



## WHAT YOU NEED TO KNOW ABOUT THE “NEW” LEFT: THE DEMOCRATIC SOCIALISTS OF AMERICA PAGE 27



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AMERICA UNDER SIEGE  
**ANTIFA**

*FREE SPEECH DIES UNDEFENDED*

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

**WATCH AT:**

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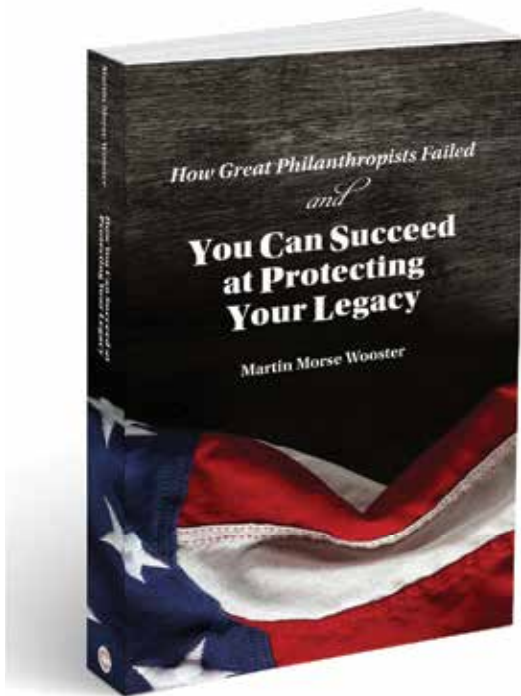
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# Is Your Legacy Safe?

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An instructive and cautionary tale for our time.

—W.J. Hume,  
*Jaquelin Hume Foundation*

This is a must read for anyone thinking about establishing a private foundation.

—Linda Childears,  
*President and CEO, The Daniels Fund*

## No, your legacy is not safe.

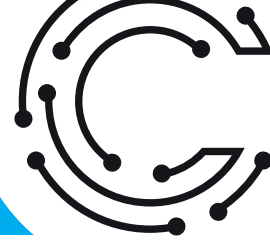
It is hard enough to give well when you're living. After you're gone, the odds of successful giving are stacked even higher against you. Entrepreneurial geniuses like Andrew Carnegie, John D. Rockefeller, and Henry Ford were rarely tricked out of their money in business deals. But when they gave their money away, they failed to have their intentions respected.

This fascinating book covers the history of some of the biggest philanthropic mistakes and offers practical tips on how to protect your legacy. Everyone who wants to use their money to change the world needs to read this book.

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**CAPITAL RESEARCH CENTER**  
AMERICA'S INVESTIGATIVE THINK TANK



## A VOTE FOR TRUMP WAS A VOTE TO ELEVATE KAVANAUGH

By Scott Walter

Since the 2016 election, the left has been in a state of perpetual hysteria, claiming that the presidency of Donald Trump heralds the end of American democracy—an interesting conclusion to draw from the results of a democratic election. The latest “threat” to the nation? Just the predictable consequence after one side wins an American election: a Republican president nominated a conservative—Brett Kavanaugh—to the Supreme Court.

Before Beltway insiders could speculate about President Trump’s chosen nominee, liberals gathered for a “spontaneous” protest on June 28 in front of the Supreme Court. “If Donald Trump is successful in confirming his next nominee to the Supreme Court,” warned Brian Fallon, executive director of Demand Justice, “we will be living with the stain of Trumpism—not for four years, not for eight years, but for 40 years!”

Demand Justice, the newest 501(c)(4) organization positioned to oppose center-right judges, was spawned in early 2017 by ex-Obama staffers and employees wounded in Hillary Clinton’s failed presidential campaign.

Demand Justice creates advertising campaigns, like its allied George Soros-funded judiciary advocates People for the American Way and Alliance for Justice—groups infamous for spending millions of dollars in 1987 to block the Senate’s confirmation of the eminently qualified Judge Robert Bork to the Supreme Court. (In a 2012 article, even a columnist for *The Atlantic* and a fellow at the left-wing Brennan Center lamented the injustices committed in the Bork nomination battle.)

Since then, judicial activists have used similar tactics to (unsuccessfully) block the confirmation of conservative justices—Samuel Alito in 2006 and Neil Gorsuch in 2017. They also launched campaigns to support the confirmation of Obama nominees Sonia Sotomayor in 2009, and Elena Kagan in 2010.



Credit: U.S. Court of Appeals for the District of Columbia Circuit. License: <https://goo.gl/doi2Y5>.

*The latest “threat” to the nation? Just the predictable consequence after one side wins an American election: a Republican president nominated a conservative judge—Brett Kavanaugh—to the Supreme Court.*

Demand Justice’s “impromptu” protest demonstrated the professional left’s rapid-response system. Staff from my organization, Capital Research Center, crashed and filmed the protest that featured a lineup of Big Left organizations like the Center for American Progress, the agitation group MoveOn.org, environmentalists from the League of Conservation Voters, and abortion activists from NARAL Pro-Choice America and Planned Parenthood—all opposed to Trump’s yet-to-be-announced nominee.

“

*...we will be living with the stain of Trumpism—not for four years, not for eight years, but for 40 years!”*

*—Brian Fallon*

*Scott Walter is president of Capital Research Center in Washington, D.C.*



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

*Demand Justice's "impromptu" protest demonstrated the professional left's rapid-response system.*

"Another stolen seat," one protester's sign lamented. "Remember Merrick Garland!" another trumpeted. Others demanded the court overturn its 2010 Citizens United decision. We even counted left-over signs attacking last year's effort by congressional Republicans to overturn Obamacare.

The protest and other relentless efforts to stop Trump's second nominee are ripped straight from the Left's playbook. And this time around, they may have the votes to do it. As Fallon said, "They say that we can't change things, that we don't have the votes, that we can't stop Mitch McConnell... that's not true! All we have to do is unite our 49 Democrats [in the Senate] and get one—one!—Republican to agree to vote no."

But the Left's playbook has limits: The Republican-controlled Senate has no incentive to wait until January 2019 to confirm Kavanaugh. Liberals may call Senate Majority Leader Mitch McConnell a "hypocrite" for not waiting until



*If Demand Justice and Co. are more interested in politicizing the Supreme Court than promoting constitutionalism, they should say so.*

after the 2018 midterm elections to confirm Kavanaugh, but there's little they can do to stop him.

It's unclear why the Senate should wait six months to pursue its clear electoral mandate and consider Trump's nominee, when the outcome of this election has no bearing on the presidential nomination process.

Even the *New York Times* agrees. "The people spoke when they re-elected Mr. Obama in 2012," the *Times* editorial board wrote in December 2016, "entrusting

him to choose new members for the court. And the Senate has had no problem considering, and usually confirming, election-year nominees in the past."

And here's what the *Times*' editorial board said a day before the November 2016 election: "Make no mistake: That is the [conservative] court Americans would get under a President Trump. Still, Senate Democrats would have an obligation to consider and vote on his nominees, just as Republicans would have that obligation to Mrs. Clinton's choices."

Take a look at the oldest sitting Supreme Court justices on Election Day 2016. Anthony Kennedy was 80 years old, Ruth Bader Ginsburg was 83, and Stephen Breyer was 78.

It's reasonable to assume that voters knew that the winner of the 2016 presidential election was not only guaranteed a Supreme Court pick for Scalia's seat—but also very likely a second or even third seat.

If Demand Justice and Co. are more interested in politicizing the Supreme Court than promoting constitutionalism, they should say so—and make it a central issue in the 2020 presidential election, just as Republicans made opposition to judicial activism an issue in 2016.

Either way, the illiberal cohort opposing Kavanaugh might reflect on the words of their former boss, President Obama: "Elections have consequences." ■



# DECEPTION & MISDIRECTION



## THE SLAUGHTERHOUSE RULES:

### *Profiling People for the Ethical Treatment of Animals (PETA)*

By Hayden Ludwig

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**Summary:** *People for the Ethical Treatment of Animals (PETA) claims it's the "largest animal rights organization in the world." But scandal after scandal has revealed a disturbing record of hypocrisy that's left tens of thousands of household pets dead in PETA's kill rooms. The carnage is the product of a radical ideology that values animals more than humans—and PETA is prepared to go to any length to prove it.*

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## Red Veggies

One could make the case that People for the Ethical Treatment of Animals, or PETA, is the punchline of a sick joke: an “animal rights” organization that kills most of the animals it takes into its care while insisting those animals have the human rights that PETA activists would deny to humans.

People for the Ethical Treatment of Animals was founded in 1980 by Ingrid Newkirk, an English-born District of Columbia animal shelter official, and Alex Pacheco, an activist with the radical Sea Shepherd Conservation Society. From the start, the group was a front for militant “animal liberation” activists, a concept still new in the United States but at that time nearly a decade old in Great Britain. PETA gained initial prominence for exposing cruelty at a laboratory in Silver Spring, Maryland, where Newkirk and associates led police officials to raid the premises and charge an employee with 113 counts of cruelty to animals and six counts of failing to provide adequate veterinary care. Their success catapulted PETA and its increasingly bizarre antics to national notoriety.

Bizarre antics would become PETA's stock-in-trade. Newkirk has covered herself in fake blood and has been arrested some 20 times. She vocally supported the known domestic terrorist group Animal Liberation Front (ALF), even penning a 2011 book on the organization celebrating ALF's history as an “action-packed story of underground adventure.”

She's also a notorious misanthrope. “Humans have grown like a cancer,” she told *Washingtonian* magazine in 1990.



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*Since 1998, PETA has killed at least 36,000 dogs and cats, according to its annual reports to the Commonwealth of Virginia.*

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“We’re the biggest blight on the face of the Earth.” “I’m not only uninterested in having children,” she told *New York* magazine in 2003. “I am opposed to having children. Having a purebred human baby is like having a purebred dog; it is nothing but vanity, human vanity.”

Pacheco's activism is similar. In 1979, he sailed as a deck-hand with animal liberation activist Paul Watson on the *Sea Shepherd*, a vessel Watson's motley crew used to harass Portuguese whalers in the Atlantic Ocean. Their activism goes beyond educating the public or participating in peaceful protest. The group has been described as “pirates” by a

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*Hayden Ludwig is a research analyst at CRC.*

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*Having a purebred human baby is like having a purebred dog...nothing but vanity..."*

—Ingrid Newkirk

federal court for ramming into other ships and attempting to disable whaling vessels. Pacheco continues to sit on the advisory board of Watson's activist group, the Sea Shepherd Conservation Society.

Newkirk's and Pacheco's is an extreme worldview, but it's very much in line with that of the animal rights (or animal liberation) movement espoused by PETA. "How do we justify our complete disregard for other animals' suffering?" asks the narrator of a PETA video which charges humans with "bigotry" toward their "fellow animals." The video even likens killing animals with the mass extermination of Jews and other victims of the Holocaust. "We do ourselves a huge disservice by only addressing racism and sexism without confronting our speciesism."

But when, to paraphrase Newkirk, did a rat become a pig, become a dog, become a boy?

## The Slaughterhouse Rules

*"Man is the most dangerous, destructive, selfish, and unethical animal on earth."*

Michael W. Fox, vice president of the Humane Society of the United States

The radical animal rights or animal liberation movement, like the radical environmentalist movement with which it occasionally aligns, has its origins in a modest moral proposition: treating animals humanely. European Enlightenment thinkers like Immanuel Kant and Jeremy Bentham were among the first to speculate about animals' feelings and emotions, arguing against inflicting unnecessary pain on pets and livestock. Jean-Jacques Rousseau, considered by some to be the intellectual father of modern progressive leftism, extended the argument to include animals in his broader definition of natural rights, and even prodded parents to raise their children as vegetarians.

The movement became mainstream with the creation of the Society for the Prevention of Cruelty to Animals in early Victorian Britain by liberal members of Parliament, which pushed for a ban on live dissections. The movement soon

spread to the United States, where 19th century writers such as Upton Sinclair turned the humane treatment of animals into a weapon to criticize slaughterhouse conditions and general American social conventions.

In their 1993 book *Animalscam*, authors Kathleen Marquardt, Herbert Levine, and Mark Larochelle trace a disturbing pattern of misanthropic rhetoric that reduces humans to mere animals. They show that, by the mid-20th century, the movement to treat animals humanely began mixing the concept of animal rights with Marxist doctrine. As in the case of environmentalism, the politics of class struggle combined with a general contempt for humanity. A 1965 article by the leftist author Brigid Brophy in the British *Sunday Times* called "the relationship of *Homo sapiens* to the other animals one of unrelenting exploitation." The website Socialist Worker blamed "the spread of capitalism" for "treat[ing] animals as a means to an end." And the socialist National Lawyers Guild (created in 1936 as a front for the Communist Party USA) has called for "animal emancipation," claiming "all sentient members of the animal kingdom are persons."

But the left-wing, arch-utilitarian philosopher Peter Singer took animal liberation to its inevitable conclusion—the destruction of human rights—when he wrote that "torturing a human being is almost always wrong, but it is not absolutely wrong." A utilitarian, Singer is blunt about his opinion of Mankind: "Surely there will be some nonhuman animals whose lives, by any standards, are more valuable than the lives of some humans." (Infamously, Singer has argued in defense of abortion by justifying infanticide.)

Singer earned the status as the "father of animal rights" with his 1975 book *Animal Liberation*, the manifesto of militant vegetarianism that is inseparable from the broader animal liberation movement. (It is also the book that reportedly inspired Pacheco and Newkirk to found PETA.)

## Links to Violent Extremism

Paul Watson says he "reject[s] the idea that humans are superior to other life forms" as a basis for his extremism.

