) means that the Senate Republican majority can advance nominations on a party-line vote. This ensures President Trump's nominees of seats on the Board—at least until the 2018 midterms.

New Members

President Trump took office in January 2017 with two vacancies on the NLRB and a 2-1 Democratic majority. Thus configured, the Board continued issuing pro-Big Labor decisions through most of Trump's first months in office. But by the end of September, Trump had nominated and the Senate had confirmed two new Republican members—a definite sea change for the NLRB.

Marvin Kaplan was nominated to the first Trump-era vacancy, which has a term ending August 27, 2020, in June. Formerly a staffer for House Republicans, Kaplan had been working as counsel at the Occupational Safety and Health Review Commission. His nomination passed on a 50-48 vote; he took his seat on August 10, 2017.

Later in June, the President nominated William Emanuel, a management-side labor lawyer, to serve on the NLRB. His nomination was ultimately confirmed in September on a 49-47 vote. Emanuel took his seat September 27, 2017, giving Republicans the majority on the NLRB for the first time since Sen. Reid blockaded President George W. Bush's Board nominees in 2006-2007.



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Kaplan and Emanuel will be joined by a third new Republican member sometime after current NLRB Chair Phillip Miscimarra steps aside at the end of his term in mid-December. The *Washington Examiner* and Bloomberg BNA have reported that President Trump is considering John Ring, another management-side labor lawyer, to fill the seat Miscimarra will vacate.

General Counsel

Richard Griffin's term as NLRB General Counsel does not expire until November 2017, so as of this writing, Obama's pro-union agenda has another month to run its course. Griffin will be replaced by management-side labor lawyer Peter Robb, subject to confirmation by the Senate. Robb previously served as a legal aide to Robert P. Hunter, a Republican Member of the NLRB from the Reagan era.

But Robb is not an ordinary management-side labor lawyer. In 1981, he was an attorney with the Federal Labor Relations Authority when they conducted the litigation surrounding President Ronald Reagan's decision to fire striking air traffic controllers who were members of the Professional Air Traffic Controllers Organization labor union. As everyone remembers, Robb and the FLRA won the case. The controllers' strike was deemed illegal, a seminal victory for conservatives and free-marketers during the Reagan Revolution. The left-wingers at In These Times fear Robb, rightly believing his Reagan Administration experience means he will take an aggressive posture defending employers against labor unions. His appointment signals a massive shift for the agency after four years under the guidance of a "chief prosecutor" who was an in-house counsel to a major union.

OUTLOOK

In early 2018 the NLRB will in all likelihood enjoy a 3-2 Republican majority and a General Counsel committed to balancing union, worker, and employer rights. Hopefully, the bad old days of blatant NLRB advocacy for the agenda of the SEIU and other labor unions are over. Already, a sensible Republican NLRB majority under Chairman Miscimarra has the power to block the initiatives of Obama-era holdover General Counsel Richard Griffin. Miscimarra has said that he hopes to clear as many current cases as possible before his term expires.

Reversing the damage caused by the NLRB's Obama-era agenda will take time. First, Robb's confirmation will be fiercely opposed by Democrats and possibly Big Labor-aligned Republicans like Sen. Lisa Murkowski of Alaska. And Miscimarra's retirement means there will be a confirmation fight over his replacement.

But once a new General Counsel and a full slate of members are seated, there is reason to believe that the NLRB will turn a new page in its history. We may look forward to efforts to reverse the *Browning-Ferris* joint employer standard, the *Specialty Healthcare* micro-union rules,

and other more technical rulings that increased union privileges at the expense of worker and employer rights. Still, procedural hurdles might be difficult to jump; true reform could be years away. Likewise, efforts to reverse the ambush elections rules will require notice-and-comment rulemaking, delaying their implementation.

And sadly any improvements in the climate for workers and employers could be reversed by the “pen and phone” of the next NLRB in the hands of a Democratic majority beholden to Big Labor. This disturbing possibility has led Congress and activists to consider more permanent ways to constrain the actions of the flip-flopping regulatory agency. But that is tomorrow’s business. Today, the House of Representatives is considering a measure with bipartisan support that would reverse *Browning-Ferris* and codify the reversal in law. The Save Local Business Act would set the pre-*Browning-Ferris* “direct control” standard and apply it across federal labor law.

Other proposals favor a broader reform of labor law, which would curtail the NLRB’s regulatory and interpretive discretion. The Employee Rights Act would give workers more rights exercisable against abusive labor unions, including opt-out protection from having personal information disclosed in organizing campaigns. The bill would also change the majority support threshold, require periodic “re-certification” of unions, and guarantee secret ballot elections—killing card check for all private-sector workplaces.

Limited changes are also being considered: The Workforce Democracy and Fairness Act would set a 35-day minimum period from the filing of an election petition to the holding of an election to reverse the ambush elections rule and establish a consistent, fair unionization election campaign period. The bill would override *Specialty Healthcare* and prohibit micro-unions.

CONCLUSION

For eight years, the National Labor Relations Board has used “pen and phone” tactics to advance a Big Labor agenda. Goaded by the Obama administration’s failure to put over a variety of pet labor laws, the NLRB has pursued a kind of guerilla campaign to pass the Card Check Bill, Labor’s number one post-2008 election priority. But now, with new management at the NLRB, a much-needed balance is returning.

Soon, for the first time in nearly a decade, the nation’s most important adjudicator of labor-management disputes will no longer be pressing its thumb down hard on the union side of the scale. ■

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



HELPING OTHERS HELP THEMSELVES

How a pioneer in the citrus industry turned groves and commercial real estate into opportunities

By Kristen Eastlick

Summary: *It's a rare organization that can begin in humble origins, carve out an identity as a major economic and philanthropic presence, and, for more than sixty years, faithfully embody the entrepreneurship, industriousness, and compassion of its namesake. And yet that's exactly what Central Florida's Dr. Phillips Charities has been able to do. This installment of the Doing Good series shows just a small portion of the impact one family's legacy has made on a community for generations.*

WHO WAS DOC PHILLIPS?

In the 1800s, citrus trees grew wild throughout Florida's dense forests. In the middle part of the century, early entrepreneurs began to turn the fruit into a profitable business, following the success of some early grove farming in Central Florida. By 1893, the state's annual citrus production had grown to more than five million boxes, according to Florida Citrus Mutual, a citrus industry trade group.

It was into this burgeoning industry that Dr. Philip Phillips arrived in 1894. At just 20 years old, Phillips, a native of Memphis, Tennessee, had recently received his medical degree from Columbia University. (While little is known about what brought the young man to New York City for his education, he valued learning the rest of his life.)

Yet barely a year after Dr. Phillips (who came to be known as "Doc") purchased his first orange grove in Satsuma (roughly 90 miles north of Orlando), the region was hit by one of the most devastating freezes in Florida's history. After two days of below-freezing temperatures destroyed his citrus trees, Phillips returned to his hometown for more than seven years. But he didn't stay away for long; he regularly returned to Florida and purchased small parcels of land, mostly located in Central Florida's Osceola County. Finally, in 1902, accompanied by his wife, Della, and his newborn son, Howard (a second son, Walter, was born in 1904), the Phillips settled in Orlando—a move that launched a major citrus empire. Dr. Phillips Inc. would ultimately span multiple counties, including more than 5,000 acres of citrus groves and two packing houses.



Photo courtesy of Dr. Phillips Charities.

In 1894, 20-year-old Phillip Phillips arrived in Florida, having recently received his medical degree from Columbia University. Dr. Phillips entered the booming citrus industry when annual production was exceeding five million boxes.

A PIONEER IN FLORIDA'S CITRUS INDUSTRY

By 1915, Florida's citrus industry had rebounded, with annual production in the industry reaching 10 million boxes. Dr. Phillips' empire continued growing. At one point, according to a June 2017 *Orlando Sentinel* article by Joy Wallace Dickinson, Doc's enterprises sold 100,000,000 oranges from his groves per year. But perhaps more importantly, he helped transform the processing of orange juice that helped drive consumption. Since refrigeration wasn't common in the 1920s and 30s, the industry had to solve the problem of preserving

Kristen Eastlick is CRC's Vice President of Programs and Communications. She thanks Wendy Oliver of Dr. Phillips Charities, Dr. Michael Armbruster and Parker Antoine of Orange County Public Schools, and Eddy Moratin and Sherry Paramore of LIFT Orlando, for their collective assistance with this article.

juice so it could be easily transported and stored. After buying his own processing plant, Doc created and patented “flash” pasteurization, a process that helped eliminate the metallic taste that plagued earlier canning processes. “[B]y 1931,” writes Dickinson, “the Phillips cannery [was] able to produce 24,000 cans of juice every day.”

Doc also excelled at marketing the industry. As described in the biography from his induction into the Florida Citrus Hall of Fame, Doc was the first to sell oranges by the pound, which proved persuasive in live demonstrations showing how much juice could be produced by 10 pounds of fruit. (He even enlisted the help of his college-aged son Howard to showcase their fruit offerings across the Midwest.) Given his medical background and armed with new research showing high levels of vitamin C was present in canned citrus products, the company’s canned products soon carried the label: “Drink Dr. Phillips’ orange juice because the Doc says it’s good for you.” Indeed, Dickinson reports that the American Medical Association’s Council on Foods issued its seal of acceptance on Dr. Phillips’ canned products in the early 1930s. (Many believe these early marketing successes paved a way for later growth in the juice industry, particularly the success of frozen concentrate, by increasing consumer awareness of orange juice and making it synonymous with health.)

The company even took advantage of early cinema technology, including working with the new Technicolor film process, to develop promotional films to expose more consumers to citrus products and the industry.

AN UNUSUAL RESPONSE TO THE AGRICULTURAL CYCLE

While Doc was building his successful enterprise, he quickly learned of the challenging cyclic nature of citrus agriculture practices. Part of the year was incredibly taxing: planting, harvesting, and processing. As the business was growing, Doc even recruited temporary help from as far as the Bahamas. But the remaining part of the year slowed down incredibly, and work dried up. Valuable employees who contributed during the times of heavy production were laid off, and Doc soon realized that he was losing talented employees because of those predictable labor swings.

In the early 1920s, Doc discovered the solution in real estate development. In his years of owning farming acreage, he found that some of his land would not grow citrus, so he soon had the company begin construction of commercial and industrial buildings on those sites. On new properties, the firm added buildings that helped support the various

functions of the citrus industry. Rather than hire a new fleet of employees for these ventures, Doc’s construction projects provided employment opportunities for his agricultural workforce during the slow seasons, and the company benefited from the additional income generated by renting out the finished builds.



Doc Phillips built a full-fledged community to provide additional services to workers and their families.

In addition to stabilizing the work cycle for his employees, Doc provided other amenities for his labor force. He established nearby housing and began building a full-fledged community, including a post office to provide additional services to workers and their families. One of the first of the new construction projects to be built was the Dr. Phillips Theater in what is now downtown Orlando on the corner of Orange and Pine Street. The building still exists today and houses *City Arts Factory*. Dr. Phillips was the first citrus grower to dust his groves using airplanes. The air strip he used to land his crop dusters is now a gated community called *Phillips Landing*.

For fifty years, Doc and his family built one of the most successful citrus enterprises in the industry. Finally, in 1954—60 years after he first arrived in Florida with a \$5,000 endowment from his father—Doc and his family sold the citrus business to Granada Groves, a partnership between Investors Diversified Services and Minute Maid.

FROM THE ORCHARDS TO THE CITY

The sale of the citrus portion of his enterprises moved Doc and the rest of Dr. Phillips, Inc. into the second phase of the company’s history. The firm began to focus its primary business efforts on the building and leasing of commercial and industrial buildings. Blocks of Orlando real estate development can point to Dr. Phillips for their origin. For example, the firm created the first Industrial Park just north of Orlando that featured a Sears Roebuck distribution warehouse, among other leases. At one time, Dr. Phillips, Inc. owned and leased more than two and a half million square feet of buildings in the Central Florida area with more than 300 tenants. The litany of major current or past tenants are renown: Howard Johnsons, Sears Roebuck, Crown Cork and Seal, Nabisco, B.F. Goodrich, Goodyear, Publix, Winn-Dixie, Porter Paint, Amoco, Sealtest, Hertz

Rent-a-Car, Armour Foods, Goulds Pumps, Bell South, Dupont Paint, and Stanley Home Products, among others.

Today, Dr. Phillips, Inc. continues to maintain many properties as a part of its investment portfolio; it remains one of the largest commercial landlords in Central Florida. The firm's decision to invest in real estate was both good for the company and ultimately good for the community.

PHILANTHROPY BEGINS AT HOME

Many of Doc's business decisions arose out of a charitable and giving spirit that he demonstrated throughout his life. While running his orchards, Doc paid keen attention to the needs of his workforce. The creation of his Dr. Phillips housing community for his employees and families was only one element; as described in the Florida Citrus Hall of Fame, he "always made sure his workforce was taken care of in every way."



The family felt that it was important to support programs that would correct the origins or causes of a problem, thus leading to the Foundation's motto "helping others help themselves."

His focus on public welfare was often ahead of its time. In the 1950s, recognizing that proper health care for African-American citizens of Central Florida was almost non-existent, Doc helped to establish the Dr. Phillips Memorial Hospital. Howard (who had ultimately finished his education at Harvard) was also dedicated to this project and encouraged two African-American doctors to relocate to Orlando to establish their practice.

The Phillips family's generosity and keen passion for helping people in the community led to the establishment of The Dr. P. Phillips Foundation in 1953 to support charitable needs in the Central Florida area. Dr. Phillips, Inc. is now also a non-profit organization, and the two organizations together compose Dr. Phillips Charities.

Doc also valued the importance of education and teaching the values of American free enterprise to the young people in his community. He was integral in bringing a Junior Achievement chapter to Central Florida, and was committed to funding that effort; since its inception, Dr. Phillips Charities have contributed over \$2 million to ensure

Junior Achievers have the background in entrepreneurship, financial literacy, and work readiness required to pursue their futures.

Unlike some entrepreneurs of the time, Doc built up his foundation while he was still alive, and he was able to be involved with the organization for six years before he died. The family felt that it was important to support programs that would correct the origins or causes of a problem, thus leading to the Foundation's motto "helping others help themselves." Howard, who focused his time on managing the foundation after the sale to Granada, continued the family legacy of philanthropy after Doc's death in 1959 (and, in 1968, Della's death).

THE LEGACY OF DOC PHILLIPS AND HIS FAMILY

Today, there are many community buildings named to honor the Phillips Family in Central Florida, including the Dr. P. Phillips Hospital, a hospital built on a parcel of land Doc purchased in 1905. Dr. Phillips Charities has awarded nearly \$200 million in grants, pledges, and program-related investments to Central Florida charities responding to the needs of the community and directly touching the lives of thousands of children and families each year. The support has focused on five primary service areas, including: educational programs, children and youth services, social services, cultural programs, and health or rehabilitative programs.

The Charities also support nonprofit organizations that seek to preserve the free enterprise system and protect private property rights. *[Editor's note: Since 1988, Capital Research Center has received annual contributions from The Dr. P. Phillips Foundation.]*

While Dr. Phillips Charities touch countless individuals in the Central Florida area, an examination of two organizations can showcase the spectrum of their impact—from the way Orange County Public Schools (OCPS) change individual students' lives and LIFT Orlando transforming an entire community.

HELPING STUDENTS WORK TOWARDS THEIR FUTURE

Throughout his life, Doc Phillips was committed to education, and his foundation has maintained that focus

throughout its lifespan. When challenged by the well-known skills gap facing the Central Florida workforce, Dr. Phillips Charities decided to partner with OCPS Career & Technical Education. The program they developed—the Dr. Phillips Charities Certified Schools Grant Program—helps change students’ lives through innovative, hands-on educational programs. By encouraging high-school-age students to complete career and technical training programs, students have opportunities to earn industry certifications and licensure in essential fields like agriculture, information technology, engineering, and more.

The OCPS career training programs funded through grants from Dr. Phillips Charities help students benefit from the “best of both worlds” when it comes to their studies. Through technical college dual enrollment, students can take their core academic classes at their home high school, and take Career & Technical Education (CTE) courses in their chosen career field at one of five technical college campuses—or in many cases, right on their home high school campus. Students can leave high school prepared for both career and college through industry-based training programs like those that the Dr. Phillips Charities program helped create.

One such student was Anthony Thomas, who decided to enroll in the program because he wanted a better job when leaving high school. Through the program, he was able to intern at East Orlando Florida Hospital, an opportunity which first led to a volunteer position and then full-time employment at the pharmacy at Winter Park Memorial Hospital. According to Anthony, “If I didn’t do the program at the tech center, I wouldn’t have gotten the job. The training and the tests fully prepare students to be over-ready to pass the certification test.”

Dr. Michael Armbruster, Associate Superintendent of CTE, has been particularly proud of the accomplishments of students coming out of the programs at all levels. “We have incredible, passionate students who share their skills at state competitions, industry functions, trade shows or simply in the classroom every day. What makes me so proud is that we in CTE, have somehow shaped their career journey, and have given them the confidence to succeed in life, no matter where that road may take them.”

What’s particularly unique about this program is the interaction between the program and Dr. Phillips Charities. Dr. Phillips Charities Board of Directors have helped CTE acquire the technology and equipment that meets industry standards and prepares students for the industry certifications they need. But Dr. Phillips Charities avoids a common pitfall in grant making; according to the CTE administrators, they don’t



Photo courtesy of Orange County Public Schools.

The Orange County Public Schools Career & Technical Education program provided Anthony Thomas (above) an internship at East Orlando Florida Hospital. The opportunity led to a volunteer position and then full-time employment for Anthony at the pharmacy at Winter Park Memorial Hospital.

micromanage the grants. While the charity leaders are clear on what they want to see from the grant programs, the Board at Dr. Phillips allow CTE professionals the autonomy to act in making those initiatives happen.

“Dr. Phillips Charities makes it clear what they would like to see from the grant program,” says Dr. Armbruster, “but have trusted us with a collaborative process in making those plans come to life.”

Like the inspired real estate development spearheaded by the organization’s namesake, Dr. Phillips Charities Certified Schools grants have helped create new learning spaces like the greenhouse at Dr. Phillips High School, established new programs like Building Construction at East River High School, and provided essential tools to many programs across the school district.

Through its innovative grant making, Dr. Phillips Charities has worked with OCPS to bring together the involvement of students, families, and instructors with educational programs. This model is embraced and enhanced by the imaginative and functional learning happening in these classrooms.

THE POWER OF COLLABORATION

Another program that illustrates the Doc Phillips legacy also begins with real estate.

In 2012, Tom Sittema, CEO of CNL Financial Group, gathered a group of community-minded business leaders

to pursue the question: “How can the business community help solve some of our city’s most complex social problems?” After much research, they became inspired by the opportunity to leverage their influence and align their social responsibility efforts in partnership with Florida Citrus Sports (FCS) as the firm worked to redevelop the aging Camping World Stadium (formerly known as the Citrus Bowl). LIFT Orlando was founded to leverage the stadium’s reconstruction and ignite positive neighborhood transformation for its neighboring families.

This ambitious project challenges the paradox of “toxic charity,” as described by author and urban activist Bob Lupton. In 2009, the three-year research project, “Seeking the Welfare of the City,” identified an impressive 3,800+ registered non-profits and charities in Central Florida. However, it also found that the area had consistently been ranked among the worst out of the 200 U.S. cities evaluated annually by the Gallup Well-Being Index. In spite of a great culture of service in Central Florida, most charitable organizations had failed to realize that relief and betterment programs alone have never proven to strengthen families for the long term.



Most charitable organizations have failed to realize that relief and betterment programs alone have never proven to strengthen families for the long term. LIFT Orlando has opted for a different approach.