Watson has a rough history. The Canadian has been arrested numerous times since the 1970s for violently protesting fishing boats in Canada and Newfoundland, and was even charged with attempted murder in 2002 by Costa Rican officials. In the early 2000s, Japan declared him an eco-terrorist for harassing Japanese whaling vessels, to which Watson said, "There's nothing wrong with being a terrorist, as long as you win. Then you write the history." His extremism led Interpol to declare Watson an internationally wanted





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*A utilitarian, Peter Singer is blunt about his opinion of Mankind: "Surely there will be some nonhuman animals whose lives, by any standards, are more valuable than the lives of some humans."*

fugitive in 2012, but he managed to obtain political asylum in France before returning legally to the U.S. in June 2016.

While Watson is perhaps the most extreme advocate of the animal liberation movement, it can be argued that the supposedly mainstream organization PETA—which often encourages extremism with its own publicity stunts and broad calls for action—effectively enables such eco-terrorism. PETA has disturbing connections with the sister groups Earth Liberation Front (ELF) and Animal Liberation

Front (ALF), groups the FBI labeled domestic terrorist organizations in the 1990s.

ELF's activists may collectively call themselves "Elves," but Kris Kringle elves these are not. In 2006, eco-terrorist Eric McDavid and two associates met in a remote California cabin with supplies to create explosives intended for a bombing campaign. They were intercepted by the FBI. According to the Bureau, eco-terrorist and animal rights activists are responsible for over 2,000 crimes in the U.S. since 1979 costing some \$110 million in damages to businesses and individuals. And they're still active: both ALF and the "Elves" still operate as leaderless cells across the country. Two of their number—Joseph Mahmoud Dibee and the vegan Josephine Sunshine Baker—are still listed on the FBI's Most Wanted list of domestic terrorists for a combined 34 counts of arson and destruction.

In April 2001, the right-of-center Center for Consumer Freedom exposed a \$1,500 donation from PETA to ELF, nearly six years after the group was accused of perpetrating a string of firebomb attacks—the latest of which occurred less than a month after PETA's donation and caused \$7 million in damages to the University of Washington's Center for Urban Horticulture. The Center also discovered a \$70,200 donation for the defense of ALF eco-anarchist Rodney Coronado, who conducted similar firebombing attacks at universities

in Michigan, Washington, and Oregon. PETA made smaller donations in 1999 and 2000 to other ALF activists.

And according to a 2001 report by the FBI, which monitored PETA for extremist activity, the group provides "what can be considered at least tacit support for the [Animal Liberation Front] and its illegal activity."

In 2012, the website Humane Watch, which monitors animal rights extremists, uncovered archived issues of *No Compromise*, a magazine in operation from 1989 to 2005 that described itself as "The Militant, Direct Action Newspaper of Grassroots Animal Liberationists & Their Supporters." *No Compromise*, which tacitly supported the eco-terrorists with calls to "direct action" and ALF t-shirts, regularly "receive[d] and disseminate[d] communiques" from ALF members.

## Misanthropes and Mobsters

But PETA has its own brand of extremist messaging. Take it from Bruce Friedrich, PETA's then-director of vegan campaigns. At the July 2001 Animal Rights Convention, the left-wing Southern Poverty Law Center recorded Friedrich saying:

If we really believe that animals have the same right to be free from pain and suffering at our hands, then of course we're going to be blowing things up and smashing windows...I think it's a great way to bring about animal liberation, considering the level of suffering, the atrocities. I think it would be great if all of the fast-food outlets, slaughterhouses, these laboratories, and the banks that fund them, exploded tomorrow.

I think it's perfectly appropriate for people to take bricks and toss them through the windows...  
Hallelujah to the people who are willing to do it.

The assembled representatives from ALF, ELF, and the related group Stop Huntingdon Animal Cruelty applauded his words. They then handed out t-shirts reading: "Words Mean Nothing...Action is Everything!"

It's a good slogan for a group that's seemingly never encountered a form of animal rights extremism it didn't like. Over the years, the animal rights group has become infamous for producing controversial advertisements comparing stories of rape and sexual assault with artificial cow insemination, depicting a meat industry marketer confessing his "sins" before an unforgiving Catholic priest, claiming "To animals, all people are Nazis," and showing objectifying images of



*Over the years, the animal rights group has become infamous for producing controversial advertisements and showing objectifying images of female celebrities like Pamela Anderson with the message “Go vegetarian.”*

female celebrities like Pamela Anderson with the message “Go vegetarian.”

In August 2009, PETA seized on the stabbing, decapitation, and partial cannibalism of a 22-year-old man in Winnipeg, Canada, to produce an advertisement “meant to spur people to think about the terror and pain experienced by animals who are raised and killed for food,” the group said in its statement. “Manitoba,” the advertisement read, “An innocent young victim’s throat is cut... His struggles and cries are ignored... The man with the knife shows no emotion... The victim is slaughtered and his head cut off... His flesh is eaten. It’s still going on!”

In June 2009, the group released an anti-fishing comic book for children entitled, “Your Daddy Kills Animals!” The book asks kids to “[i]magine that a man dangles a piece of candy in front of you. As you grab the candy, a huge metal hook stabs through your hand and you’re ripped off the ground.” Asked if they were going too far with a comic book that warns kids that their fathers are “hooked on killing

defenseless animals,” Bruce Friedrich told CNN that “kids like hyperbole... this is the sort of the thing that appeals to them.” “If you wouldn’t hook a dog through the mouth and drag the dog behind your car,” Friedrich said, “you should no more hook the fish through the mouth and drag the fish behind your boat.”

PETA’s publicity stunts regularly plumb the depths of absurdity. In September 2015, the group filed a copyright infringement lawsuit against wildlife photographer David Slater for a photograph “selfie” taken by, of all things, a black crested macaque using his camera in 2011 in Indonesia. Since ownership of the photograph defaulted to whomever captured it, and the macaque could hardly claim ownership, Wikipedia editors posted it as belonging in the public domain despite Slater’s ownership claims. Taking it further, PETA sued Slater for using the image in a self-published book... on the grounds that the macaque is the rightful owner of the photograph. After two years of legal battles in federal court Slater settled with PETA, agreeing to donate 25 percent of any future revenues derived from the monkey selfie to animal rights nonprofits.

As PETA gloated on its website, “Everyone deserves the rights we hold dear: to live as they choose, to be with their families, to be free from abuse and suffering, and to benefit from their own creations.”

The organization’s antics have doubtless put the group in hot water. But its campaigns against private companies show the group’s real cunning and knack for cutting a deal the victims can’t refuse. PETA has been known to purchase volumes of stock in targeted publicly traded firms—then use its shareholder position to pressure management into making the changes PETA wants to see.

It’s called “shareholder activism,” and PETA isn’t the first—or the largest—left-wing group engaged in it. In 1987, the animal rights group purchased stock in Procter & Gamble, then unsuccessfully filed a shareholder resolution calling for an end to animal testing. In 2017, it tried a similar gambit by purchasing 230 shares (about \$4,000) in Canada Goose,



*...it would be great if all of the fast-food outlets, slaughterhouses, these laboratories, and the banks that fund them, exploded tomorrow.”*

— Bruce Friedrich

a Canadian luxury outfitter. PETA executive vice president Tracy Reiman then called for “consumers to reject Canada Goose’s cruelty to coyotes and geese and to invest in kindness by buying vegan clothing instead.”

PETA’s list of corporate campaigns reads like a mafia hit list. According to its 2016 tax filings, the group spent nearly \$10.5 million on its international campaign against the use of animals in the “food, clothing, experimentation, and entertainment industries,” organizing an astounding 2,400 demonstrations. Those campaigns pressured Dunkin’ Donuts to sell almond milk at all of its retail locations, Olive Garden to make its minestrone soup vegan, and Starbucks, the Coffee Bean & Tea Leaf, and a number of major restaurant chains to place vegan food on their menus.

CC —————  
*PETA filed a copyright infringement lawsuit against photographer David Slater for a “selfie” taken by a black crested macaque using his camera in 2011 in Indonesia.*

Retailers Dutch LLC and Jo-Ann Stores also agreed to ban the sale of fur items in their stores after a little PETA “persuasion.” Global Brands Group (which controls a number of major brands, like Juicy Couture) and Overstock.com were also targeted in a campaign to end the sale of products made from Angora wool.

Car manufacturer Tesla halted the production of leather seats and made “all seats vegan,” ridesharing firm Lyft eliminated the leather seats requirement for its premium vehicle service, and clothing retailer H&M “pulled leather from its conscious exclusive clothing line.”

The tyranny doesn’t end there. In 2017, years of PETA’s relentless harassment of the Ringling Bros. and Barnum & Bailey Circus came to an end when the famous traveling circus company—in operation since 1871—closed. The troupe called it quits “after three decades of PETA campaigns, protests, and complaints to the U.S. Department of Agriculture,” the activists boasted. “And after hearing from PETA, numerous business and venues...vowed not to host circuses that use animals.”

PETA was also active in the efforts to ban fur-farming in Europe. In 2017, Croatia’s ban went into effect. PETA was

immediately congratulated by Davor Škrlec, a member of the Croatian Parliament, for its “comprehensive and successful initiative” in the ten-year campaign.

## PETA Kills Animals

Considering the lengths to which it’s willing to go, it’s perhaps unsurprising that PETA takes uncompromising stances on the everyday use of animals. The organization protests testing hygiene products and pharmaceuticals on animals, has called cow’s milk the “perfect drink of choice for all... white supremacists,” and opposes keeping dogs and cats as pets or as guide animals for the disabled. Animals, after all, are people. Newkirk herself said in 2005 that she plans to “send my liver somewhere in France, to protest *foie gras*... have handbags made from my skin...and an umbrella stand made from my seat.”

But despite its rabid agenda, PETA kills an outrageous number of pets each year. Since 1998, the organization has killed at least 36,000 dogs and cats, according to its annual reports to the Commonwealth of Virginia. While the percentage has decreased recently to 74 percent of received pets in 2017, PETA has always killed the large majority of dogs and cats it receives—in some years over 97 percent, and often over 90 percent.

Perplexingly, the People for the Ethical Treatment of Animals is staunchly opposed to so-called “no-kill” shelters for pets, claiming they promote animal overpopulation and



*Bizarre antics would become PETA’s stock-in-trade. Newkirk has covered herself in fake blood and has been arrested some 20 times. (Pictured above right with Bill Maher)*

Credit: David Shankbone. License: <https://goo.gl/rxoaM4b>.



poor conditions for the caged creatures. Euthanasia, the group argues, is done “out of compassion.”

Yet a state government inspection of PETA’s headquarters in 2010 found that, over two months, a shocking 84 percent (245 of 290) of the dogs and cats collected by PETA were euthanized within 24 hours. The report also revealed PETA’s adoption rate fell from an already low 14 percent in 2004 to just 0.7 percent in 2009. That means 99.3 percent of pets were killed.

PETA claims that, to a first approximation, all the pets it receives are diseased, abused, and unadoptable. But in March 2017 Heather Harper-Troje, an ex-employee of PETA’s Community Animal Project, filed an affidavit accusing the project of “euthanize[ing] puppies and kittens and other highly adoptable animals”—often on Ingrid Newkirk’s direct orders. According to Harper-Troje, Newkirk “said that an effort to adopt out an animal was a waste of PETA’s money and effort.” Harper-Troje was even instructed by her supervisors “to tell people that we would find good homes for the dogs and cats, even though we knew the animals would be euthanized.”

PETA has dismissed Harper-Troje as a disgruntled former employee, but the allegations stuck. In August 2017, the group was forced to settle for almost \$49,000 and an apology with a family in Virginia after it picked up their unattended chihuahua and euthanized it that day, violating a Virginia law requiring a five-day grace period.

It doesn’t help the group’s reputation that it has a massive \$9,300 walk-in freezer with four large trash cans to house the corpses prior to cremation, according to another employee.

## PETA Foundation and peta2

The Foundation to Support Animal Protection, also known as the PETA Foundation, is PETA’s sister 501(c)(3) public charity with offices in Norfolk, Virginia. The Foundation is listed as a supporting organization of PETA, meaning the vast majority of its support moneys go to the governing organization, which supervises and controls the Foundation.

The PETA Foundation acts as PETA’s clearinghouse, and it has done well for itself—receiving over \$40 million in grants since 2000. And since 2004, \$28 million of that has come from an obscure group called Nanci’s Animal Rights Foundation, a private foundation in Fort Lauderdale, Florida.

In 2009, the Center for Consumer Freedom reported that the PETA-aligned animal liberation groups Physicians Committee for Responsible Medicine and the Cancer Project “have derived 60 percent of their budgets from a single woman: Nanci Alexander.”

Alexander, you may have guessed, is the namesake and founder of Nanci’s Animal Rights Foundation. Since 2004, the foundation has donated \$65 million to a handful of animal rights groups: \$30.4 million to PETA and the PETA Foundation; \$1.1 million to the DJ&T Foundation, which fights the “serious problem [of animal] overpopulation” by subsidizing spay and neuter clinics; and a whopping \$33.4 million to the PCRM Foundation. Alexander is president of the similarly named Animal Rights Foundation of Florida, a group that lobbies for “restrictions on pet shop sales to stop puppy mill sales” and other animal rights laws. She also has a private foundation (the Alexander Foundation) in Boca Raton, in which she shares board leadership with her ex-husband, Leslie Alexander—the former owner of the Houston

Rockets basketball team, regular Democratic Party donor, and a former board member of a group allied with PETA, the Humane Society of the United States (HSUS). (Leslie Alexander also has his own private foundation which funnels millions to mainstream and extremist animal rights groups, including HSUS and the PETA Foundation.)

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*PETA also runs peta2,  
a youth program aimed at  
indoctrinating teens into  
PETA’s extremist ideology.*

PETA also runs peta2, a youth program aimed at indoctrinating teens into PETA’s extremist ideology. Peta2 is a fiscally sponsored program of PETA, which bragged in its 2016 tax filings that its college youth outreach efforts reached over one hundred campuses. Peta2 representatives showed students an “Arc of Justice” exhibit—a timeline of animal rights groups victories where students can sign a wall with slogans like “GO VEGAN!” and “STOP BUYING LEATHER,” while dreaming of a future where people will “look back in horror on the practice of eating animals’ body parts.”