Armed with that research, LIFT Orlando opted for a different approach. The organization harnesses the powers of entrepreneurship, charitable giving, and smart city planning. It consists of business leaders partnering with residents to break the cycle of poverty through neighborhood revitalization, including mixed-income housing, cradle-to-career education, community health and wellness, and long-term economic viability. But this innovative initiative would not have been launched without Dr. Phillips Charities.

Ken Robinson, President and CEO of Dr. Phillips Charities, first learned about LIFT Orlando while on the board of Florida Citrus Sports. As LIFT Orlando’s executive director, Eddy Moratin, describes, “[Ken heard] about what we were envisioning for these inner-city neighborhoods and immediately offered to help. He asked



Photo courtesy of Talking Head Studios.

LIFT Orlando was founded to leverage the reconstruction of the aging Camping World Stadium (formerly known as the Citrus Bowl) and ignite positive neighborhood transformation for its nearby families. The MVP Families Program develops community leaders, strengthens bonds between parents and children, and connects local families.

us how we were going to manage to transform what was then the worst apartment community in Orlando in the lowest income neighborhoods in town.”

In 2013, Fannie Mae foreclosed on a major apartment complex near the stadium, displacing roughly 1,200 residents. The agency then wouldn’t sell the structures to LIFT Orlando, instead selling them to the City of Orlando. Through a program-related investment of \$4 million dollars from The Dr. P. Phillips Foundation, LIFT Orlando was able to purchase then demolish the buildings and start the rebuilding process. “[I]t was the bold [investment] to a new and untested nonprofit that provided the greatest example of The Dr. P. Phillips Foundation leadership in our story,” explains Moratin.

Dr. Phillips program managers have again followed a results-oriented approach to grantmaking. “They have been much more interested in outcomes than process,” says Moratin. “They knew the [Orlando] area well because of Ken’s involvement on the FCS Board, so it was clear that LIFT Orlando’s holistic vision...was the kind of bold intervention needed. Their expertise in real estate development and property management helped them see the possibilities.”

LIFT Orlando also brings out the best through collaboration among business leaders, community leaders, and government agencies. Among their major milestones, the group has raised \$40 million to build 200 units of new, mixed income housing; initiated Job Support Services including recruiting local employers with the goal of 100 percent employment in the neighborhood; secured an

annual gift of a \$100,000 matching grant from the College Football Playoffs Foundation for teacher development, recognition, and supplies; and received a grant of \$400,000 from JP Morgan Chase to offer microloans to businesses in the development area.

The latest research supports the boldness of The Dr. P. Phillips Foundation in funding LIFT Orlando's projects. "An overwhelming amount of research, in fact, asserts that...truly breaking the cycle of generational, concentrated poverty requires a holistic approach with a bold geographic focus," explains Moratin. "A recent study by the Federal Reserve affirmed the importance these place-based initiatives [like LIFT Orlando] for their vital role in connecting economic growth to economic opportunity in disenfranchised neighborhoods." In this way, LIFT Orlando embodies the foundation's goal "to help others help themselves."

It's been more than 100 years since the Phillips family began transforming Central Florida through a combination of entrepreneurship and compassion. LIFT Orlando continues that tradition of meaningful change.

THE DR. PHILLIPS CENTER FOR THE PERFORMING ARTS

Dr. Philip Phillips and his wife, Della, were great supporters of the performing arts. To date, Dr. Phillips Charities pledged \$37,288,500 million in contributions to The Dr. Phillips Center for the Performing Arts, a world class performing arts center in Downtown Orlando, Florida. This beautiful \$500,000,000 venue is a wonderful example of philanthropy, business, and the community coming together.

The vision for this vibrant cultural community gathering place reflects the past vision of the Phillips family and today's board to build a dynamic downtown Orlando. The Dr. Phillips Center showcases *Arts for Every Life* and further reflects the vision that Doc and Della endowed the city with, a combined passion for community and a love of the arts.

While the Phillips family is primarily known for innovations in the growing, processing, and packaging of citrus, contributions to the performing arts that began in their home on Lake Lucerne, just blocks away, continue to shape the arts community of Central Florida. The Dr. Phillips Center for the Performing Arts represents Dr. Philip Phillips' legacy in more ways than just his love of the arts. He cared for the people who worked for him, the Central Florida community, and lived up to his legacy "Helping



Photo courtesy of Dr. Phillips Center for the Performing Arts.

The Dr. Phillips Center for the Performing Arts is an example of philanthropy, business, and the community coming together. The vibrant cultural community gathering place in downtown Orlando continues Doc and Della's legacy and proudly bears his name for Central Florida and the world to enjoy.

Others Help Themselves." The Dr. Phillips Center for the Performing Arts is a continuation of the legacy which proudly bears his name for all of Central Florida and the world to enjoy.

MAJORITY OF GIVING FOCUSED LOCALLY FOR GREATER IMPACT

A vast majority of Dr. Phillips Charities giving is focused in Orange and Osceola counties. They are able to have the most impact by focusing their efforts locally. The structure of the organization is such that they intend to continue to grow and gift more each year.

Howard Phillips passed away in 1979. At that time, Dr. Phillips Charities was roughly \$80 million. Today, 38 years later, they have grown more than three times that amount while gifting nearly \$200 million.

CONCLUSION

When Dr. Philip Phillips passed away on April 18, 1959, the family ensured his marble tombstone read "Under His Hand the Wilderness Bore Fruit." But Doc's legacy extends far beyond the forests of his early orange groves. His wealth has enriched the communities of Central Florida, and through the generosity he inspired in others, thousands of lives have been transformed. ■

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DECEPTION & MISDIRECTION



HYPOCRISY, THY NAME IS HOLLYWOOD!

How leftists in the film industry use "charity-washing" to mask bad deeds

By Hayden Ludwig

Summary: *Horrific sexual harassment revelations have recently exposed several Hollywood bigwigs for the predatory hypocrites they really are. For many entertainment elites, using the language of progressive selflessness is de rigueur; but behind the mask is a well-connected machine that uses politics to advance private business interests and the media to glamorize its image and cover up a tawdry history of sexual crimes.*

INTRODUCTION

The film industry in Hollywood, California, is famous for *haut monde* culture, glamorous beautiful people, and knee-jerk leftist political activism. But behind the language of Progressivism lies a slew of self-serving business interests—massive tax credits, film subsidies, and favorable trade laws—tied to Democratic Party officials always willing to cut a deal with movie executives. It's a tidy arrangement that keeps Hollywood's collective pockets lined and Democratic political campaigns funded—all under the guise of selfless activism.

More insidiously, perhaps, behind the entertainment-industrial complex's supposedly egalitarian sexual politics, lies a long history of predation and sexual exploitation.



We call it charity-washing: using nonprofits and political activism to push an agenda that has no bearing on the way you actually live your life.

"Do unto others what you *don't* want done to yourself" might serve as a maxim for the supposedly highbrow actors, directors, and executives who preach Progressivism without living it or really understanding what they're preaching. Thankfully, most Americans pay more attention to Hollywood's movies than to the self-inflated opinions of its stars—but recent events show, painfully, that they should be more aware of who's creating the entertainment products they consume.



Image credit: goo.gl/7YjYcT.

Harvey Weinstein seated between Hillary Clinton and Huma Abedin, a top aide. A donor to Clinton's 2016 presidential campaign, Weinstein was cited by the Hollywood Reporter as joining a number of actresses in his standing ovation for Clinton's speech.

Allegations of rape and sexual harassment against Hollywood mega-producer Harvey Weinstein, founder of Miramax, and a cluster of powerful celebrities have exposed what CRC's president Scott Walter calls "charity-washing," or using philanthropy to mask hypocrisy and malfeasance. This second "Hurricane Harvey" has unleashed a torrent of disturbing revelations about the industry's seedy side, and revealed Hollywood's ever-hollow core.

THE HOLLYWOOD-MEDIA INDUSTRIAL COMPLEX AND HYPOCRISY

Harvey Weinstein:

Since early October, scores of men and women have come forward with accusations of rape, molestation, and sexual harassment at the hands of an ever-growing list of actors, directors, and producers.

Hayden Ludwig is the Communications Assistant at the Capital Research Center.

Beginning with Harvey Weinstein, the Hollywood sex scandal has widened almost daily to include allegations against—among others—director James Toback, producer Brett Ratner, actors Kevin Spacey and Ben Affleck, and journalists Michael Oreskes (Senior Vice President of News at National Public Radio) and Lockhart Steele (director at Vox, a liberal online outlet). If true, the allegations of unwelcome groping, sexual harassment, and rape are revolting enough; but the most galling aspect of the drama is the blatant hypocrisy of many of the accused, who claim to be ardent feminists and champions of women’s rights.

It’s blatant charity-washing: using nonprofits and political activism to push an agenda that has no bearing on the way you actually live your life.

Harvey Weinstein, perhaps the most blatant charity washer of all time, was an ardent supporter of Planned Parenthood, for instance, and appeared at a number of events sponsored by the group. Photos of the now notorious Weinstein posing next to pretty young actresses in front of the Planned Parenthood logo only highlight his hypocrisy: One of the celebrity attendees of the Planned Parenthood gala in May 2017, Weinstein applauded vigorously when speaker Hillary Clinton said:

...and I believe, as you do, that trusting and valuing women is the right and moral position to take.

A donor to Clinton’s 2016 presidential campaign, Weinstein was cited by the *Hollywood Reporter* as joining a number of actresses in his standing ovation for Clinton’s speech. The ironies inherent in this moment, both from the point of view of the speaker, whose husband’s abusive treatment of women is well known, and the applauder, an about-to-be exposed serial abuser, boggles the mind.

Another instance of Weinstein’s charity washing can be seen in his position as a “fixture” (*Bloomberg*) on the board of the Robin Hood Foundation, which calls itself one of New York’s largest poverty-fighting nonprofits. According to information on Robin Hood’s website, the foundation provides grants to at least a dozen groups focused on helping women.