Peta2 even offers students resources to help with their homework: archives of information with articles claiming animals “are not ours to eat,” “are not ours to experiment on,” “are not ours to wear,” and “are not ours to use for entertainment” in zoos and aquariums. The peta2 website posts articles with provocative titles like “Is Tattoo Ink Vegan?” and “How to Have the Ultimate Cruelty-Free Prom” (hint: it involves vegan mascaras and silk-free prom dresses to avoid financially supporting “the product[s] of a [silkworm] massacre”).

## Funding

People for the Ethical Treatment of Animals receives funding from a number of ostensibly mainstream center-left organizations and donors. The Tides Foundation, a major pass-through funder, has given PETA nearly \$1.8 million since 2003. The John L. Neu Family Foundation, which supports left-wing groups like the Natural Resources Defense Council and William J. Brennan Center for Justice, gave PETA \$400,000 in 2015.

Other notable PETA supporters since 1999 include the California Community Foundation (\$711,000), Arcus Foundation (\$185,000), Faith and James Knight Foundation (\$341,000), the Glaser Progress Foundation (\$278,000), Greater Milwaukee Foundation (\$173,000), Jewish Communal Fund (\$490,000), American Foundation Corporation (\$460,000), the J Street Education Fund, and sundry other private foundations. PETA is also supported by grants made through commercial donor-advised fund providers: Fidelity Investments Charitable Gift Fund (\$589,020), Schwab Charitable Fund (\$321,541), U.S. Charitable Gift Fund (\$223,398), and Vanguard Charitable Endowment Program (\$153,590).

## Conclusion

What do you get when you cross radical environmentalism and grizzled guerilla activism?

It's a joke that needs no punchline. PETA, like much of the extremist animal liberation movement it represents, has a long and destructive history of domestic terror campaigns. For decades, the organization has experimented with numerous approaches—"direct action" terrorism, celebrity endorsements, shock value, and corporate infiltration—and, in all likelihood, it has the creative tenacity to continue trying more.

But whatever PETA achieves, it won't be finding happy homes for man's best friend. It'll be a brave new world without meat, clothing, or the companionship offered by our furry friends. ■

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*Read previous articles from the Deception and Misdirection series online at [CapitalResearch.org/category/deception-and-misdirection/](http://CapitalResearch.org/category/deception-and-misdirection/).*



In the past year, Capital Research Center (CRC) focused on expanding our audience through social media. Our videos have been viewed more than **8.5 million** times on Facebook and YouTube. In just one year, we've more than **doubled** our Facebook followers and our engagement is up **340%**. Our Twitter followers have **doubled**, and we launched our Instagram account in July.

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*A project of CRC's Dangerous Documentaries*

**ADAM CAROLLA**

**DENNIS PRAGER**



***No Safe Spaces*, a film starring Adam Carolla and Dennis Prager and a project of CRC's own Dangerous Documentaries, will expose the safe space culture that is undermining American universities. *No Safe Spaces* will expose the sad state of free speech, the unwillingness of students to be challenged by new ideas, and "the grievance culture" of "safe spaces" that are undermining the intellectual foundations of American higher education.**

**Carolla—a well-known stand-up comedian, podcaster, and radio personality—and Prager—a syndicated radio talk show host who has been on the air for more than four decades—will travel to college campuses across the country interviewing students, professors, and commentators from both sides of the political spectrum.**

***No Safe Spaces* is set to release in Spring 2019. It will be directed by Justin Folk and produced by Mark Joseph. Scott Walter and Jake Klein are executive producers.**

**NOsafespaces.com**





## FACT, FICTION, AND THE 1969 TAX REFORM HEARINGS

By Neil Maghami

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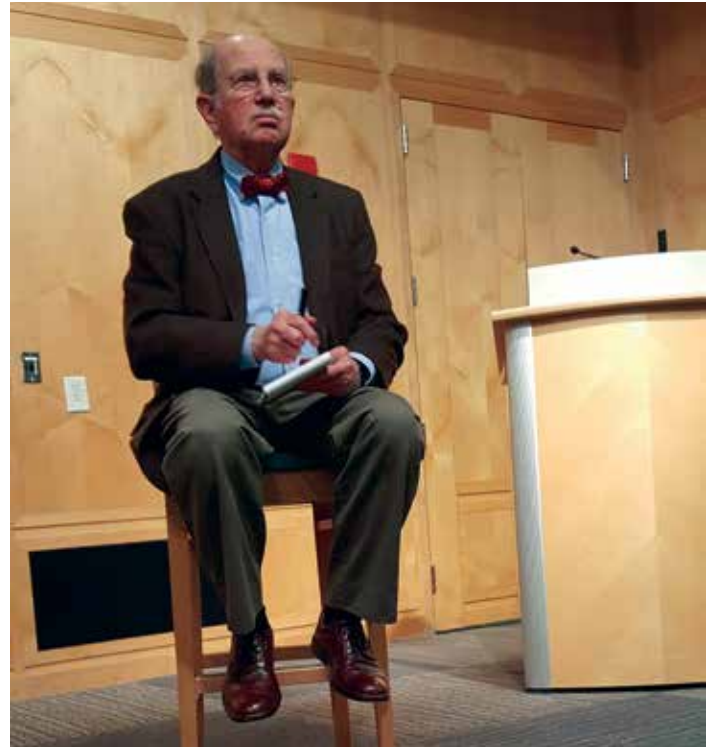
**Summary:** *In 1969, routine Congressional hearings on tax reform degenerated into naked attacks on America's largest foundations for their support of progressive policy change. For many years after, foundations were too intimidated to engage in such overtly political activity. But is that what really happened? This issue of Foundation Watch looks back on the events of 1969, to try to separate fact from fiction.*

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Next year marks the 50th anniversary of a freewheeling debate on what limits, if any, ought to be imposed on the activities of the largest U.S. tax-exempt foundations. The debate took place through U.S. House of Representatives and U.S. Senate hearings on the impact of potential tax code changes on foundations. To some, these events represent a dark moment in the history of American philanthropy. Prof. Stanley Katz of Princeton, for example, has written about how “the congressional backlash of the Tax Reform Act of 1969” was a reaction to the “overtly policy-oriented behavior of the Ford Foundation, under the leadership of McGeorge Bundy.” According to observers such as Prof. Katz, this “backlash” frightened America’s “major foundations” into being “ostentatiously careful about taking strong positions on matters of political contention”—lest they again provoke Congressional rage.

To the degree that people today are aware of the 1969 tax reform act at all, Prof. Katz’s words as above represent the consensus view—to their eternal shame, aggressive Congressmen and Senators, jealously sought to protect their political power, by haranguing and berating right-thinking foundation leaders who simply wanted to change America for the better through grants helping progressive policy causes. A review of the available documentation, however, reveals a more complex picture.

The 1969 tax code hearings generated hundreds of pages of testimony, as well as commentary from various pundits. This article will focus on the events of 1969 with an emphasis on how they pertained to the activities of the major players—the Ford Foundation, the Carnegie Corporation, and the Rockefeller Foundation.



Credit: Princeton Public Library. License: <https://goo.gl/P77MHsq>

*Prof. Stanley Katz has written about how “the congressional backlash of the Tax Reform Act of 1969” was a reaction to the “overtly policy-oriented behavior of the Ford Foundation, under the leadership of McGeorge Bundy.”*

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### “A Deeply Flawed American Society”

The societal changes that characterized the 1960s did not spare the nation’s largest foundations; their previous focus on traditional philanthropy gave way to a mania for “social change.” The social turmoil of the 1960s explains in part why the 1969 tax reform fight erupted when it did. As Heather MacDonald has commented in an article for *City Journal* on the large foundations’ transformation in the late

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*Neil Maghami is a freelance writer and occasional contributor to CRC publications.*

1960s, “America’s most prestigious philanthropies...aspired to revolutionize what they believed to be a deeply flawed American society.”

In his presidential message accompanying the Carnegie Corporation’s 1968 annual report, for example, Alan Pifer envisioned foundations as the equivalent of society’s physicians, with the responsibility to both determine the most pressing social ills and then cure them. This was not because of any particular expertise possessed by the foundations, according to Pifer, but was rather anchored in the fact that ultimately they were accountable only to themselves:

Among the vast array of institutions, public and private, profit-making and nonprofit, which comprise the fabric of contemporary American society there is none which possesses greater freedom than the foundation. Unlike a business enterprise, it is not subject to the discipline of the market place nor, like public agencies, of the ballot box. It is not dependent on others for funds. It does not have to be responsive to the claims of a membership or of alumni, students, or faculty...In short, it enjoys less constraint by the usual forms of accountability to society than does, perhaps, any other type of institution...

No other has as great liberty, and consequently such an awesome responsibility, to diagnose the need for institutional reforms, however controversial these may be, and to help bring them about. The foundation can put itself above the special interests which restrict the vision of most organizations and the parochial concerns of the professions and consider only what is for the common good—tomorrow and on into the more distant future.

“*The foundation can put itself above the special interests...and consider only what is for the common good...*”  
—Alan Pifer

Viewed in this way, Pifer continued, foundations had an obligation to “try to use [their] particular strengths to help along those types of social change that will make for a better world.”

Let’s acknowledge Pifer’s open contempt for the concept of “donor intent.” There’s no room in his vision for honoring the guiding principles espoused by a foundation’s creator, no acknowledgement of the original causes that individual wanted to support with a lifetime’s accumulated wealth. Pifer only seems to care that foundation dollars be spent to advance what we recognize today as trendy causes, circa 1969. In other words, he shoved aside donor intent without a second thought.

Pifer went on:

These objectives are, perhaps, obvious, but they are more difficult to achieve than they may seem to be. In some cases, foundations are fettered by overly restrictive charters. In others, the close control exercised by individual donors or corporations prevents them from taking full advantage of the unusual freedom given them by society. The capacity of these foundations to support social innovation is often severely circumscribed by the special interests of their sponsors....But the touchstone of the true foundation, some would say, in the form in which it can have its highest value to society, *is absolute, unfettered independence protected by trustees and staff whose sole loyalty is toward the long-run public good* [emphasis added].

But “public good” is a squishy term that means different things to different people. Large foundations enjoy an enviable freedom of action matched by few other institutions; shouldn’t we be concerned about such unfettered freedom given this uncertainty? Alan Pifer didn’t see cause for concern, since, of course, foundation staff and trustees have only the purest of motives when making decisions. Who needs a President, a cabinet or even a Congress with our large foundations ready to crusade selflessly for change and lead America into a new era of 1960s inspired progress?

If Pifer’s words accurately reflect some of the intellectual currents swirling in foundation circles at the time, then McGeorge Bundy, his counterpart at the Ford Foundation, demonstrated how those currents were being translated into action—especially where it came to using foundation dollars to help get the push for radical identity politics off the ground in the late 1960s.

Bundy and Pifer were closely aligned in their thinking. Echoing Pifer in a 1968 speech entitled “Government as Colleague and Petitioner,” Bundy took a sweeping view of foundations’ freedom, as private organizations, to intervene in society and directly take sides in political debates:

It makes no sense, in the last third of the twentieth century, to suppose an arbitrary division between what is done publicly and what is done privately. One of the responsibilities of the private organization, is, in fact, to concern itself with the relationship between the problem it is attacking and that part of the problem which, on honest assessment, it believes is also a part of the responsibility of political institutions and political forces....And here is another role for private citizens and foundation money working together: not simply as licensees or junior partners or consultants, but also as constructive critics of the government—sources of ideas about how it can do its business better.

Under Bundy's leadership, however, the Ford Foundation went a step further and cultivated partnerships with radical political forces. For example, in his message accompanying Ford's 1966–1967 annual report, he dismissed concerns about the rise of black nationalist groups and even signaled that Ford saw them as legitimate community partners:

But none of us who are white should suppose that Negroes will really choose to stand aside from American life as a whole....Meanwhile, the Ford Foundation will work with Negro leaders of good will and peaceful purpose *without any anguished measurement of their position on the issue of a separated power of blackness* as against the continuing claim to integration [emphasis added].

## Ford's Ocean Hill-Brownsville Debacle

Bundy's "progressive" vision on the matter of black power groups likely stemmed from Ford's funding of a school decentralization experiment in the Oceans Hill-Brownsville area of Brooklyn, N.Y., in 1967.

Located in what had recently become a majority black community, the experimental district encompassed eight schools and been placed under the administration of Rhody McCoy, an acolyte of Malcolm X. The decentralization degenerated into the predictable circus when community groups involved organized the removal of about 20 unionized teachers from their posts, leading to a city-wide teachers' strike in 1968. Alleged black militants further aggravated the situation by distributing anti-Semitic pamphlets, upsetting the large number of Jewish teachers assigned to the school district. The emotions aroused by the removal and the strike were such that in January 1969, *Time* headlined a magazine article with the words: "The Black and the Jew: A Falling Out of Allies."



Credit: Yoichi R. Okamoto. License: <https://goo.gl/4Vjw4>.

*Bundy took a sweeping view of foundations' freedom, as private organizations, to intervene in society and directly take sides in political debates.*

Such were the fruits of McGeorge Bundy's understanding of how "private citizens and foundation money" could work together.

## Background to the 1969 Hearings

After having familiarized ourselves with Pifer and Bundy, let's meet the next character in this drama: Representative Wright Patman (D-TX), whom CRC senior fellow Martin Morse Wooster called "a fiery Texas populist." By acquainting ourselves with Patman, we can better understand how critics perceived private charitable foundations in the late 1960s.

Although he is not well known today, Patman was, perhaps more than any other person, responsible for setting the stage for the 1969 hearings to focus closely on foundations. Starting in 1961, through his role with the House of Representatives Small Business Committee's Subcommittee on Foundations, Patman routinely spoke out against what he saw as the frequent abuse of loopholes related to foundations' tax-exempt status, especially the opportunities these presented for personal wealth to be put beyond the reach of the tax authorities.

He was also critical of what he claimed to be the IRS's weak oversight of foundations generally, including the agency's failure, in his eyes, to fully report on the assets and incomes of foundations.



Through a steady stream of public statements, studies and other activities, Patman patiently nurtured a growing interest in what might otherwise have been a hard-to-follow issue of little importance to the media and wider public. By one measure, between 1961 and 1969, he released 5,000 pages of detailed reporting on foundation activities through the Subcommittee on Foundations.

Such was Patman's singular focus on tax exemption-related issues that he was seen at times as overzealous in his statements, or too eager to chase self-aggrandizing headlines. Following the 1964 presidential campaign, for example, he scrutinized the activities of the American Enterprise Institute (AEI) very closely, to the point that some observers felt he had singled the organization out for intimidation.



*When it came to public criticism of tax-exempt groups, Representative Wright Patman (D-TX), was strictly an equal opportunity man.*

But when it came to public criticism of tax-exempt groups, however, Patman was strictly an equal opportunity man—regardless of his targets' perceived political leanings.

On February 18, 1969, the first day of the tax code hearings, he peppered his opening statement with questions for foundations large and small. He highlighted two Ford Foundation initiatives as part of this: the provision of just over \$131,000 in “travel grants” to six former Robert F. Kennedy staffers in 1968 (described by one critic as “severance pay for benignly regarded political functionaries”) and the funding of voter registration efforts by a black civil rights group in 1967 that helped elect Carl Stokes as first black mayor of Cleveland, OH. Patman cited these examples of how far the large foundations had, in his view, strayed from their original focus on “charitable” goals, versus political interventions. “Are the giant foundations on the road to becoming political machines?” he asked rhetorically.

It should be emphasized that the above represented just two points in Patman's lengthy opening remarks, which he used to portray various foundations, small and large, as having potentially overstepped legal or customary limits and restrictions on their activities. Patman reserved much of his ire for a questionable practice of the era: the use of discretionary family foundations to perpetuate stockholder control of companies by transferring family-held shares to

those foundations. Patman also announced the introduction of a bill that included an annual 20 percent tax on the “gross income” of all foundations and tighter checks on whether foundations' annual disbursements truly reflected “the purposes for which [they] were organized.” We don't know for certain if Patman was speaking directly to Bundy and Pifer, but he may well have been:

Mr. Chairman, my bill is by no means a vindictive measure; indeed, by encouraging the foundations to return to the original purpose for their existence—that is, philanthropy—they should emerge stronger, not weaker.

This new vigor I do not fear, so long as it is exercised in the proper area. Their pained outcries of persecution notwithstanding, I do not seek to destroy the foundations, but to reform them. And I do not single out the foundations for harsh regulation—I simply propose that they be subject to the same economic rules as the rest of America...

I am hopeful that this committee will agree that there is an urgent need to redefine the role of the privately controlled charitable foundation...Have the giant foundations made or do they plan to make, grants that will aid certain candidates to run for National, State, and local office? Does the Ford Foundation have a grandiose design to bring vast political, economic and social changes to the Nation in the 1970s? Is this what Congress had in mind when it granted tax exemption to privately controlled foundations?

The House hearings continued through March and ended in late April, with extensive testimony from top foundation leadership. The transcript of McGeorge Bundy's committee statement and dialogue with the committee alone is about 80 single-spaced pages. That of J. George Harrar, President of the Rockefeller Foundation, is about 40 pages.

## Ford Foundation and “Brown Power”

On April 22, 1969, in a statement independent of the tax reform hearings, a close political ally of Wright Patman rose on the floor of the House of Representatives to offer additional criticism of the Ford Foundation. In a hard-hitting speech, Rep. Henry Gonzalez (D-TX) summarized how Ford grants had gone to support the activities of what he called “the architects of discord, the prophets of violence”—a reference to a network of militant Hispanic identity organizations operating in Texas.

In his speech, Gonzalez lauded Ford as “by far the greatest of all foundations devoted to the advancement of humanity.” But in making grants starting in 1966 to divisive Mexican-American community groups, Gonzalez said, Ford had started with the best of intentions: a desire to help “this particular minority group...[has] some kind of effective national organization that could coordinate the actions of the many that already existed.”

As detailed in Gonzalez’s speech, this led to Ford funding, either directly or indirectly, to the Southwest Council of La Raza, the Mexican-American Unity Council of San Antonio, the Mexican-American Youth Organization (MAYO), and the “Universidad de los Barrios.” Gonzalez rejected the identity politics and militant rhetoric of these organizations, saying “I cannot see how good can come from the building of passions that have throughout the history of mankind brought about only distrust, fear, hate, and violence. I fear very much that the Ford Foundation miscalculated in choosing those who have charge over their grant money.”

(See Martin Morse Wooster’s October 2003 *Foundation Watch* piece on the Ford Foundation for further background on its backing for identity politics.)

## Outcomes of the Tax Reform Hearings

The House hearings were followed by hearings in the U.S. Senate. The package of legislative changes that emerged from the hearings and other discussions about necessary tax code amendments were signed into law as the Tax Reform Act of 1969 by President Nixon on Dec. 30, 1969. In his remarks at the time of signing, Nixon noted that, under the Act:

[T]ax-free foundations were brought under much closer Federal scrutiny although Congress wisely rejected provisions that would have hampered legitimate activities of the voluntary sector. At the same time, we must recognize that congressional consideration of this matter reflected a deep and wholly legitimate concern about the role of foundations in our national life.

(Note that President Nixon did not set a time-limit for further “congressional consideration of this matter,” or imply that the matter had been settled forever.)

While it’s true that the final version of the law did include a prohibition on foundations engaging in “lobbying” activities this rule was—and has remained—very tightly focused on certain specific activities. This was *not*, however, a prohibition on broader advocacy, education, or public persuasion efforts.



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*The package of legislative changes that emerged from the hearings and other discussions about necessary tax code amendments were signed into law as the Tax Reform Act of 1969 by President Nixon on Dec. 30, 1969.*

Martin Morse Wooster has summarized other key impacts of the Tax Reform Act as follows:

- Imposition of a 4 percent excise tax on foundation investment income
- Prohibition from self-dealing (that is, financial transactions between donors and their foundations) and from foundations holding more than 20 percent of the shares in a specific corporation
- Imposition of a minimum annual distribution of grant money (first set at 6 percent, subsequently lowered to 5 percent)



Credit: Carnegie Corporation. License: <https://goo.gl/6B2GDx>.

*“...there remain in the nation many people, especially in the nation’s ‘heartland,’ who continue to have a kind of populist distrust of private institutions, associating them with great wealth, privilege, and a social caste system.” —Alan Pifer*

As noted by Wooster, one idea that did not make it into the final version of the Act was “a 40-year time limit on foundations.” The mere fact that Senator Albert Gore, Sr. (D-TN) proposed the time limit and that it made it into an initial version of the Senate tax reform bill, however, was itself an interesting measure of Senatorial ire with the large foundations. (In its own published summary of the 1969 tax reform drama, the Rockefeller Foundation credits Senator Walter Mondale (D-MI) with “a key role in defeating” Senator Gore’s proposal.)

## The Foundations React...

In an echo of Hillary Clinton’s attacks on the “deplorables” who voted for President Trump, at least one foundation president, Alan Pifer, felt he knew who to blame for the foundations’ 1969 political troubles, and he was not shy about naming names.

In his message accompanying Carnegie’s 1970 annual report, he proclaimed, “...there remain in the nation many people, especially in the nation’s ‘heartland,’ who continue to have *a kind of populist distrust of private institutions*, associating them with great wealth, privilege, and a social caste system” (emphasis added).

The 1970 message built on a November 1969 speech by Pifer, where he denounced “the kind of *doctrinaire populist opposition* to foundations [that holds themselves up] as a matter of democratic principle,” which he saw rooted in the idea that “because foundations derive from great wealth, they ipso facto must be suspect” (emphasis added).

George Harrar, President of the Rockefeller Foundation, summarized his view of the 1969 tax hearings in his message accompanying the foundation’s report for that year:

The new law does essentially nothing to help foundations perform their function better. Hopefully, it may help to prevent the kind of abuses of the tax exemption privilege which have occasionally been identified. It certainly makes the work of private philanthropy—which has been of such enormous value to so many people for so many years—a more difficult task, and subjects private foundations to discriminatory taxation.

McGeorge Bundy, for his part, was much more restrained—even reconciliatory. In his message accompanying the Ford Foundation’s 1968–1969 annual report, for example, he referred to the tax reform act’s “calls for full disclosure every year both to the government and to the public of detailed information about foundation income, expenses, operations, and organization” as among “its most important and therapeutic provisions,” helping to “dispel mystery and misunderstanding...” This represented, to Bundy, “an opportunity, not a burden.”

He also observed that “[m]ost parts of this new law on foundations we regard as constructive, necessary and long overdue; others give us concern; a few may not serve the public interest....[T]he freedom of foundations requires enough regulation to provide confidence, in Congress and in the country, that serious abuses are being prevented. Our problem is to ensure that we are sufficiently understood and sufficiently supported by Congress and the public, to make that regulation reasonable—a support to our freedom and not an obstacle to it.”

He added: “In appropriate cases we held discussions with grantees to emphasize the new legislative guidelines. Moreover, in appropriate instances, we have incorporated relevant provisions of the Act in our new grant letters.”

Taking further stock in his 1972–1973 annual report message, Bundy decided to mark “the fifth year of life” following the 1969 hearings by reporting “briefly on the nature of our experience with the [Tax Reform] Act of 1969.”

Bundy provided an even-handed appraisal:

The 1969 Act is complex, and we do not believe that all of its detailed provisions serve the public interest. In one or two places, for example, it tends to inhibit investments, both financial and charitable...Our central finding, however, is that the Tax Reform Act of 1969 has given statutory endorsement to a role for private foundations that is sound in itself and consistent with the best of American tradition.





*“...Once [the rich] claim the privilege of tax-exemption, each of us acquires an interest in the dollars involved, and we deserve to know how and why they are being spent.” —Joseph C. Goulden*

And in his final message as the foundation's chief in its 1977–1978 annual report, Bundy said:

...the Tax Reform Act of 1969, as finally passed, was, with one exception, a generally acceptable framework of regulation. It established requirements for adequate charitable expenditures and for improved public reporting, and by its very existence it helped to persuade Congress that no private foundation is a great loose cannon on the deck of the ship of state. The one major flaw in the Act was a 4 percent ‘excise’ tax.

These issues aside, he also said:

[T]he troubles of 1969 were not all that bad... The real threat to foundations in the Act of 1969 was that timid trustees would misread its portent and shy away from controversial activity. Throughout the field this happened less than many feared. It did not happen here at all. I suppose our Trustees have imperfections invisible to their president, but timidity has not been one of them.

## Pundits Weigh In

One of the more detailed (and entertaining) accounts of the 1969 tax code hearings appears in the 1971 book *The Money Givers* by Joseph C. Goulden. In the closing paragraphs of the book, Goulden focuses on what he thinks should have been the key issue in the hearings: “In sum, what the rich do with their money in private is their own business. But once they claim the privilege of tax-exemption, each of us acquires an interest in the dollars involved, and we deserve to know how and why they are being spent.”

Goulden's suggestions for improving foundation disclosure hinge on imposing a radical transparency on them, including this one:

Open the foundations' board meetings to the public, and bar the trustees from gathering privately ahead of time to decide what they are going to do. No one would come to most of the meetings, but I'd be curious as to how Ford decides to spend [its annual budget]...Most of us would quickly be

bored silly and go away, but the foundations would operate in the constant knowledge that someone could ask at any minute: ‘What have you done for America recently?’

In a similarly pointed 1972 essay entitled “Foundations and Social Activism: What Do Foundations Do?” Dartmouth professor Jeffrey Hart asked:

What interest do the foundations represent? What, indeed, is a foundation but a large amount of money presided over by a small number of executives, individuals largely unknown outside their own circle, whose opinions and goals are themselves largely unknown.

He continued:

The deep issue concerns the role of the larger foundations as a kind of shadow government, disposing of substantial political and social power, and using that power in ways that are in fact highly questionable. Though the foundations to an increasing degree are acting as a political force, and though they make no bones about their desire to act as a political force, they are not responsible to any electorate and so cannot be voted out of office if their political policies are perceived as undesirable.

This captures, in a way that other foundation critics at that time including Wright Patman were not quite able to express, perhaps the most potent criticism of the large foundation leadership: who guards these self-appointed guards, these self-declared arbiters of progress who are able to exercise considerable power without much formal accountability?

## In the Fullness of Time

In 1998, Alan Pifer completed an oral history interview, looking back on his time with Carnegie (from which he had long since retired). The interview was subsequently published by Columbia University. Asked directly about the effects of the 1969 tax reform and its implication for foundations, Pifer surprisingly stated:

*Continued on Page 22*



# A LOOK BACK AT 2017



**SPECIAL REPORT**  
The Party of the  
One Percent?

**JANUARY**



**CPAC PANEL**  
2016 Elections

**FEBRUARY**



**CLIMATE DOLLARS**  
Report and Website

**APRIL**



**TEAM JIHAD**  
Release of  
Vadum's Book and  
Co-hosted Panel

**JUNE**



**ALLEN'S MENSA  
SPEECH** on *Revolt of  
the Deplorables*

**JULY**



**DANGEROUS  
DOCUMENTARIES**  
Part 1: Civil War



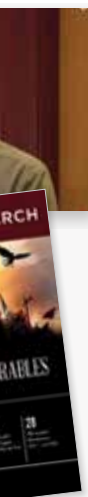
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AND

SCOTT WALTER SPEECH  
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Roundtable



RELEASE OF  
Hartmann/Watson on  
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Part 3: Antifa

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Reached over 3 million  
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OVER  
**3m**  
VIEWS

standing new projects and initiatives since 2016. In last year  
important websites, produced and funded films and videos, and  
produce trademark high-quality research—featured online, in  
d to more than 70 media hits in major outlets.