Kevin Spacey:

Academy Award-winning actor Kevin Spacey has also been implicated in decades of abusive behavior, with at least one accuser detailing lewd advances made to him in 1986, when he was age 14. The incident seems sadly typical of Spacey’s predatory behavior: he’s been accused of propositioning a



Image credit: goo.gl/RMPht7.

The history of political and sexual hypocrisy as typified by Weinstein and Spacey seems to fit into a broader Hollywood-Media Industrial Complex pattern of deeply ingrained corruption.

male undergraduate in the late 1990s, groping filmmaker Tony Montana in 2003, and preying on young men at the Old Vic Theatre in London, where he was the artistic director for 11 years. Particularly disturbing in light of Spacey’s alleged child abuse is his charity washing work through the Kevin Spacey Foundation, which defines its mission as supporting “school children, young people and emerging artists in the performing arts and film.”

But the history of political and sexual hypocrisy as typified by Weinstein and Spacey seems to fit into a broader Hollywood-Media Industrial Complex pattern of deeply ingrained corruption. The entertainment elite, often woefully uninformed, are nevertheless given a stage to voice their left-wing political views by a sympathetic media, which celebrates their celebrity and validates their stances on progressive issues like feminism, climate change, and income inequality.

CC —————
Behind the entertainment-industrial complex’s supposedly egalitarian sexual politics lies a long history of predation and sexual exploitation.

Celebrity-obsessed media feeds the already massive egos of the very people they cover, thus providing content and spurring supporters of the Democratic Party into action. Meanwhile dirty deeds directly opposed to stated beliefs and values go down in the half-light.

ALL-FOR-SHOW PEOPLE

Of course, the current wave of sleaze is nothing new: Hollywood has been known for moral seediness at least since the probable murder of producer Thomas H. Ince on William Randolph Hearst's yacht in 1924. Hollywood producers have periodically reveled in exposing the dark side of their industry, and over the years have released any number of self-flagellating exposés depicting the film industry—as the BBC nicely puts it—“as a hellish cesspool of corruption, murder, and insanity.”

Movies like *Show People* (1928), *What Price Hollywood* (1932), *Sunset Boulevard* (1950), *The Bad and the Beautiful* (1952), *Beyond the Valley of the Dolls* (1970), and *The Player* (1992), among others, take a view ranging from satirical to sinister of reputed Hollywood decadence and degeneracy. Indeed, the Coen Brothers' *Barton Fink* (1991) depicts filmmaking as the exclusive enterprise of madmen.

Blatant sexism and sexual exploitation of talent is a recurring Hollywood theme. Stories abound of the infamous “casting couch,” an illicit piece of furniture upon which sexual favors were demanded of actresses by producers and directors in exchange for professional preferment. Indeed, most actresses can recollect cringe-inducing casting calls, with casting directors offering crass remarks like, “Her cleavage is her best feature.” According to Hollywood professionals posting on the website *Casting Call Project*, a platform for actors and actresses to report their casting horror stories, it isn't uncommon to find female roles described as “the dream of any teenage boy, sexy yet wholesome, perfect physique, and always eager to please her man.”

Fitting squarely into this sordid history are reports of influential executives like Harvey Weinstein cajoling female employees into sexual acts with money, promises of career advancement, or outright threats of physical violence.

While it would be unfair to say vulgarity is the singular domain of Hollywood, the ability of film industry executives to depict themselves as devoted feminists while at the same time they call for “whores for a Quentin Tarantino project” is probably unique in corporate America. One anonymous source relates his experience as a Hollywood agent and manager; his employers would regularly ask him to rate women's looks on a scale of 1 to 10 when considering taking them on as clients. Isn't it ironic that the nation's most left-wing for-profit industry is also the most exploitative of women – while coming under the least fire for workplace sexism?

Hollywood's dishonesty over worker treatment doesn't end with sexism, of course: Many Hollywood stars are among

the most vocal proponents of the national campaign to double the federal minimum wage from \$7.25 to \$15 per hour. The so-called Fight for \$15, the brainchild of the gargantuan Service Employees International Union (SEIU), has been hailed as a moral imperative by left-wing, coastal elites, who call it a “living wage” for workers.

Again, ironies abound: Picket sign-wielding stars, such as Tim Robbins, Ed Harris, and Helen Mirren joined some 350 people in a March 2015 strike in North Hollywood to demand the Actors' Equity Association (a union) *oppose* a contract requiring small theaters to pay actors minimum wage for performances. “We want change,” the protesters cried, “but not this change!”

“This would kill almost all 99-seat theaters,” an actor and Chicago theater owner later whined. In an open letter penned by numerous actors opposed to the minimum wage rule, they wrote,

Scores of beloved theaters would be forced to double or triple their budgets overnight in order to give actors a drastic pay raise. Tiny theaters on micro-budgets would be hard-pressed to meet such a sudden new requirement.

It's worth noting that the devastating minimum wage they protested was \$10 per hour; the Fight for \$15 was still on the horizon.

Actor Alec Baldwin supports minimum wage hikes... except when they interfere with his busy celebrity schedule. Caught in a vicious traffic jam caused by an April 2015 sit-in protest for a “living wage” in New York City, a serially annoyed Baldwin tweeted out his frustration:

There are ways to rally people to your cause without inconveniencing an entire City.

Life in NY is hard enough as is. The goal is not to make it more so. How clogging rush hour traffic from 59th St to 42 do any good?

How indeed?

Meanwhile, worker abuse runs deep in the film industry. While A-list actors regularly make headlines for their eye-popping salaries, low-level employees—often hired as 1099 independent contractors to avoid being paid employee benefits as full-time workers—regularly report exploitative practices. California lawmakers frequently exempt the film industry from collective bargaining agreements and other expensive labor regulations. Under California law, almost all employers are required to grant workers paid sick leave;

private contractors hired for state building contracts cannot ask workers about their criminal history; and companies have tight rules about paying fired workers in a collective bargaining agreement. The film industry is exempt from all of the above laws.

An April 2010 Reuters story likens the entire industry to a caste system, with production assistants—often (illegally) unpaid—denigrated as “untouchables.” These PAs work in transportation, camerawork, costumes, administration, and art departments, yet the bloated Teamsters, Photographers Guild, costumers’, office workers’, and art directors’ unions won’t let them join.

They’re some of the youngest and most abused workers in the industry. Most are paid minimum wage, but hundreds of stories by former PAs recount producers who get around wage requirements by calling them “interns”—despite assigning them 10-hour workdays and professional duties. It’s thinly veiled deception; one unpaid “internship” posted on the website Craigslist calls for

...those who feel comfortable with/and have: Camera/equipment knowledge; camera set up, working closely with DP; lighting set up; transporting equipment and heavy lifting.

Producers are incentivized to shave off labor costs wherever possible. Outsourcing animation jobs that used to be performed in-studio to small animation shops (often located offshore) is common, according to Steve Hulett, a former Disney animation writer. So are fear tactics designed to intimidate workers into working excessive hours each week for poor pay. Hulett writes,

This isn’t to say people don’t make pretty good money, but [they’re] working seven days a week, 14 hours a day, and so their hourly [wage] isn’t all that high. Instead of judging on a 40-hours per week, you’re looking at 80-to-90 hours a week.



An April 2010 Reuters story likens the entire film industry to a caste system, with production assistants—often (illegally) unpaid—denigrated as “untouchables.”

The entertainment industry is infamous for producing vocal crusaders for the Democratic Party and left-wing causes who use their money and media access to promote



The list of celebrities who fawningly hosted or attended Obama’s fundraisers is measureless, with names like director Steven Spielberg, Dreamworks Animation producer Jeffrey Katzenberg, and actors Robert De Niro, Whoopi Goldberg, and Ellen DeGeneres appearing most prominently.

their radical politics. The oodles of money flowing through the industry further incentivizes Democrats to cater to movie producers and actors.

Hollywood stars were salient supporters of Barack Obama’s 2008 presidential campaign. For the president’s 2012 reelection, actors, producers, and musicians held some 25 or so fundraisers with ticket prices ranging as high as \$35,800 per couple—money that directly fueled his campaign. The list of celebrities who fawningly hosted or attended Obama’s fundraisers is measureless, with names like director Steven Spielberg, Dreamworks Animation producer Jeffrey Katzenberg, and actors Robert De Niro, Whoopi Goldberg, and Ellen DeGeneres appearing most prominently. In terms of dollars raised, the largest event was hosted by actor George Clooney at his Hollywood manse, where roughly 150 guests ponied up an estimated \$15 million—the most lucrative single-event fundraiser in the history of presidential campaigns!

On the other hand, Republican presidential nominee Mitt Romney, received a meager \$100,000 or so from wealthy celebrities in 2012, according to the Center for Responsive Politics. And he found scant support in the film industry—the most prominent of which were producer Jerry Bruckheimer and actor Robert Duvall.

But while the Hollywood Left may *sound* ultraprogressive, its donations demonstrate a preference for Establishment-friendly Democrats. Reporting by the *Los Angeles Times* in October 2015 showed that, while Hollywood donors were vocally split over the candidates in the 2016 Democratic Party primary, 90 percent of the \$5 million in donations from the industry went to Hillary Clinton. That

Credit: USC Shoah Foundation.
License: <https://goo.gl/BF7nMYU>.

analysis broke the spending down further, revealing that \$3,508,100—over 70 percent—of these Clinton donations came from just four men: Steven Spielberg, Jeffrey Katzenberg, Saban Entertainment CEO Haim Saban, and director J.J. Abrams. By March 31, 2016, that figure had risen to \$8.4 million split between the Clinton campaign and its main superPAC, Priorities USA Action. Not counted in that sum, though, are proceeds from two fundraisers held by George Clooney in which tickets for couples were sold for as much as \$353,000, again raising an estimated \$15 million, according to Reuters.

By contrast, all Republican presidential primary candidates combined barely broke \$460,000 in donations from the entertainment industry.