*Continued from Page 17*

[O]riginally, I felt that it was unfortunate that it had caused a wave of caution, conservatism in foundations, and I think that was true for a while. Of course, I've been out of foundations, or direct involvement with foundations now for sixteen years as I retired in 1982...I think it would be hard for me to claim that we are now, as a field, foundations as a field, are suffering from the continued effects of the Tax Reform Act. I think it is just gone on developing and that on the whole a lot of very fine grants are being made that do push the whole question of the role of foundations out farther in some very important directions.

Pifer also used the interview to settle a score with McGeorge Bundy, whom he says was a prime instigator of Congress's scrutiny. "[M]uch of this [Congressional scrutiny] really revolved around Bundy and his arrogance, and the role of the Ford Foundation under Bundy's leadership," Pifer stated.

Pifer called Bundy:

...a person of enormous self-confidence. The funny thing is, we had been at school together [*NB: a reference to Groton, the boarding school both men attended*]. I had known him for years. He was a little ahead of me, although in age only a year or two older, maybe two years. But anyway, we had known each other for a long time. He sort of looked on me as a little boy. [Laughter] And would never listen to anything I said. And having got us in all this trouble, he would not admit that he had caused the trouble. He just absolutely couldn't...

at some point in the future. You've got too much power, you're irresponsible, things of that kind.

All of that was sort of implied, it was a black mark, and I felt that even if it could be changed it would still in a sense remain as a black mark that the Congress of the United States had had to do this, and therefore we should fight it. We didn't deserve that stiff a penalty if in fact we had really done anything wrong. And of course, a vast majority of foundations did not feel they had done anything wrong and were rather appalled at finding themselves lumped together with a few foundations that were doing things that were, well, they were at least on the margins of—and, of course, especially the Ford Foundation...

Alongside Pifer's personal views, we can compare the official view of the tax hearings and their influence as presented in an "official history" released by the Rockefeller Foundation.

In 2013, the foundation published a book entitled *Democracy & Philanthropy: The Rockefeller Foundation and the American Experiment*, which includes a lengthy look at the 1969 hearings. The skepticism initially expressed by George Harrar had given way to a more accepting view of the hearings:

If it did nothing else, the Tax Reform Act of 1969 helped to restore Congressional confidence that the great private wealth held by private foundations would indeed be used for charitable purposes. It also brought to the forefront the debate over the role of philanthropy in a new era in the nation's history, an era in which the federal government played a large part in the day-to-day business of the nation.

With this expansion, philanthropy had to redefine or at least reassess its role and function in society. It had to be more accountable to the public.

This Rockefeller summary might better be called the "Congress-has-had-its-say-now-leave-us-alone" school of historical interpretation.

## Conclusion

The events around the 1969 tax hearings have sunk largely out of sight, even if they live on in government regulations on foundations. Various academic interpretations remain, such as Professor Stanley Katz's view cited in the opening passage of this article. Indeed, from the evidence reviewed above, it's hard to accept the argument that 1969 represents a trau-

CC —————  
*Who guards these self-appointed guards, these self-declared arbiters of progress who are able to exercise considerable power without much formal accountability?*

Asked to comment on his opposition to the plan to set lifespans for foundations, Pifer answered:

Well I thought that this was a kind of dagger aimed at the very heart of the foundation field...because, in effect it was, well, it was more than just rapping our knuckles, it was saying there's something wrong with you, meaning foundations, we can't really trust you so we've got to be sure to put you out of business

matic moment for the major U.S. foundations. They themselves no longer take such a draconian view of events. With the passage of time, the 1969 hearings appear to have been little more than a speed bump on the road to progressivism, around which foundations have successfully navigated.

Hindsight also makes it impossible to share Prof. Katz's view that the 1969 tax hearings somehow cowed the leadership of the major U.S. foundations, preventing them from pursuing their respective brands of "social change."

As a rebuttal to what Katz calls the foundations' avoidance of "taking strong positions on matters of political contention" after the hearings, let's recall the activities of just one foundation. The Edna McConnell Clark Foundation in the early 1970s began funding the "public interest" litigation effort that resulted in the formal de-institutionalization of tens of thousands of mentally-ill individuals across America. (See: "Edna McConnell Clark Foundation: Administering 'strong shocks' to U.S. society and the mentally ill," *Foundation Watch*, September 2013.)

If funding for such a goal doesn't represent taking a strong position "on matters of political contention"—then what does?

As the 50th anniversary of the tax reform hearings approaches, a reassessment is at hand. Perhaps the version of the hearing's achievements that resonates now is, in President Nixon's words, that they expressed "a deep and wholly legitimate concern about the role of foundations in our national life."

Labor union bosses, executives of big banks, even the founder of Facebook—powerful figures of all kinds—are routinely reminded that, even with vast resources at their disposal, they are also subject to democratic checks and balances: They can be called to testify in Congressional committee hearings and respond to hard questions. The heads of the largest foundations, with all the power their grant-making ability gives them, shouldn't be treated any differently. To ask them to participate in a Congressional hearing is not evidence of a shameful "backlash"—that's just called accountability. ■

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*Read previous articles from the Foundation Watch series online at [CapitalResearch.org/category/foundation-watch/](http://CapitalResearch.org/category/foundation-watch/).*

**A project of Capital Research Center**

# CLIMATE DOLLARS

HOW ONE FLAWED STUDY FOOLED THE MEDIA AND  
POISONED THE DEBATE ON CLIMATE CHANGE

In a widely cited 2014 study, sociologist Robert Brulle purportedly exposed a "climate change counter-movement" of center-right groups "distort[ing] the public's understanding of climate change." He calculated that from 2003 to 2010, these nonprofits recorded revenues averaging "just over \$900 million" annually—a number that led to media claims that, "Conservative groups spend \$1bn a year to fight action on climate change."

A Capital Research Center study cuts Mr. Brulle's calculations down to size: Not only is Brulle's assessment off by 93 percent, the resources of environmentalist groups and government agencies overwhelmingly dwarf those of skeptics. To learn more about the climate debate, visit [www.ClimateDollars.org](http://www.ClimateDollars.org).



## CRC'S ON-THE-SCENE REPORTING: SUPREME COURT

By Christine Ravold

**Summary:** *It's easy to go months without hearing much about the third branch of government. Only the most devoted judicial watchers follow cases through the appellate courts. Most citizens give passing attention to cases before the Supreme Court. But in June, the Supreme Court decided one of the most important cases in the modern labor movement, forever changing the political calculus of Big Labor. Almost immediately after releasing a landmark decision, Justice Anthony Kennedy announced his decision to retire. In both cases, CRC was on the scene, reporting on two of the biggest stories in Supreme Court history.*

### Janus v. AFSCME

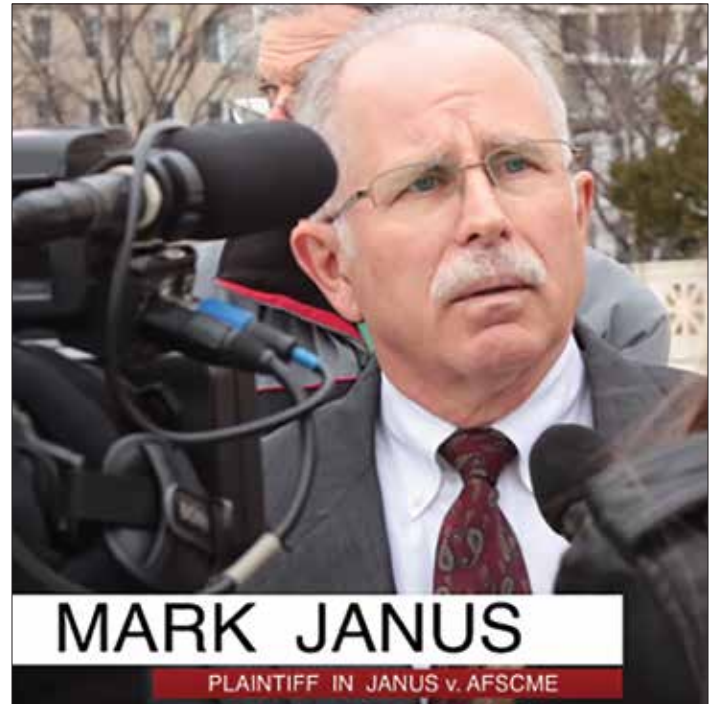
On June 27, 2018, the United States Supreme Court handed down a landmark decision that will have far-reaching affects for government employees across the country. In *Janus v. AFSCME*, the Supreme Court restored the First Amendment rights of public sector employees by ruling that they cannot be forced to pay dues to support public sector labor unions.

Because public sector unions are inherently political and maintain a monopoly power when it comes to collective bargaining, requiring employees to support unions—even through so-called “agency fees” (non-member dues)—is akin to coercing speech. In a post-*Janus* world, unions will no longer be able to force government workers to join the union and support its political speech.

The Capital Research Center covered the story from the beginning.



*In a post-Janus world, unions will no longer be able to force government workers to join the union and support its political speech.*



Credit: Capital Research Center

*In Janus v. AFSCME, the Supreme Court restored the First Amendment rights of public sector employees by ruling that they cannot be forced to pay dues to support public sector labor unions.*

After Wisconsin voted to enact serious labor reforms, all eyes fell on Illinois child support specialist Mark Janus's case as it made its way through the appellate courts.

When the Supreme Court granted certiorari to Mark Janus, CRC was on hand to record the rallies organized in support of the unions and in support of workers' rights to exercise free speech.

Justice Samuel Alito, writing for the Court's majority, overturned the 1977 *Aboud v. Detroit Board of Education* precedent, which enabled unions to forcibly collect agency fees

*Christine Ravold is the communications officer for the Capital Research Center.*



from employees who did not wish to be union members. Put plainly, “*Abood’s* holding is inconsistent with standard First Amendment principles...Forcing free and independent individuals to endorse ideas they find objectionable raises serious First Amendment concerns.”

By overturning *Abood* the Court essentially turned America into a right-to-work country for government workers—allowing them to decide whether or not they wish to join a union, rather than making membership an employment requirement.

CRC president Scott Walter issued a statement celebrating this important victory for public employees and for defenders of the First Amendment:

This is a huge win for government employees. Regardless of an individual’s employer, all Americans should be afforded the right to choose whether or not to contribute their hard-earned money to a political cause. By ending this unconstitutional—and frankly UnAmerican—practice by the American Federation of State, County and Municipal Employees (AFSCME), the U.S. Supreme Court has reinforced the First Amendment rights of government workers.

CRC research director Michael Watson recorded a video after the decision explaining how influential it will be:

Before today, it was perfectly legal in 22 states for a government worker union to force non-union member government workers who opposed the unions’ activities to pay the union for certain expenses, often approaching 80 percent of full member dues. And given that government worker unions are four of the top six organizational political donors in the nation and strongly left-wing, these forced fees infringed the free speech rights of hundreds of thousands of teachers and other workers. This affront to free speech was practiced by major unions like the American Federation of State, County, and Municipal Employees (AFSCME)—and public schoolteachers unions like the National Education Association...

“If the Demand Justice group had their druthers, they would see Senate Democrats block any judge nominated by President Trump as “too extreme.”



Credit: Capital Research Center

CRC research director Michael Watson recorded a video after the decision explaining how influential the *Janus* decision will be.

The money these government worker unions take in forced fees were supposed to fund collective bargaining with the taxpayer’s representatives and not political activity, but that line has proved effectively impossible to draw in practice—a fact conceded by the unions’ defense to *Janus’s* challenge. There is nothing non-political about negotiating with the government—wage and benefit levels, especially in fiscally strained states like Illinois, place a binding constraint on public policy.

But no sooner had CRC covered the biggest labor case of the century, than another major judicial story hit the airwaves.

## Justice Anthony Kennedy Retires

On the same day that the Supreme Court handed down the decision in *Janus*, Justice Anthony Kennedy announced his resignation from the highest court in the land. As the swing vote on the bench, Kennedy was arguably its most powerful member. His retirement opens the door for President Trump to establish a firm conservative majority for a generation or more.

The Left, already wounded by a series of First Amendment defeats (including the *Janus*, *Masterpiece Cakeshop*, and *NIFLA* decisions supporting freedom of speech and religion), were not going to take this news lying down. Within 24 hours, progressives gathered at the steps of the Supreme Court to oppose any proposed nominee. CRC’s Hayden Ludwig went undercover once more to document the demonstration.

Anisha Singh, an activist with Generation Progress a 501(c)(4) advocacy group affiliated with the Leftist think tank,

Center for American Progress), led the June 30 event. Organizers from People for the American Way and the Alliance for Justice—veteran groups which proudly take responsibility for successfully blocking the elevation of conservative Judge Robert Bork to the Supreme Court in 1987—were also in attendance.

But CRC also identified a new organization born from the ashes of Hillary Clinton's presidential bid and President Barack Obama's administration, which used this opportunity to direct liberal outrage at the loss of the 2016 election.

Demand Justice, a 501(c)(4) advocacy organization created in the wake of Neil Gorsuch's confirmation to the Supreme Court, is responsible for "citizen activism" intended to derail the appointment of judges that fail to align with the group's perception of justice. What this means in practice is opposing judges with a strong sense of originalism, because they tend to rule conservatively on issues near and dear to the liberal platform: abortion, identity politics, immigration, and income inequality. Demand Justice likely would prefer a justice in the vein of Ruth Bader Ginsburg—one who believes the Constitution to be a "living document." A better name for the group might have been "Demand [Social] Justice."

If Demand Justice, Alliance for Justice, and PFAW had their druthers, they would see Senate Democrats block *any* judge nominated by President Trump as "too extreme." According to Brian Fallon, executive director of Demand Justice, "All we have to do is unite our 49 Democrats [in the Senate] and get one—one!—Republican to agree to vote no." This desperate optimism urges Senate Democrats to embrace the parliamentary politics Senate Majority Leader Mitch McConnell used to block the nomination hearings for Barack Obama's third pick for the Supreme Court, Judge Merrick Garland. The only problem with Fallon's plan is that the Republicans have the majority—slim though it is.