It isn't just the A-list stars who fund Democratic Party candidates. According to data from the Center for Responsive Politics, entertainment and media company employees are roughly six times more likely to donate to Democrats than they are to Republicans. Even employees of the major conservative news conglomerate Fox News are more likely to support Democrats than Republicans for public office, based on their political contributions.

ALL THE WORLD'S A STAGE

It's clear that most of Hollywood is ideologically at odds with the Republican Party, but the Democratic Party's support for increased regulations seems at odds with the business side of movie-making. If they're interested in promoting social freedoms and their business profits, why don't the stars and producers support pro-marijuana, pro-business libertarians? More to the point, why are film executives—who often use the rhetoric of Bernie Sanders-esque progressives—such big supporters of mainstream Democrats?

Here self-interest is perhaps a better explanation than vice. The film industry is a lucrative, well-connected special interest, and entirely capitalist in nature. Movie moguls have secure ties to the California state legislature in part because the industry is such an icon. But many states and many foreign governments find the lure of drawing film studios away from the Golden State irresistible. Since film production is highly mobile and can be done just about anywhere, all the world's a stage for enterprising filmmakers.

Many governments simply pay studios to shoot within their borders. Foreign countries and U.S. states offer a bevy of incentives to movie producers, including tax credits and shelters, cash rebates, and government-sponsored film grants. The vacation island of Fiji, for instance, offers a



Credit: AP Archive (YouTube screenshot).
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whopping 47 percent tax rebate on production money spent in the country. HBO's *Game of Thrones* is partially shot in Dubrovnik, Croatia, for another generous rebate. Often these come with hitches designed to benefit the local economy. Estonia, for example, offers studios a hefty 30 percent cash rebate for film productions—but only if the story is set in Estonia, or makes use of Estonian-based filmmakers, actors, or production crew.

In the United States, movie production incentives (MPIs) are popular with state officials who view them as lures for job growth, though history shows they often disappoint. According to a 2016 report by the California Legislative Analyst's Office, the Golden State spent a gargantuan \$800 million in credits for the film industry from 2009-2014. It's an absurd figure considering about 1-in-3 projects that received generous California MPIs would have been filmed there *without* the credit, anyway. And while the spending did modestly boost the state's economy, it only did so by roughly \$1 billion in a \$2.5 trillion economy, or "no more than a few hundredths of a percentage point." (The film industry in California, it should be noted, is worth about \$50 billion.) Nevertheless, in July 2014, 29 California congressional Democrats asked Sacramento legislators to increase the state's film credit program, which quickly tripled from \$100 million to \$330 million, even as California's total share of U.S. post-production jobs declined from 65 to 61 percent from 2004 to 2012.

To be fair, most states with aggressive MPIs (particularly California) only established the programs in response to a rising number of U.S. studios choosing to film in foreign countries. And though the use of MPIs has diminished in

states with budget-slashing administrations, like Illinois under Republican Gov. Bruce Rauner, a majority of states still use them.

Meanwhile, numerous reports show that states aren't getting their money's worth. According to the Tax Foundation, when Michigan legislators analyzed the state's MPI return on investment it "discovered they were distributing over \$100,000 for every full-time equivalent position created by film credits."

What's worse, very little accountability exists for how this money is spent. According to the California Franchise Tax Board, taxpaying studios often claim the same credit more than once; and the agency admits that no "comprehensive, accurate accounting of all tax credit" exists. From the September 2016 report:

Without comprehensive, accurate, and timely data, it is unclear to us how well the state can ascertain that credits are not being claimed more than once.

What's more, these credits often drag states into multi-billion-dollar bidding wars with other governments in the U.S. and Canada eager to attract filmmakers. It sometimes creates truly peculiar scenarios. The New York-based filmmaker Martin Scorsese's 2014 picture, *The Wolf of Wall Street*, is set in New York's financial district. It got \$30 million in subsidies to film... in New York.



The first two seasons of the Netflix series House of Cards received state subsidies totaling some \$31 million to film in Maryland.

The first two seasons of the Netflix series *House of Cards* received state subsidies totaling some \$31 million to film in Maryland (it's set in nearby Washington, D.C.). Then the film studio postponed filming the third season, according to a February 2014 article in the *Washington Post*—telling Maryland Governor Martin O'Malley that "the filming schedule for Season 3 ha[d] been pushed back to June to ensure that a big enough [credit] increase ha[d] been approved." Legislators weren't pleased:

"It sounds like you are suggesting that they wouldn't film Season 3 here after we've given them \$31 million already," Del. C. William Frick (D-Montgomery) said to economic development officials. "Is it possible that they would just leave after we gave them \$31 million?"

"We hope that they won't," said Dominick E. Murray, secretary of the state Department of Business and Economic Development.

The company wasn't bound to Maryland, and was clear that it "would move elsewhere if the subsidies weren't improved," writes the senior editor of the Manhattan Institute's *City Journal*. "The legislature caved."

All of this, of course, was funded by Maryland taxpayers—and was ultimately a waste of money, as recent events have shown: *House of Cards* producers initially cancelled the show following allegations of Kevin Spacey's predatory past. The final season will be filmed without Spacey.

ON CHINA

The growth of the Chinese movie market goes a long way toward explaining why so many film executives support moderately pro-business Democrats like Hillary Clinton over ultraprogressives like Bernie Sanders.

Economic growth in communist China has produced a substantial middle class with cash to burn and a growing appetite for American cultural exports. Despite overcalculations in recent years about the growth of the billion-person market for American cinema (many outlets incorrectly reported it would overtake the U.S. market as early as 2017), Hollywood studios hunger to sell their flicks to Chinese audiences. The country already has more movie theaters than the United States, and is expected to reach 80,000 by 2021 as entirely new Chinese cities appear practically overnight, according to the *Wall Street Journal*. That figure would exceed \$20 billion in theaters by 2021; in contrast, North America is currently valued around \$12 billion.

But there's a hitch. The communist government is notoriously tight on the number of foreign films it allows into its market each year (roughly 34), and the films selected have to squeeze through a rigorous, sometimes arbitrary censorship process by cultural propaganda officers suspicious of anything offensive to the regime. Unsurprisingly, this has led to no small degree of whitewashing by American film studios willing to sacrifice artistic integrity by deleting scenes, plotlines, or characters in order to have a shot at the vast Sino market.

Hollywood will even sometimes gin-up plotlines that favor China—as in the 2015 film *The Martian*, in which the Chinese National Space Administration (CNSA) saves a crashed American astronaut stranded on Mars—since

it improves reception by Chinese audiences. (While the Chinese connection was present in the book *The Martian* is based upon, the film adaptation does away with much of the original narrative's political nuance to present an unabashedly heroic picture of the CNSA.)

Other films rewrite characters to fit the repressive communist state's totalitarian politics. The "Ancient One," a Tibetan mystic and prominent character in the 2016 superhero film *Doctor Strange* (adapted from a comic-book series of the same name), was changed to a Celtic woman played by Tilda Swinton, a white British actress, in order to avoid offending Beijing, which does not recognize Tibet as an independent state. The film's screenwriter, C. Robert Cargill, was blunt about it in an interview with NBC News:

[The Ancient One] originates from Tibet.... So if you acknowledge that Tibet is a place and that he's Tibetan, you risk alienating one billion people who think that that's bulls—t and risk the Chinese government going, "Hey, you know one of the biggest film-watching countries in the world? We're not going to show your movie because you decided to get political."

One of the most infamous examples of U.S. whitewashing can be found in *Red Dawn*, a 2012 remake of the 1984 film of the same name directed by John Milius about American rebels fighting an invasion of the homeland by the Soviet Union. In the remake, Soviet communists were replaced with Chinese communists... that is, until the film drew fire from the Chinese government, which accused the studio of "planting hostile seeds against China," according to the *Daily Mail*. Buckling under Chinese pressure, the producers reshot scenes and paid some \$1 million for special effects companies to change every flag, symbol and propaganda poster in the film to reference North Korea before its release. (Left unresolved by the plot was how a starving nation of 24 million North Koreans could cross the Pacific Ocean to storm the United States and its 314 million-odd inhabitants.) But justice sometimes triumphs, even in Hollywood: excoriated by critics (it got an aggregate score of 12% from Rotten Tomatoes) *Red Dawn* also bombed at the box office, losing \$15 million.

A number of people in the film industry have put forward concerns about pandering to the totalitarian Chinese communist regime. As one writer in *Time* puts it,

...geopolitical thrillers about Beijing's adventures in the South China Sea and its cyberhacking of foreign governments (or taboo topics like Tibetan independence) likely won't get U.S. studio backing anytime soon.

In other words, China has reached into the most intimate recesses of Hollywood's creative process and inserted its own DNA. Note the dearth of films featuring Chinese villains—especially striking when so many continue to feature Russian antagonists over a quarter-century since the Cold War ended.

"The role of Hollywood film villain is empty," Rob Cain, a China-based film consultant writes in *Time*. "There's no way the Chinese are going to be the replacement for Soviet bad guys because nobody wants to risk the China relationship."

Recently, Beijing has given more leeway to filmmakers willing to work with the budding Chinese film industry. Occasionally this entails casting the country's biggest stars as main characters in U.S. movies, such as two Chinese actors featured as important characters in 2016's *Rogue One: A Star Wars Story*. Oftentimes, studios will pepper scenes with Asian actors in order to appeal to an Asian audience. Fan Bingbing, one of China's most famous young actresses, admits as much of her role as an unnamed nurse in *Iron Man 3* (2013):

"The reason I was cast is simple," Fan tells *TIME*. "[Hollywood] considered the Chinese market, wanted to add Asian faces and found me."

Chinese appeal has taken center stage in the U.S. film industry, says Jackie Chan, that country's most famous actor:

When China was not the market, you just followed the American way... But these days, they ask me, "Do you think the China audience will like it?" All the writers, producers—they think about China. Now China is the center of everything.

"We never thought of China ten years ago," says Adam Goodman, a former Paramount Pictures production chief writing in the *Wall Street Journal*. "Now, we're at a point where Hollywood can't exist without China."

It doesn't come as a surprise, then, that so many Hollywood plutocrats came out as strong supporters of President Obama's controversial 2015 Trans-Pacific Partnership (TPP) agreement. At its core a free trade deal with twelve Pacific Rim nations, the TPP didn't include China—but it did offer a number of protections vis-à-vis China sought by the American film and media industries.

Intellectual property rights featured prominently in the original proposal. Drafts of the TPP would have significantly increased the duration of copyright terms, brought greater uniformity to anti-piracy measures, and prohibited digital tariffs on media—policies media companies have supported for years.

Christopher J. Dodd, a former Democratic senator from Connecticut and head of the Motion Pictures Association of America (MPAA), co-signed an open letter in April 2015 alongside six former Democratic National Committee chairs supporting the agreement. The Recording Industry Association of America (RIAA), a major trade association, called the TPP “critical to sustaining America’s creative sector” later that year. Senior Obama administration officials actively sought out support from Hollywood, and in May 2016, U.S. Trade Representative Michael Froman visited Los Angeles to tout the TPP’s benefits to service sector companies.

Hillary Clinton finally offered her (shaky) support to the deal in July 2016 during her presidential bid, after firmly opposing it—but not before calling it the “gold standard” of trade agreements. As everyone knows, President Trump withdrew the United States from the TPP after taking office in January 2017.

CONCLUSION

Politics and celebrities may go together like Abbott & Costello, but for the thespian class, the good old days might be over.

As the collective clangor from the Hollywood Left has waxed in the age of Trump, box-office sales have steadily waned. Movie theater ticket sales for the all-important summer season have fallen to their lowest level since 1992, according to the *Los Angeles Times*. To be sure, numerous factors might account for the slump in sales—inexpensive streaming services like Netflix and Hulu, the rise of popular long-term television dramas like *Game of Thrones* and *Stranger Things*, and truly awful sequels to mediocre “blockbusters.”

But a few bad movies don’t necessarily account for the substantial 16 percent drop in ticket sales from the end of May through Labor Day 2016. This is the summer

blockbuster season when sales are supposed to be at their highest. Curiously, ticket sales continued their slide during the recent period of high job growth and rising consumer confidence. This decline is particularly striking considering summer box-office sales grew in the wake of the 2008-2009 housing market crash. And why do ticket sales for American movies keep growing overseas despite flopping here?

To be sure, Americans also enjoy a far wider range of entertainment options than they did just a few years ago, all related to the explosion of the Internet. Many Americans now dedicate increasingly large portions of their lives to their smartphones, and have perhaps less tolerance for long, complex narratives meant for on the silver screen. Similarly, the vibrant market for streaming movies and high-production television shows continues to expand. Going out to the movies may soon become just another relic of America’s entertainment past, like going to see a circus or a vaudeville show.

Regardless of economic trends, however, the horror of the Harvey Weinstein scandal reveals the rotten core of the rotten Hollywood apple—just another symptom of the entertainment industry’s preening hypocrisy and hidden corruption. More and more stars and production professionals now admit they knew of Weinstein’s long-standing career of sexual predation, yet none acted. Even when he attended the 2017 Women’s March, the sting of his private predatory treatment of women while publicly declaring the value of women’s rights went unremarked.

Many in the entertainment world may use the language of progressive crusaders, charity-washing themselves with good works and self-congratulatory P.C. speechifying. But, as the Weinstein scandal shows, Hollywood’s main concern is still its image, not its substance. ■

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



BOOK EXCERPT

How Great Philanthropists Failed & How You Can Succeed at Protecting Your Legacy
By Martin Morse Wooster

Summary: In November, CRC published the fourth edition of Martin Morse Wooster's seminal book on donor intent. *How Great Philanthropists Failed & How You Can Succeed at Protecting Your Legacy* tells the horror stories of foundations that have violated their donors' intent, as well as the stories of philanthropies that have been more faithful to their original donors. The book's conclusion explains—briefly and powerfully—how all donors can make sure their legacy will provide their grandchildren with the same America they have enjoyed. In the excerpt below, Wooster shows what donors can do to preserve their legacy. [Editor's note: The excerpt below does not include the endnotes that appear in the book.]

I believe that, after the first generation, inherited wealth loses the spirit and the values of the people who earned that wealth. There comes a disconnection between the funds and the source of the funds.... The culture of those in charge becomes not dissimilar from the culture of the government bureaucracies who dispense funds confiscated from the taxpayers.

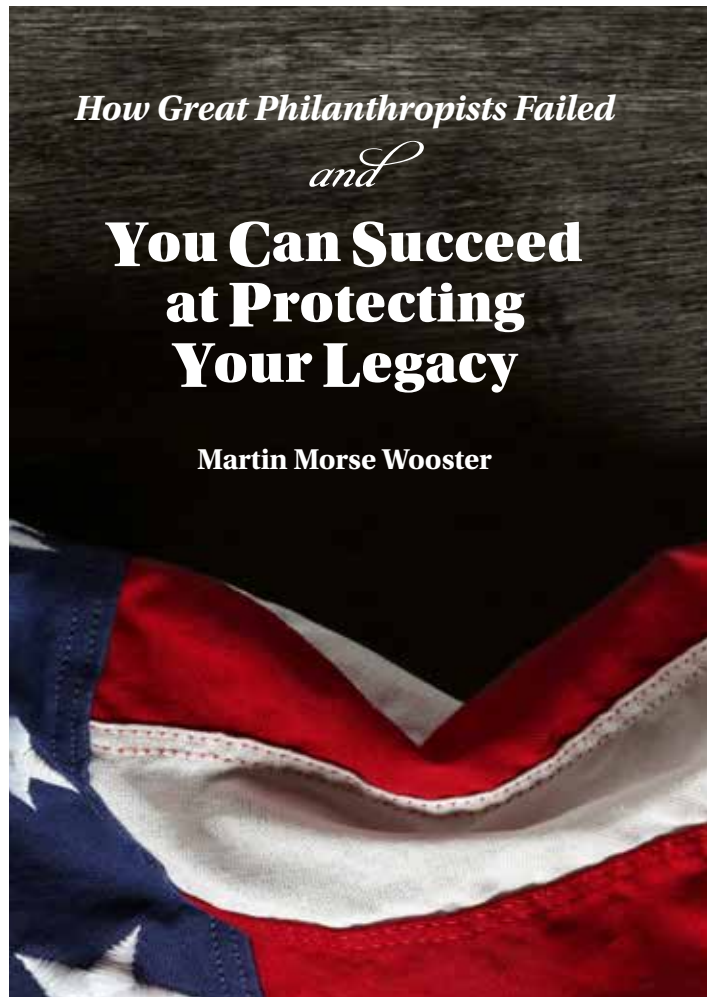
— Joseph J. Jacobs

The previous chapters have examined how donor intent became a problem, how the law has addressed the issue, and how foundations, large and small, have either followed or, more often, abandoned the wishes of their founders. This chapter draws general conclusions about the problems of donor intent and outlines principles that donors should consider as they make long-term plans for their giving.

As the earlier parts of this book make clear, there is no iron-clad guarantee that families, friends, and associates will honor one's wishes after one's death. Far too often, the stories of great fortunes begin with heirs who agreed with a donor's intentions when alive, but end with betrayal after the donor's death. Trusted family lawyers have also helped create foundations that betray donors' wishes. John D. MacArthur's lawyer, William Kirby, helped ensure that the John D. and Catherine T. MacArthur Foundation would not fund any cause that John MacArthur supported. John

How Great Philanthropists Failed *and* **You Can Succeed at Protecting Your Legacy**

Martin Morse Wooster



Because of a generous grant from the Daniels Fund, this pivotal resource for philanthropic donors is available to CRC magazine readers upon request. Contact Kristen Eastlick at (202) 464-2052 or KEastlick@CapitalResearch.org.

*Martin Morse Wooster is a senior fellow at the Capital Research Center. He has written extensively on the history of philanthropy. In addition to the three previous editions of this book, Wooster is the author of *Great Philanthropic Mistakes* (Hudson Institute), *Should Foundations Live Forever?* (Capital Research Center), *Games Universities Play: And How Donors Can Avoid Them* (Pope Center for Higher Education Policy).*

D. Rockefeller's lawyer, Starr Murphy, not only ensured that Rockefeller would have little say in the Rockefeller Foundation's affairs, but that Rockefeller would be kicked out of the foundation by 1920—even though Rockefeller lived until 1937.

The first rule for donors, then, is that in the long run you cannot trust your alma mater, family, friends, colleagues, or staff. The second rule is that you, the donor, are the best judge of your intentions. People intelligent enough to acquire fortunes are smart enough to know what charities or causes they wish to support. Donors should be wary of any advisor who suggests leaving money to vague causes, or who suggests leaving no instructions on how an endowment should be used. But donors must also recognize that they bear a weighty responsibility to think through their intentions, then to document them, and finally to plan how to implement them.

Writing in the *Wall Street Journal*, Adam Meyerson, president of the Philanthropy Roundtable, lists the top practical considerations every donor should consider:

- Clearly define your charitable mission. Write it down in your founding documents. Supplement your mission statement with a long written or oral record about your likes and dislikes in charitable giving.
- Choose trustees and staff who share your fundamental principles. Choose family members, friends, and close business associates such as lawyers, bankers, and accountants *only* if they fit into this category.
- If possible, separate your philanthropic interests from your interests in maintaining control of your company. Donor intent frequently suffers when the two are mixed.
- Give generously while living, and strongly consider a sunset provision for your foundation, perhaps a generation or two after your death.
- If you do establish a foundation in perpetuity, establish procedures for electing future trustees who share your principles, and for encouraging future boards to consider respect for donor intent as part of their fiduciary duty.

This book's histories prove each of Meyerson's practical principles. For example, James Buchanan Duke's philanthropy has stayed true to his principles in large part



Photo courtesy of the Philanthropy Roundtable.