Credit: Capital Research Center

*The Left was not going to take the news of Justice Anthony Kennedy's retirement lying down. Within 24 hours, progressives gathered at the steps of the United States Supreme Court to oppose any nominee.*

When President Trump announced his nomination of Circuit Judge Brett Kavanaugh on July 9, left-wing judicial activists were ready to protest. Some might say they were overprepared—armed as they were with pre-printed glossy signs bearing the names of each of Trump's three potential nominees. Luckily, Demand Justice & co. foresaw Kavanaugh as one of Trump's likely selections. However, Judges Amy Barrett, Thomas Hardiman, and Raymond Kethledge were also contenders—and the activists were just as prepared for any of the other three jurists to be tapped. You have to hand it to them—this time around, activists exhibited more foresight than when they protested Trump's first Supreme Court pick. Protesters had to write in Neil Gorsuch's name on their signs, making it clear that they were going to protest any nomination from Trump.

As the confirmation hearings approach, CRC plans to continue closely reporting on the Left's next generation of judicial activism. ■

*Read previous articles from the Labor Watch series online at [CapitalResearch.org/category/labor-watch/](https://CapitalResearch.org/category/labor-watch/).*



# ORGANIZATION TRENDS



## THE “NEW” LEFT:

*What you need to know about the Democratic Socialists of America*

By Matthew Vadum

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**Summary:** *Democratic Socialists of America, an activist group, has no intention of becoming a full-fledged political party. There is no need. The socialist candidates it backs are winning elections, and it is already well-represented among sitting members of Congress. One of its endorsed candidates recently defeated the fourth-highest-ranking member of the Democratic Party’s leadership in the U.S. House of Representatives, a development that led the media to shower the DSA with flattering publicity.*

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A radical leftist upstart’s unexpected trouncing of a key member of the House Democratic leadership in a primary is sending shockwaves through the Democratic Party establishment.

I refer to Democratic Socialists of America (DSA) member and first-time candidate Alexandria Ocasio-Cortez, at the time a 28-year-old of Puerto Rican ancestry, who crushed longtime U.S. Rep. Joe Crowley, a 56-year-old Irish-American Catholic, in the June 26 primary election for the 14th congressional district in New York, covering parts of the boroughs of Queens and the Bronx. Crowley chairs the House Democratic Caucus, the fourth-highest leadership position among House Democrats, and he was a leading contender to become House Speaker, if Democrats regained control of that chamber.

Ocasio-Cortez’s victory made her an instant star in leftist circles. Democratic National Committee (DNC) chairman Tom Perez promptly hailed her as “the future of our party.”

Ocasio-Cortez won by running on a far-left platform of abolishing the U.S. Immigration and Customs Enforcement (ICE) agency, socializing health care by forcing everyone into Medicare, providing free college education, guaranteeing jobs for all, as well as passing a \$15 per hour federal minimum wage. Ocasio-Cortez, who previously worked as an organizer for Sen. Bernie Sanders’ 2016 presidential bid, garnered 57.5 percent of the vote, compared Crowley’s 42.5 percent.

Although Ocasio-Cortez bested Crowley almost everywhere in the district, Steven Romalewski, director of the Mapping Service at the City University of New York’s Center for Urban Research, found that upwardly-mobile voters were



Credit: Elbert Barnes. License: <https://goo.gl/QuZYfp>.

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*The Democratic Socialists of America (DSA), an activist group, aspires to overthrow the socioeconomic foundations of the United States. The Marxist DSA may be considered a small-c communist group. Its members seek the abolition, not the mere tempering or regulation, of capitalism.*

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largely responsible for her victory. Her strongest support “came from areas like Astoria in Queens and Sunnyside in Queens and parts of Jackson Heights that, number one, were not predominantly Hispanic, so they’re a more mixed population, and are areas where—this is kind of a term of art—are in the process of being gentrified, where newer people are moving in,” he said in *The Intercept*.

Ocasio-Cortez may be determined and passionate, but she’s a political novice who often puts her foot in her mouth. In one media interview the newly anointed leftist folk hero seemed to confuse ICE with the CIA. ICE’s “extrajudicial

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*Matthew Vadum is CRC’s senior fellow.*

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nature is baked into the structure of the agency and that is why they are able to get away with black sites at our border with the separation of our children,” she said on CNN June 27.

Ocasio-Cortez attacks more moderate Democrats for trying to impose any kind of restraint on federal spending, accusing them of pushing the notion that “we’re going to austerity our way into prosperity.”

Ocasio-Cortez’s surprise win bears more than a passing resemblance to now-U.S. Rep. Dave Brat’s (R) unexpected primary victory over then-U.S. Rep. Eric Cantor in Virginia’s 7th district in 2014. At the time, Cantor was House majority leader, outranked only by then-Speaker of the House John Boehner (R-Ohio). Conservative and Tea Party revulsion at the GOP congressional leadership helped get the no-nonsense conservative economics professor over the finish line and helped to move House Republicans to the political right.

## What Is the DSA?

This electoral upset has thrown a national spotlight on the DSA, an up-till-now fairly obscure leftist group that wields significant influence over the Left and the Democratic Party. As a group, the DSA aspires to overthrow the socioeconomic foundations of the United States. The Marxist DSA may be considered a small-c communist group. Its members seek the abolition, not the mere tempering or regulation, of capitalism.



*Ocasio-Cortez may be determined and passionate, but she’s a political novice who often puts her foot in her mouth.*

“As a DSA chapter co-chair I just wanna set the record straight for a minute: communism is good,” Portland DSA co-chair Olivia Katbi Smith wrote June 30. The chair of DSA in Charlottesville, Va., quoted Smith’s tweet, adding, “as a DSA chapter co-chair, I would like to cosign this pro-communist statement.” As The Daily Caller reported, DSA chairs in Seattle and Hudson County, N.J., also provided public statements of support.

Soon-to-be Congresswoman Alexandria Ocasio-Cortez was only slightly less resolute than her DSA comrades. She comes close to saying she supports abolishing the free enterprise system and the precious economic freedoms on which

it is based, which have made America wealthy beyond its founders’ wildest dreams.

Ocasio-Cortez breezily dismissed the current strength of the U.S. economy, claiming that the unemployment rate is low “only because Americans are working two jobs,” demonstrating profound ignorance of even basic economic principles. (The unemployment rate is the number of people in the job market who want to find employment and cannot find employment. The number of jobs people have has no bearing on the unemployment rate.) Capitalism is a fleeting phenomenon, she told PBS in an astounding display of historical ignorance.

I do think that right now, when we have this no-holds-barred Wild West hypercapitalism, what that means is profit at any cost. Capitalism has not always existed in the world, and it will not always exist in the world. When this country started, we did not operate on a capitalist economy.

Asked if democratic socialism, the system to which Ocasio-Cortez claims allegiance, “calls for an end to capitalism,” the candidate said: “Ultimately, we are marching towards progress on this issue. I do think that we are going to see an evolution in our economic system of an unprecedented degree, and it’s hard to say what direction that that takes...”

The interviewer interjected: “It sounds like you are skeptical that capitalism is going to continue to be the right answer.”

“Yeah, I think it’s, um, I think it’s, I think it’s at least a question,” Ocasio-Cortez said. “I think it’s absolutely a question.”

According to a Vox profile, DSA favors getting rid of capitalism “in favor of an economy run either by ‘the workers’ or the state—though the exact specifics of ‘abolishing capitalism’ are fiercely debated by socialists.”

Marxist academic-activist Frances Fox Piven, who used to be a member of DSA’s board, explained to Vox, “The academic debates about socialism’s ‘meaning’ are huge and arcane and rife with disagreements, but what all definitions have in common is either the elimination of the market or its strict containment.”

The Vox article stated that DSA’s August 2017 gathering in Chicago was the organization’s largest-ever convention, attracting 697 delegates from 49 states.

DSA began making inroads into the Democratic Party decades ago but failed to accomplish much in the electoral realm.

“Since it was founded in 1982, the Democratic Socialists of America has played virtually no role in the country’s elec-



Credit: Todd B. License: <https://goo.gl/xsXa6m>.

*Probably the most prominent American socialist since Eugene V. Debs, Michael Harrington wrote the seminal 1962 book, *The Other America: Poverty in the United States*, which had a dramatic influence on American social policy.*

tions,” Clint Hendler wrote in *Mother Jones*. “That’s begun to change, fueled by the organization’s 2016 endorsement of Bernie Sanders and a growth spurt led by the activists and organizers he inspired.”

“There’s a lot of fear in the establishment wing of the party, because this is a movement they cannot control,” Hendler quoted Jim Burn, former chairman of Allegheny County, Pennsylvania’s Democratic committee. “The fearmongers on the other side are taking a page from the Trump playbook and trying to bash them and label them, because they see their power slipping away.”

## Origins

Here is how the group describes itself on its website:

The Democratic Socialists of America (DSA) is the largest socialist organization in the United States. We believe that working people should run both the economy and society democratically to meet human needs, not to make profits for a few. We are a political and activist organization, not a party; through campus and community-based chapters, DSA members use a variety of tactics, from legislative to direct action, to fight for reforms that empower working people.

DSA was created in 1982 by the merger of the anti-Vietnam War group, Democratic Socialist Organizing Commit-

tee (DSOC), and the smaller New American Movement (NAM). DSOC was founded by socialist activist Michael Harrington in 1973. NAM grew out of the ashes of the rowdy antiwar group, Students for a Democratic Society (SDS), which collapsed at the end of the 1960s, giving birth to the terrorist Weather Underground Organization of Bill Ayers and Bernardine Dohrn.

Harrington reportedly got his start in left-wing activism with Dorothy Day’s Catholic Worker group in New York City. Probably the most prominent American socialist since Eugene V. Debs, Harrington wrote the seminal 1962 book, *The Other America: Poverty in the United States*, which had a dramatic influence on American social policy. Some credit it with inspiring President Lyndon Johnson’s War on Poverty. Harrington also provided commentaries on National Public Radio in the 1980s, which allowed him to reach a fair-sized audience.

According to David Walls in *The Activist’s Almanac*, published in 1993 by Fireside:

Harrington argued a majority progressive movement could be built within the Democratic party by uniting the constituencies of the “three Georges”—George McGovern (middle-class liberals), George Meany (blue-collar, predominantly northern and urban unionists), and George Wallace (blue-collar, predominantly southern and non-union populists).

## In-Your-Face Tactics

But there is a possibility that the activism of DSA members may spur a backlash and bring DSA’s influence on the Democratic Party to an abrupt end. For example, DSA activists use Saul Alinsky-approved tactics to get in the faces of their enemies.

DSA members harassed Department of Homeland Security (DHS) Secretary Kirstjen Nielsen into abandoning her dinner June 19 at Washington’s MXDC Cocina Mexicana restaurant. (DHS is ICE’s parent agency.) The disrupters shouted “shame!” and “end family separation!” at Nielsen, who left the eatery without acknowledging the demonstrators.

“How can you enjoy a Mexican dinner as you’re deporting and imprisoning tens of thousands of people who come here seeking asylum in the United States?” a DSA member yelled at Nielsen. “We call on you to end family separation and abolish ICE.” DSAers also chanted, “Kirstjen Nielsen, you’re a villain, locking up immigrant children.”

The Washington, D.C., chapter of DSA broadcasted video of the protest on social media.

One of the disrupters has been identified as Allison B. Hrabar, a paralegal who works in the Technology and Financial Services Section of the Department of Justice's Antitrust Division. DoJ is reportedly investigating the incident but at time of writing hasn't taken action against Hrabar, who studied at Swarthmore College.

"Oppressed people have never been given their rights by asking politely," Hrabar said. "Kirstjen Nielsen is not going to be convinced by us politely saying 'could you maybe not separate children from their families? Could you maybe stop detaining and deporting migrants who have done nothing wrong?'"

## No Party? No Problem

While the DSA may not be a political party, it still aims to elect socialists, as its national director Maria Svart acknowledged to CNN earlier this year.

Asked to explain the fundamental difference between the politics of DSA and those of Bernie Sanders, she said:

Well, we have one foot inside the Democratic Party and one foot outside the Democratic Party in the same way we have one foot inside electoral politics and one foot outside. Our vision is to build a mass, multi-racial, working-class movement that brings people together across our differences and demands that our society and our economy be run democratically. Most of us believe that this will not work under capitalism. Our north star is totally transforming the system, even though our immediate vision and our immediate political program is similar to Bernie Sanders'. What's different is we want to democratize everything, ultimately. That's the goal.

It is easier to advance socialism by not making the DSA a full-fledged political party because there are "institutional barriers" for any new party, Svart said.

But we also want to maintain the flexibility of being within the left wing of the Democratic Party, but also being outside of it. We see our role now as shifting the Overton window—shifting the acceptable discourse, while also organizing people and building concrete power with a politically aware grassroots base that understands who the enemy is and is willing to hold politicians accountable. But that flexibility is important.

## Structure

The DSA has two nonprofit arms. One is a social welfare/lobbying organization; the other is an educational organization. Its youth wing is called Young Democratic Socialists. DSA's quarterly journal is called *Democratic Left*. It also publishes *Religious Socialism*, which the group describes as "a publication dedicated to people of faith and socialism."

Democratic Socialists of America, Inc. is DSA's New York-based 501(c)(4) nonprofit. It describes its mission as "public education about democratic socialism," according to its most recent publicly available IRS filing from 2016.

DSA runs on a shoestring. In 2016, it only spent \$479,962. Its total revenue was \$861,265, including \$376,946 in member dues and \$475,835 in "[a]ll other contributions, gifts, grants, and similar amounts not included above." The group, like all 501(c)(4) nonprofits, is not required to publicly disclose the identities of its donors.