Writing in the *Wall Street Journal*, Adam Meyerson, president of the Philanthropy Roundtable, lists the top practical considerations every donor should consider.

because he thought through those principles carefully, limited them geographically and by subject area, wrote them down at length, and ensured his successors would confront his intentions regularly (see chapter twelve).

As for choosing trustees and staff with care, we've just recounted lawyers who failed to defend their donors' intent. Or to take another example, Andrew Carnegie's advisors first twisted and then abandoned his flagship project of building public libraries (see chapter three).

CC — *Donors must recognize that they bear a weighty responsibility to think through their intentions, to document them, and plan how to implement them.*

The need to keep your corporate concerns distinct from your philanthropic enterprise is the moral of the Ford family story (see chapter two). Although Henry Ford had thoughtful things to say about good and bad charity and achieved a good track record of giving during his life, when his foundation was being established, he let business

concerns shunt aside proper planning for his posthumous philanthropy. Henry Ford II would likewise have more care for the family business than the family foundation, until things became so bad at the latter that he felt obliged to resign from the board in disgust.



Giving while living is the best school in which to develop excellence in your philanthropy.

Giving while living is, as philanthropic giants like George Eastman and Julius Rosenwald show, the best school in which to develop excellence in your philanthropy (see chapter sixteen). You will learn how to give well through practice, and you will also learn what charities you can trust to do the good works you want to support. You can support them while living and leave the bulk of your estate to them as bequests. Or if you want to take a riskier course, you can establish a philanthropy that will outlive you, yet set a time limit on that organization that gives you decent odds of having your intent respected through its entire life cycle. Putting term limits on a philanthropy will also help it focus its giving and, in addition, it will be paying out far more than the conventional 5 percent a year of perpetual foundations, which means it will function as if it were far larger and more powerful than it otherwise would be.

Adam Meyerson's last point is also correct: if you establish a perpetual foundation, you must also carefully establish procedures for electing future trustees who share your principles, and for encouraging future boards to consider respect for donor intent as part of their fiduciary duty. The story of the Daniels Fund is one of the few cases of a turnaround on donor intent, as we saw in chapter fourteen. The Fund's return to its founder's desires only occurred because its board acted boldly to put themselves under the discipline of multiple procedures designed to ensure that seats on the board only go to persons who will respect Bill Daniels' intent.

Another alternative donors can consider for their posthumous giving is to set up a so-called Donor-Advised Fund (DAF) at a nonprofit. When created, such a fund will function as a tax-deductible gift to charity on your taxes, and the DAF-sponsoring organization will legally control your gift, but in practice the organization will write checks to charities that you advise them to support on your behalf, without your having the hassles of setting up and maintaining your own foundation. These funds are offered



Credit: Hartsook, photographer. Library of Congress.
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Henry Ford (1919). The need to keep your corporate concerns distinct from your philanthropic enterprise is the moral of the Ford family story.

by charitable offshoots of giant money management firms like Charles Schwab and Vanguard, but also by specialized groups such as DonorsTrust in Virginia, which will never make grants to a left-of-center organization, no matter what your heirs may request. There are also mission-driven DAF providers that specialize in serving Jewish, Protestant, and Catholic donors.



Be wary of anyone who argues that the ideas, principles, and passions of donors are unimportant.

If you're going to plan posthumous giving, there are still more complexities for you to consider: do you want to establish an operating or nonoperating foundation, or perhaps a supporting organization? Do you want to engage third parties in hopes of bolstering your donor intent; say, by allowing them to name some board members or by indicating they have grounds to sue the philanthropy if it betrays your intent?

Personally, I doubt it is wise to alter the law to allow third parties to contest foundation indentures, but some role for third parties may be helpful in some instances. One of the best guides to the debates over these kinds of questions, and to the practical decisions a donor should make in his long-term planning, is Jeff Cain's guidebook for the Philanthropy Roundtable, *Protecting Donor Intent: How to Define and Safeguard Your Philanthropic Principles*. In addition, donors will need legal counsel, and I strongly urge you to find counsel with broad experience in nonprofit law, rather than relying on corporate attorneys.

To reiterate the moral of this book one last time, I say again, the best way donors can ensure that their wishes are fulfilled is by spending funds on projects they prefer within their lifetimes. Living donors are better able to ensure that their fortunes are appropriately spent than dead ones. If you still end up with a sizable estate, consider leaving it to charities you already trust, rather than taking a gamble by leaving it to a foundation. And if you do create a foundation, consider limiting its life.

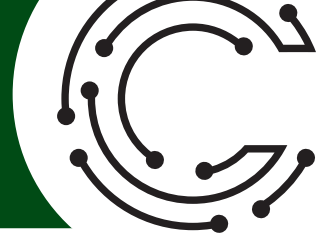
Above all, be wary of anyone who argues that the ideas, principles, and passions of donors are unimportant. ■

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Photo courtesy of the Daniels Fund.

The board of the Daniels Fund implemented multiple procedures designed to ensure that seats on the board only go to persons who will respect Bill Daniels' intent.



THE REBIRTH OF THE AMERICAN COAL INDUSTRY

By Robert E. Murray

Summary: On November 30, 2017, the Heritage Foundation and the Texas Public Policy Foundation hosted “At the Crossroads IV: Energy & Climate Policy Summit.” Robert E. Murray, President and Chief Executive Officer of the Murray Energy Corporation, explained how the prospects for the American coal industry have begun to improve since the beginning of the Trump Administration. These remarks have been reprinted with permission from Mr. Murray.

Good afternoon, Ladies and Gentlemen. Thank you for inviting me to speak before The Heritage Foundation and Texas Public Policy Foundation’s Fourth Annual Energy & Climate Policy Summit.

In the 60 years that I have spent in the United States coal industry, I have never seen darker days for it, our employees, and America itself than those we experienced during the horrific eight years of the Obama Administration, where over 63,000 coal mining families were laid off; the utilization of coal dropped from 52 percent to 30 percent of our electricity generation in this country; the total value of the American coal industry shrunk from \$68.8 billion in 2011 to \$4.08 billion in 2016; and a total of 52 coal companies went bankrupt. And the affordability and reliability of electric power in the country were destroyed.



The cruel regulatory rampage which has destroyed our industry for nearly a decade is gradually being lifted by President Trump.

But, since the election of President Donald J. Trump, the United States coal industry is becoming somewhat more optimistic about its future. Further, the cost of electricity and the unreliability forced into our electric power grids are being addressed.

Indeed, the cruel regulatory rampage which has destroyed our industry, for nearly a decade, is gradually being lifted by



Photo courtesy of Murray Energy Corp.

Robert E. Murray, who has spent 60 years in the coal industry, founded his company in the late 80s. Murray Energy Corporation is now the largest underground coal mining company in America.

President Trump. Coal markets, in the United States and around the world, have begun to slightly improve. At least 5,000 American coal mining families have gone back to work.

This recovery will be a gradual process, and much more work must be done.

But there is absolutely no doubt that President Trump is off to a strong start.

Indeed, on February 16, 2017, he signed a repeal of the Obama Administration’s illegal and job killing so-called Stream Protection Rule, which banned the utilization of longwall and other mining systems beneath dry

Robert E. Murray is Chairman, President, and Chief Executive Officer of Murray Energy Corporation, one of the largest independent operators of coal mines in the United States.

ditches on the surface, notwithstanding that our mines are usually 1,000 feet below and not detectable on the surface. There was no intended environmental benefit here, only an attempt to ban underground mining, the most environmentally acceptable way to produce coal. The Rule was illegal, President Trump saw through this, and, with ten of our coal miners standing with him in the Oval Office, he repealed the law in its entirety using the Congressional Review Act.

On March 28, 2017, President Trump signed an executive order rescinding the Obama Administration's illegal and destructive so-called Clean Power Plan ("CPP"), and certain other anti-coal regulations, which threatened to completely destroy the United States coal industry, and unconstitutionally usurp the rights of the States, for no environmental benefit whatsoever. This action alone stopped 56 more coal-fired power plant closures, totaling 53,000 megawatts of power generation, and the layoff of 25,000 more coal miners on top of the 63,000 families laid off under Barack Obama and his supporters.

Murray Energy was the first party to file a lawsuit challenging the CPP, in the case styled *Murray Energy Corporation v. U.S. Environmental Protection Agency*, which is currently pending before the United States Court of Appeals for the District of Columbia Circuit. The attorneys general from 29 states also determined that this CPP is illegal, and joined us in this litigation two years later. On February 9, 2016, the Supreme Court of the United States agreed with our arguments in this litigation and issued a nationwide stay of the CPP. This is the only time in the history of our country that the U.S. Supreme Court acted on an issue without first receiving a lower court ruling.



When the U.S. Supreme Court issued a nationwide stay of the destructive and misnamed "Clean Power Plan," it was the first time the Court acted on an issue without first receiving a lower court ruling.

On June 1, 2017, President Trump announced that the United States will completely withdraw from the Paris Climate Accord, which sought to impose severe limits on supposed greenhouse emissions in the developed world, while giving the rest of the countries the freedom to emit as they please, as well as access to billions of dollars from American taxpayers. It was an illegal agreement, which



Credit: ridwan_celik. <https://goo.gl/Mx6ibV>.

Trump's executive order rescinding the Clean Power Plan stopped 56 more coal-fired power plant closures, and the layoff of 25,000 more coal miners on top of the 63,000 families laid off under Barack Obama and his supporters.

had never been submitted to, or ratified by, the United States Congress. In announcing this withdrawal, President Trump, again, followed through on an important campaign commitment.

On September 28, 2017, President Trump and Secretary of Energy Rick Perry announced an effort to ensure the reliability, security, and resiliency of America's electric power grid, by incentivizing the use of fuel-secure sources of baseload electricity generation. This is the single greatest action that has been taken, in my 60-year career, to support low-cost, reliable electric power in the United States.