In this reporting period, it had six employees, 600 volunteers, and net assets of \$557,596 at the end of the year. Maria Svart is listed as the group's national director, drawing an annual salary of \$68,338.

DSA is governed by a 16-person board of directors known as the National Political Committee (NPC) that is elected every two years by delegates at DSA's National Convention. "The DSA Constitution requires that eight slots of the NPC be reserved for women, and that at least five of the NPC slots be reserved for people of color," the group's website states.



*"We're all socialists now" Newsweek cover story from early 2009.*

DSA's 501(c)(3) sister organization is Democratic Socialists of America Fund, Inc. On its most recent publicly available IRS filing from 2016, the group stated that its "primary exempt purpose" was to "promote understanding of democratic soci[alism]." Svart was identified as its executive director but no salary was provided for her position. The 501(c)(3) disclosed a 2016 budget of \$75,502 and net assets of \$90,633 at year's end.

DSA has a handful of small political action committees at the national and local levels. Democratic Socialists of America, Inc. PAC reported having just \$659.01 on hand as of Jan. 1, 2018. It reported independent expenditures of \$87,266 to the Federal Election Commission in a disclosure



document from Dec. 31, 2016. Unsurprisingly, almost all of the money (\$86,660) was spent to support Bernie Sanders' presidential candidacy.

In the Keystone State, there is something called the Political Action Committee of the Pittsburgh Chapter of Democratic Socialists of America, known as Pittsburgh DSA PAC. According to the Pennsylvania Department of State, the PAC raised \$2,884 and spent \$1,919.84 this year, which includes trivial sums spent to support DSA-endorsed candidates for the Pennsylvania House of Representatives, Summer Lee and Sara Innamorato.

There is also a Metro D.C. Democratic Socialists of America Solidarity PAC, known as MDC DSA Solidarity PAC. According to the Maryland State Board of Elections, as of June 15, the PAC had a bank account balance of \$1,113.55. It reported taking in \$720 in contributions, along with \$1,000 from non-federal out-of-state committees. It was unclear from the legal filings what expenditures the PAC made.

## On the Rise

DSA is on the rise because it is riding a wave of leftist discontent against the Trump administration and perhaps because Bernie Sanders popularized the “democratic socialist” label during his 2016 presidential run. (Perhaps our government-run K-12 schools and institutions of higher education also bear some responsibility for failing to teach the dangers of socialist principles or the history of the United States.) Barack Obama's election helped to reduce some of the stigma traditionally associated with socialism, a development reflected in popular culture in the famous “We're all socialists now” *Newsweek* cover story from early 2009. More recently, the Left's hatred of President Trump has pushed DSA membership nationwide to a reported 45,000.

DSA may be growing, but it is still comparatively small in the world of left-activism. For example, the National Education Association (NEA) has 2.7 million members, and the radical Service Employees International Union (SEIU), which is strongly associated with Barack Obama, has 1.9 million members.

What is happening now is that DSAers from outside the formal party structure are causing huge ripples in the media ecology by tossing out Democrat office-holders in insurgent primary campaigns. DSAers have been succeeding at the state and local level, but they haven't been knocking off Democrat office-holders in large numbers at the national level.



Credit: The Late Show with Stephen Colbert (YouTube screenshot). License: <https://goo.gl/y3mQY1>.

*Alexandria Ocasio-Cortez's victory made her an instant star in leftist circles. Democratic National Committee (DNC) chairman Tom Perez promptly hailed her as “the future of our party.”*

At the state level, for example, DSA-endorsed social worker Kara Eastman defeated Brad Ashford, a former congressman who was backed by the Democrat establishment, in Nebraska's 2nd congressional district this May. She supports raising taxes, decriminalizing marijuana, and imposing universal background checks on gun purchases. “I'm tired of hearing Democrats don't have a backbone, that we don't stand for anything,” she said in a campaign ad. “That changes now!” Eastman faces incumbent U.S. Rep. Don Bacon (R) in November.

By contrast, at the national level, Ocasio-Cortez is the only DSA-endorsed candidate to take out a sitting U.S. congressman. While her victory is important and is clearly helping her shape party policy, it's not quite the watershed event leftists build it up to be. It is more like an excuse, or permission, from the party's radical electoral base to become even more radical.

Some might say there is no civil war raging within the Democratic Party. There is no reason to have one. Democrats, in this writer's view, are already so far to port that there is not much farther they can go. As the *Washington Post's* Dana Milbank observed:

# The Curious Case of Kurt Stand, DSA Member and Soviet Spy

Many would say the concept of democratic socialism is a fraud. I've long argued that democratic socialism is a profoundly dishonest euphemism calculated to make the horrors of communism more palatable.

Karl Marx thought of socialism as a way station on the road to the supposed utopia of communism. Another way of thinking of it is that socialism is *pre-* or *proto-*communism. Socialists and communists all want government or the collective to be master. They are in the same ideological camp and tend to believe that the ends justify the means. In ideological terms, there is no bright line or safe harbor that neatly separates socialism from communism. They overlap and blend into each other.

Communism, according to Marx, was a kind of heaven on earth. He argued that human beings could be changed and made to reject their natural, self-interested, family-oriented impulses. When this happened, everything would supposedly change for the better. People would voluntarily work hard for a society filled with abundance, so there would be no need for governments, taxes, armies, police, courts, and jails. In such a society the principle of "from each according to his ability, to each according to his need" would prevail.

But before this (impossible) idealized condition can be achieved, there has to be socialism. The government steps in on behalf of the people and imposes what some call "economic democracy,"

theoretically giving workers control over their workplaces.

Socialism isn't "democratic" in the sense Americans understand the term. In normal U.S. parlance, *democracy* describes the way the governmental sector is governed via free elections. It isn't a term to describe how private institutions govern themselves.



*Communism, according to Marx, was a kind of heaven on earth—there would be no need for governments, taxes, armies, police, courts, and jails.*

A mother can't be out-voted by her three children, demanding ice cream for breakfast, nor should a businesswoman who hires three workers be outvoted by them when the question of salaries arises. The American idea of democracy, in short, *limits* government; it doesn't drag it into every nook and cranny of our lives. By contrast, socialism leads to tyranny, whether it is imposed by a violent mob or by voters in an election.

Yet DSA leaders typically go out of their way to insist that there is a significant difference between old-style Soviet-era socialism and their own brand of what they call "democratic socialism."

Their own statements suggest they're being less than forthright on the issue. For example, DSAer Alexandria Ocasio-Cortez had difficulty explaining the purported difference on ABC's "The View."

"Do you think that the future of the Democratic Party is socialism?" co-hostess Meghan McCain asked the candidate.

"First of all, there's a huge difference between socialism and Democratic socialism," Ocasio-Cortez claimed. "Democratic socialism, and really what that boils down to me, is the basic

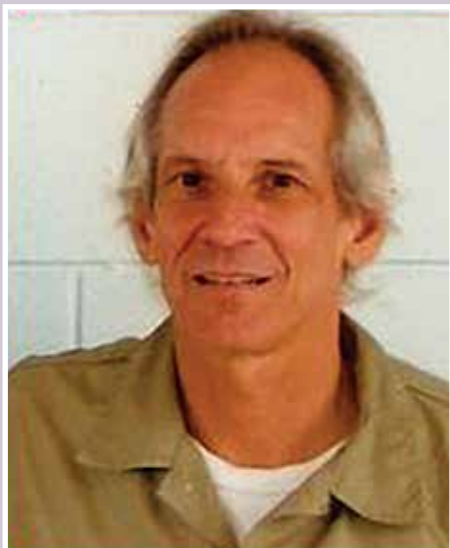
belief that...I believe that in a moral and wealthy America and a moral and modern America, no person should be too poor to live in this country."

When McCain pressed, Ocasio-Cortez had difficulty elaborating on the supposed distinctions

between socialism and democratic socialism. "That's what I believe," she said. "I can understand that there may be some divisions. You know, I don't think people wake up in the morning and say, 'I'm a capitalist!'"

But not all DSAers are so reluctant to make a distinction.

There is the case of former labor union representative Kurt Stand, a DSA member who, in 1998, was convicted of conspiracy to commit espionage, attempted espionage, and illegally obtaining government documents on behalf of the former German Democratic Republic, also known as communist East Germany, and the former Soviet Union. Stand began spying in the early 1970s after being introduced to Stasi (East German intelligence) officers by his father, a communist sympathizer who fled Nazi Germany years before.



Credit: KeyWiki. License: <https://goo.gl/2NjiuN>.

*DSA member and Soviet spy Kurt Stand was an avid student of Marx. In his youth he was a member of several radical socialist movements, including the Young Workers Liberation League, the youth wing of the Communist Party of the U.S. (CPUSA).*

Stand's father may have introduced young Kurt to communism early, but the son was an avid student of Marx. In his youth he was a member of several radical socialist movements, including the Young Workers Liberation League, the youth wing of the Communist Party of the U.S. (CPUSA). He joined the DSA in 1983, not long after it was formed, and served in local and national leadership capacities through 1997, when he was arrested by the FBI for his activity with East Germany and the USSR.

"I did not see the communist movement as an end in itself, capable of answering all questions, but I did feel it provided a way to discuss where all this activity was leading; a way to be

not just against, but also for something," Stand said years later.

From prison in 2008, Stand wrote an essay titled, "Supporting Barack Obama: A Prison-Eye View of the Presidential Campaign." He expressed some skepticism about Obama's *bona fides* but urged his comrades to support the then-Illinois senator's presidential bid. "In sum, radicals and progressives ought to join those—including those in prison—who have already decided to back Obama, see where the campaign can take us, see what can then be accomplished."

Despite his track record of domestic subversion on behalf of the nation's foreign Communist enemies, and without any notable public renunciation of his role in aiding a dictatorship in conflict with this country, DSA's chapter in Metropolitan Washington, D.C., welcomed Stand back into the group, according to Trevor Loudon's KeyWiki website.

At the local group's May 2015 membership meeting, Stand was elected to its steering committee. That same year, Stand canvassed on behalf of DSA member and presidential candidate Bernie Sanders.

If Metro Washington DSAers aren't bothered by Stand's past, then perhaps they, too, don't see much difference between their brand of "democratic" socialism and the socialism of East Germany and the Soviet Union.

Analyses indicate that first-time Democratic candidates this year tend to be more liberal than incumbents, but the entire party has moved to the left. There is no "civil war" within the party because no one is pushing back against the progressives' rise—a rise that comes in reaction to Trump but also reflects the growing prominence of women, minorities and young voters in the electorate.

However, some Democrats are hedging their bets. Some longtime Democrat lawmakers have bristled at Ocasio-Cortez's aggressive rhetoric and distanced themselves from it. Rep. Alcee Hastings (D-Fla.) seemed to urge the newcomer to take a deep breath. He told The Hill, "Meteors fizz out... What she will learn in this institution is that it's glacial to begin with, and therefore no matter how far you rise, that's just how far you will ultimately get your comeuppance."

## Conclusion

Ocasio-Cortez's primary triumph has given rise to myths about the DSA that some interpret as evidence that so-called democratic socialism is on the march in America.

The DSA isn't making Democrats more pro-socialist than they were before. It is merely forcing them to be more honest about what they stand for.

Is this "pushing" Democrats to the left? Some people say it is.

But in this writer's view, contrary to mainstream media hype, the idea that the DSA is only now "taking over" the Democratic Party is naïve and wrong-headed: it took over the party long ago. The group's members already largely



control the party through various Democrat-related organizations. The Congressional Progressive Caucus has been closely allied with the Democratic Socialists of America, according to DiscoverTheNetworks. The far-left group, founded in 1991 by six Representatives including Maxine Waters (D-CA) and Bernie Sanders (I-VT) has 79 members in the House, about 40 percent of the Democratic Party's members in that chamber, and one in the Senate (Sanders).



*The idea that the DSA is only now “taking over” the Democratic Party is naïve and wrongheaded: it took over the party long ago.*

No, DSA is on the rise because the Left, including Democrat activists, grew increasingly radical over the Obama years, and now their disgust at watching President Trump dismantle some of President Obama's key policy achievements has only added to their rage. They are in revolt against the Trump administration, attending “resistance” rallies and conducting in-your-face actions against Trump supporters. Perhaps Bernie Sanders has also helped to popularize the “democratic socialist” label, taking away some of the stigma traditionally associated with socialism in American society.

On June 27, the day after Ocasio-Cortez unseated Crowley, DSA experienced a one-day membership surge 35 times

larger than normal. DSA employee Lawrence Dreyfuss said the group signed up 1,152 new members that day. In the month after President Trump was elected, DSA claims to have had approximately six times more sign-ups than in the preceding month. The group now claims to have 40,000 members nationwide, up from around 5,000 in November 2016.

DSA has made inroads at the state level over the past year. For example, in May, four female DSAers won Democrat primaries for seats in the Pennsylvania House of Representatives: Pittsburgh DSA endorsed primary winners Summer Lee and Sara Innamorato, while Philadelphia DSA endorsed primary victors Elizabeth Fiedler and Kristin Seale.

In November, DSA member and self-described socialist Lee J. Carter was elected to represent the 50th district in the Virginia House of Delegates. The Democrat standard-bearer defeated House Majority Whip Jackson Miller (R) in the general election. Other DSAers elected that month were Minneapolis City Council member Ginger Jentzen and Lakewood, Ohio, City Council member Tristan Rader.