President Trump and Energy Secretary Rick Perry have ordered the Federal Energy Regulatory Commission (FERC) to provide cost of service payments and a small return to any generating station that has a 90-day fuel supply before it. Wind and solar power, and natural gas, which is delivered in a finite pipe, cannot be stored at a power plant, where the electric loads vary throughout the day and over the seasons. Only nuclear and coal-fired power can maintain the reliability, resiliency, and security of our electric power grids. We enthusiastically applaud President Trump's and Secretary Perry's leadership in this effort, and we urge FERC to swiftly enact the instructed reforms necessary to ensure the reliability and resiliency of the nation's electric power supply. [Editors' note: In January 2018, FERC rejected the proposed plan to stop coal and nuclear plans from closing.]

Even with these successes, there is still much more which must be done in order to preserve reliable, low-cost electricity and coal mining jobs in the United States. We are working with President Trump's Administration, in

conjunction with the Republican-controlled United States House and Senate, every day, to ensure that these tasks are accomplished as quickly and effectively as possible. The following is a brief summary of those further actions which must be taken:

- Overturn the Endangerment Finding—There is no question that the Clean Air Act of 1971 did not identify carbon dioxide as a pollutant, and that the endangerment finding is illegal and must be overturned.
- Eliminate the Coal Combustion Residuals Rule—This rule has caused much uncertainty in the planning for coal-fired power plant owners.
- End More Taxes on the Mining and Utilization of Coal—We must ascertain that there are no more taxes on the mining or utilization of coal. This will be accomplished by passing the House of Representative's version of the tax reform bill.
- Eliminate Tax Credits for Wind and Solar Power—Eliminate the four cent per kilowatt hour, 30 percent production tax credit, subsidy from our taxpayers for windmills and solar panels in the generation of electricity.
- Fund Retiree Liabilities for Former Coal Miners—Obtain legislation to fund both the retiree medical care and pensions for all of America's United Mine Workers of America-represented, retired coal miners, including those orphaned through company bankruptcies and mine closures.
- End MATS and Ozone Rules—End the electric utility Maximum Achievable Technology and Ozone regulations.
- Reform New Source Review Rules—The U.S. EPA's New Source Review regulations are in need of major reform. The regulations discourage needed maintenance and improvement projects at existing coal-fired power plants, including projects designed to restore or improve unit efficiency lost over time and through normal wear and tear.
- Overhaul the Federal Mine Safety and Health Administration of the Department of Labor—It has been a distraction from our own coal miner safety activities, preventing us from being able to more fully conduct our own inspections of our mines and training of our coal miners.
- Overturn the Cross-State Air Pollution Rule.



Credit: Takever, <https://goo.gl/R85PDW>.

Radical environmental groups, liberal elitists, climate change alarmists, those making a fortune from the alarmism, and socialist nations are working to stop the financing and investments in the American coal industry.

- Invest in Clean Coal Technologies—Develop clean coal combustion technologies, but not carbon capture and sequestration, which is neither practical nor economic. High energy, low emission, coal-fired combined cycle, and other technologies deserve government support of their development.
- Revise the arbitrary Coal Mine Dust Rules of the Mine Safety and Health Administration of the Department of Labor—They provide no health benefit to our coal miners.
- Eliminate the Fair Labor Standards Act Overtime Rule.
- Court Appointments—Continue to appoint Justices to the United States Supreme Court and the District Courts who will follow our United States Constitution and our laws rather than attempt to redefine them, as have the Obama-appointed Justices.

But, in spite of the actions of President Trump on behalf of coal and reliable, resilient, affordable electricity, a new effort is underway in the world that may overshadow his and the Administration's efforts. This effort is driven by radical environmental groups, liberal elitists, climate change alarmists, those making a fortune from the alarmism, and socialist nations to stop the financing and investments in the American coal industry. These are all recent strategies.

The funding of reclamation surety bonds and insurance programs for the American coal industry has been reduced by \$20 billion in recent weeks. For instance, Lloyds, Inc. of London just announced, with much fanfare, that it is ending bonding, insuring, and investing in coal.

Funding for coal projects from Wall Street has, to a great extent, dried up. We recently abandoned a project that we worked on for eight months because we could not get it financed—a first for us. But, coal investment is not available, and the number of coal company bankruptcies is now again on the rise.

The global “climate change” alarmists are winning the battle, notwithstanding that there is no scientific basis in their claims that closing down the American coal industry will have any effect whatsoever on global climate temperatures. Whether President Trump and his Administration can offset these efforts is very problematic.

In addition to the previously discussed regulatory burden on coal, cheap natural gas has also been a tremendous challenge for the United States coal industry. Natural gas-fired electricity generation has historically cost 15 cents per kilowatt hour, compared to four cents per kilowatt hour for electricity generated from coal. With the construction of needed pipelines and liquefied natural gas (LNG) ocean ports, the glut of natural gas can be exported, assisting our country’s balance of payments. Our coal can economically compete with natural gas generation at the current gas cost of about \$3.00 per million BTU.

It is vital to remember that the new Marcellus and Utica Shale natural gas wells only last about ten years before they are depleted. They peak at 18 months, and many of these wells have been in production for over three years. Ten years is far too short of a planning horizon on which to stake our nation’s electric power grid. If we put all of our chips on natural gas, electricity rates will skyrocket, and we will have massive blackouts throughout America in just ten short years. Accordingly, we need to maintain a diverse, secure, and reliable fuel mix, which includes reliance on both coal and nuclear energy.



There is no scientific basis in the alarmists’ claims that closing down the American coal industry will have any effect whatsoever on global climate temperatures.

So-called “renewable electricity” costs 26 cents per kilowatt hour, which is over six and one-half times the price of coal, and receives a four cent per kilowatt hour subsidy from the American taxpayer. Further, it is unreliable and only available if the wind blows or the sun shines. Low-cost electricity is a staple of life, and we must have a level playing



Credit: JD Lavia. <https://goo.gl/Wn69yu>.

Elon Musk has received \$5 billion in taxpayer handouts and only made a small profit in two quarters.

field in electric power generation without the government picking winners and losers.

The playing field today is drastically distorted, as government enterprise has been substituted for private enterprise. Look at Elon Musk; he has received \$5 billion in government (taxpayer) handouts and only made a small profit in two quarters. We need private enterprise, not destructive and inefficient government enterprise.

These so-called “renewable energy” advocates bankrolled Hillary Clinton’s campaign for President. When Mrs. Clinton said “I’m gonna put a lot of coal miners and coal companies outta business,” she was not motivated by any concern for the environment. But, rather, it was a statement to maintain the tens of millions of dollars that the Clinton Foundation and her campaign received from the manufacturers of non-competitive windmills and solar panels. Well, Mr. Obama and Mrs. Clinton are gone, and we must accelerate the removal of all of their appointed bureaucrats.

The market for United States steam coal, at the time of the election of Barack Obama and his Democrat destroyers, was about one billion tons per year. We believe that, at current natural gas prices of about \$3.00 per million cubic feet, domestic thermal coal consumption will range between 650 and 750 million tons per year. We are confident that we can compete in this reduced market.

To survive in the domestic and international coal markets today, we believe that coal production and sales companies

must have a determined, unique strategy, and we believe that Murray Energy has had one.

First, in the late 1980's Murray Energy was founded using our "Concentric Ellipse" strategy. With the implementation of the Clean Air Act Amendments of 1990, enacted to address so-called "acid rain," we focused on power plants that were candidates for flue gas scrubbers, rather than those committed to fuel switching to lower sulfur, low heating value subbituminous coals brought from far western United States distances. I never believed that transporting low heating value coal, containing 20 percent water, in railroad cars over long distances, would meet the test of time, nor do I today.



The growth of Murray Energy has all been through our "Concentric Ellipse" strategy involving high heating value coals, underground longwall mining, and low cost, often water borne transportation.

We focused on high heating value bituminous coals in close proximity to the targeted power plants which were candidates for the installation of the flue gas scrubbers. We drew concentric circles out from the targeted plant until we found the high heat coal for which that boiler was designed. We then focused on water or conveyor belt transportation, rather than by railroads, and our concentric circles became "Concentric Ellipses," and we could reach out farther from the targeted power plant for the right coal reserve.

We also concentrated on coal reserves that could be extracted using the low-cost longwall mining method, which I helped pioneer in the United States in the 1960's and 1970's. This "Concentric Ellipse" strategy has provided Murray Energy with the highest heating value, lowest cost coal in any sourcing region.

To this we have added dedicated rail, port, and storage logistics, an international marketing organization, unique coal contract pricing mechanisms, and the hedging of coal prices and freight costs. We have established a seamless and flexible system that maximizes revenues to Murray Energy and provides flexibility and the lowest possible prices to our customers.

The growth of Murray Energy has all been through our "Concentric Ellipse" strategy involving high heating value coals, underground longwall mining, and low cost, often water borne transportation. The acquisitions of Consolidation Coal Company, now Murray American Energy, Inc., and Foresight Energy, L.P., as well as the development of greenfield mines, have all been in accordance with our "Concentric Ellipse" strategy.

Based on our "Concentric Ellipse" strategy, Murray Energy and Subsidiary Companies will produce and sell an average of about 70 million tons of high heating value thermal coal this year and for the foreseeable future. Of this, about 55 million tons per year will enter American markets, while about 15 million tons will be exported around the world.

With minimal capital investment, our annual output could be increased substantially. We should maintain our position in the 650- to 750-million-ton thermal market that we project, as we have among the lowest mining costs in the coal sourcing regions in which we participate.

We must, however, continue to fight for fair treatment of the coal industry by the United States government, and a level, unsubsidized playing field for our coal in electric power generation. ■

Thank you, once again, for your invitation to join you this afternoon.

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

A composite image featuring Donald Trump on the left, pointing forward, and Mike Pence on the right, standing at a podium with a microphone. The background is a collage of blue and red geometric shapes, stars, and faint text. The CPAC 2018 logo is prominently displayed in the center.

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