It remains unclear whether these newly-minted lawmakers will help push America radically to the left, or if instead their radicalization of the Democratic Party will lead it to be more marginalized than it was after Barack Obama left the White House. ■

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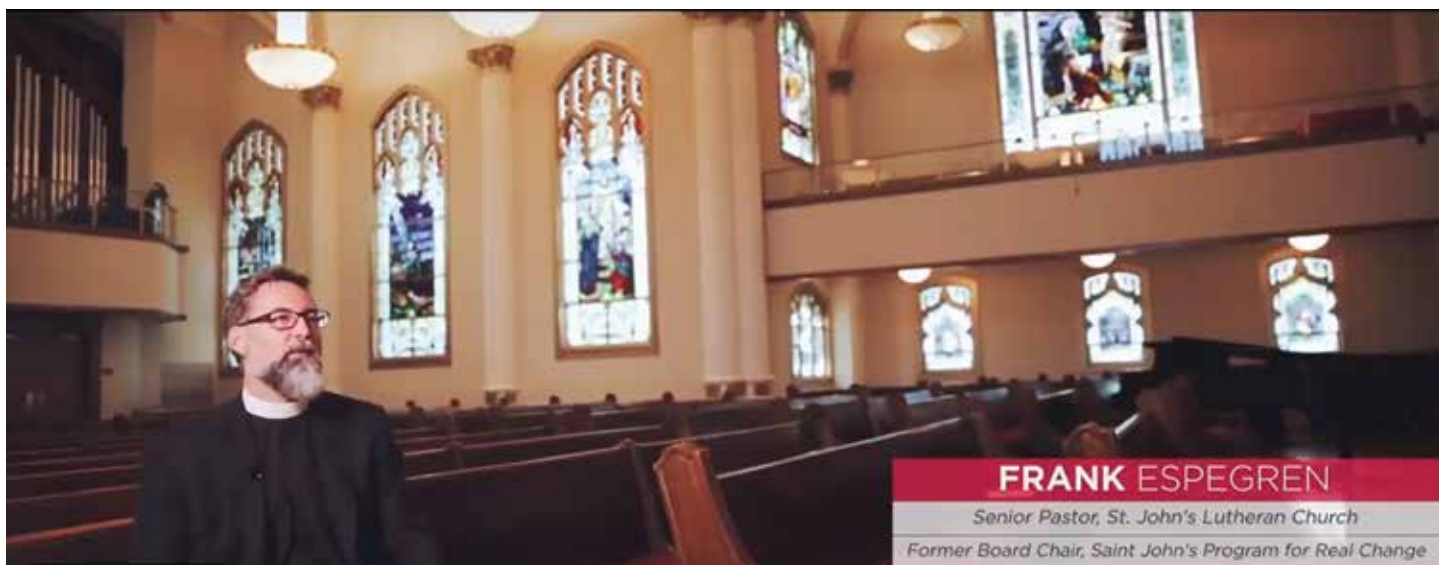
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## EMPOWERING THE POOR: PRIVATE-SECTOR AND NON-PROFIT ANTI-POVERTY SUCCESS STORIES

*Real-life programs that are making a difference in turning people's lives around*

By Kerry Jackson



Credit: Saint John's Program for Real Change/YouTube screenshot.  
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*St. John's Program for Real Change, which has six locations in Sacramento and is the largest homeless facility in the county, supports homeless women and children with "more than shelter and food."*

**Summary:** In January, the Pacific Research Institute (PRI) published "Good Intentions: How California's Anti-Poverty Programs Aren't Delivering and How the Private Sector Can Lift More People Out of Poverty." PRI's Kerry Jackson found that California's economic environment and state-run poverty relief programs would benefit from reforms that promote business and incentivize work. However, a few private charities in California set outstanding examples that could be scaled up to help California lift millions of people out of poverty. The following is an excerpt from the research brief highlighting a few charities worthy of replicating.

[Reprinted with permission. To read the full text go to <http://bit.ly/2Kp2a7q>.]

Government bureaucracies are not equipped to adequately deal with poverty. They are unable to tailor aid to specific situations, and generally hand out dollars in an endless fashion without ever considering the root causes of poverty and trying to resolve them. Rather than break the cycle to poverty, they spin it faster.

Private organizations, however, are generally better equipped to serve, and able to make better decisions as to who truly needs help and who doesn't. Unlike government bureaucracies where the primary interest is not just to survive but to grow, private institutions are interested in actual

results—moving the poor off dependency and into self-sufficiency. Private groups are also able to adapt where government cannot, to be simple where government programs are hopelessly complex. For instance, Michele Steeb, CEO of St. John's Program for Real Change in Sacramento, says there's no "mass production" at St. John's as there is in government programs—instead, there it's a "brick-by-brick process" in which each person is treated as an individual.

*Kerry Jackson is a fellow with the Center for California Reform at the Pacific Research Institute (PRI).*

## Saint John's Building for the Future



*Steeb says as many as 320 women and children are served each day, with a waiting list of “200 to 300 women and children every single night.”*

Credit: Saint John's Program for Real Change/YouTube screenshot. License: <https://goo.gl/EuWR6x>.

## St. John's Program for Real Change

### SACRAMENTO, CALIFORNIA

St. John's Program for Real Change, which has six locations in Sacramento and is the largest homeless facility in the county, supports homeless women and children with “more than shelter and food.”

“We provide the ability to rise above devastating, negative elements and achieve job-readiness and self-sustainability,” St. John's says. “Entry into the program is limited, and each step is extremely rigorous. But those who see it through end up with rewarding, happy, and productive lives—for themselves, and for their children.”

St. John's began as a 30-day emergency shelter. But under CEO Michele Steeb, it became a 12- to 18-month program and assists those who complete it to “change their lives permanently, and helps them never to have to return to poverty or homelessness.”

The shelter says its program has touched 30,000 lives across 30 years, serving roughly 1,200 women and children each year. A decade ago, 80 percent of its \$1 million budget was publicly funded, says the *Sacramento Bee*. Today, public sources fund about one-fourth of its \$5 million budget.

Steeb told the *Bee* that the change was consciously made because, in the reporter's words, “public funding can come with rules that may hamstring the organization's ability to

help clients.” Unconstrained by government strings, St. John's says it saves taxpayers \$36,000 for each person served. In 2016, with 364 women and children served, total taxpayer savings was \$13 million.

In Fall 2016, the program broke ground for a new transitional housing facility in Sacramento large enough to accommodate 90 additional women and children a day. It opened during the summer of 2017 and almost immediately was at 90 percent capacity. Steeb says as many as 320 women and children are served each day, with a waiting list of “200 to 300 women and children every single night.” But getting the women and children off the streets isn't the end of the long crawl out of poverty. It might not even be the beginning.

“Government tends to look at things in a one-size-fits-all way and right now in the homelessness world, that one-size-fits-all way is ‘housing first,’ and while we definitely believe there is a role of housing first, it is not for everyone... We've seen that time and time again at St. John's.”

Steeb says a large majority of the women who utilize services at St. John's “have addiction issues,” have suffered from domestic violence, have experienced mental illness and have criminal histories. About half lack either a high school diploma or GED. Housing alone won't solve their poverty problem.

The first month of the program, says Steeb, is dedicated to helping the women “see what led them to this place.” There's not “a lot of self-awareness on the part of our women when they first get here.”

“They know they need help, that they want something different from their lives... So, we are really doing a lot self-awareness and mental health support.”

These are vital services and the sort of support that a government bureaucracy is simply incapable of delivering.

By the second month, the women begin employment training at one of St. John's restaurants or at its child development center. Many have never held a steady job, and some have never held a job at all. But within five to seven months, many have moved on to the job-search phase. Steeb says that 96 percent of the women who graduate from employment training are placed into non-subsidized jobs.

The St. John's experience also includes classes toward a high school diploma; budgeting, finance, parenting, mental health and drug and alcohol classes, physical fitness sessions, and self-development classes. At between 12 and 18 months the clients are moving into their own housing.



St. John's places requirements on its clients that government anti-poverty programs don't. It is structured, which is a new experience for many, and sobriety must be maintained. There are random, and sometimes targeted, drug tests. Failure doesn't mean expulsion from the program—rather it means increased support.

Sobriety is important to the program, Steeb says, because sobriety is necessary to raise children, to obtain and hold a job, to achieve self-sufficiency. But sobriety is not a condition for government aid and Steeb says that St. John's even forgoes some public funding because the program requires it. This is another way private assistance is superior to public aid.

Porsche Island is one of St. John's many success stories. She and the program came together after Island escaped, with her six-year-old daughter, from a "dangerous relationship," *Comstock's* magazine reported in 2016.

"When Island started at St. John's, she needed help with critical skills such as parenting, money management, and building healthy relationships. The first two levels at St. John's cover these issues and more," said *Comstock's*.

Island completed the St. John's program and was hired by Walmart. She earned, she saved, and she "was eventually able to move into her own apartment." She told *Comstock's* that "St. John's taught me how to budget and how to save money."

Island is an example of the institution's belief that, according to Steeb, "give a man a fish and he eats for a day; teach him how to fish and he eats for a lifetime."

"At St. John's, we believe that in order to create real, lasting impact, the change must start with the root causes of the larger issue," Steeb told the *Sacramento City Express*. "We... counsel and teach these women how to make a complete and dramatic transformation in their lives."

## Solutions for Change

### VISTA, CALIFORNIA

Support for government anti-poverty programs usually goes like this: They are a hand up, not a hand out. But too often, the programs are hand-outs and the hand-up is forgotten. It typically requires a private institution, such as Solutions for Change in Vista, to halt the patterns that feed homeless and generational poverty.

"We solve it by ending 'the churn,'" says Paul Webster, director of strategic advancement at Solutions for Change. "We are a program that works to overcome poverty through addressing the root causes of poverty and homelessness."

The organization, which began services in 1999, has "successfully led more than 850 families and 2,200 children out of homelessness and back on their feet," Chris Megison, president and CEO of Solutions for Change wrote in the *San Diego Union-Tribune*. The nonprofit organization rejects the premise of "'permanent' taxpayer-supported housing" because experience has shown that "families in these programs experienced only temporary success because issues like employment, mental health and substance abuse" are not addressed by housing-first government programs.

"This issue is about more than housing," said Megison. "It's about saving the lives of kids and ending poverty and dependency. We know that the large majority experiencing homelessness can develop job skills, obtain work and pay for their own housing."

Solutions for Change residents are required to complete counseling, take courses in financial literacy, and attend parenting classes. They learn leadership, are shown how to deal with anger, receive employment training, and eventually get a job. They also must be sober, which costs the nonprofit \$600,000 a year in federal funds

because it won't end "drug testing and other practices that conflict with housing first," the *San Diego Union-Tribune* reports. The program provides "a 1,000-day college-like experience."

*Forbes* says that "the nonprofit's approach is business-like."

Staff members, volunteers and local faith leaders create both a safety net and a source of support and encouragement as homeless families struggle to get their lives back together after dealing with domestic abuse, drug and alcohol addiction, job loss or, as is often the case, some combination of all of the above.

Nine of every ten dollars expended by Solutions for Change are from private sources, says Webster. The private money is generated primarily by donations and "revenue from our social enterprise—Solutions Farms." The bulk of that small slice of public money, about 85 percent of it, goes toward "existing shelter, plus care housing contracts through the county of San Diego," he says.

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*St. John's says it saves taxpayers \$36,000 for each person served. In 2016, with 364 women and children served, total taxpayer savings was \$13 million.*



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*Begun in 1991 as a one-day career makeover event for 67 women, Working Wardrobes, an Irvine-based non-profit, has become a critical source of support for more than 80,000 at-risk men, women, young adults and veterans.*

Solutions for Change's business plan "seeks to be 100 percent privately funded in the near future," says Webster. Yet the organization believes government still "has a role in subsidizing and supporting our programming by assisting with capital development and in investing in innovations such as new social enterprises."

Not far from the Vista campus is Solutions Farms, where clients are able to hone their job skills and from which the organization draws revenue on sales of vegetables, herbs, and tilapia, sold at more than two dozen farmers markets in the region.

"The farm provides a place that teaches work force skills, the opportunity to be purposeful, and structure. We are growing more than produce—we are growing hope," says the FAQ section of the nonprofit's website.

The farm had a grand re-opening in March 2017 that cost \$1 million. It was funded not by the local, state, or federal government, but by the Alliance Healthcare Foundation, a San Diego-based organization funded by dividends and sales of assets which awards grants to nonprofits such as Solutions for Change.

Solutions for Change has been so successful that the "the federal government wants to hold it up as a model of how to effectively address poverty and family homelessness," says the *San Diego Union-Tribune*.

The newspaper reported that Clarence Carter, head of the Trump White House's Office of Family Assistance, plans "to hold up the Solutions' model for possible use as a template

for organizations regionally and perhaps beyond as a potentially good way to address family homelessness."

"From everything that we have been able to glean—and we did tear up the floorboards on this," Carter told the *Union-Tribune*, "it is a model that serves homeless families well."

## Working Wardrobes

### ORANGE COUNTY, CALIFORNIA

When someone in a difficult situation needs a job, but is missing the vital necessities many of us take for granted, Working Wardrobes for a New Start can help.

Begun in 1991 as a one-day career makeover event for 67 women, Working Wardrobes, an Irvine-based non-profit, has become a critical source of support for more than 80,000 at-risk men, women, young adults, and veterans.

"We offer comprehensive, professional career-readiness curriculum at no cost to clients," says the organization's literature.

"Our career-based training—with services including career preparation and coaching, grooming and job placement, and professional wardrobing—empowers those facing serious life challenges to transform their lives. Our services are offered in an atmosphere of dignity with customized support from our compassionate staff and volunteers."

Founder and CEO Jerri Rosen says that at Working Wardrobes "we consider ourselves social entrepreneurs."

"More than 50 percent of our revenue comes from our social enterprises—six busy, profitable resale shops, workshops, and wardrobing services that agencies pay fees for us to deliver to their clients," she said. "We have one very small federal grant and receive a considerable amount of revenue from private and family foundations. It's important to us to have local donors who we can build relationships with and who can witness our mission in action."

The organization receives about 3,000 articles of clothing a week. Each piece is checked for quality. The clothes that aren't considered appropriate for employment opportunities are handed over to the Working Wardrobes' thrift shops and boutiques. Proceeds from their sale are used to fund the organization, with more than half of Working Wardrobes' annual budget generated through its boutiques and thrift shops. Ninety cents of every dollar donated to the organization supports its client services, a feat not achievable by government programs.

Rosen said the organization further sets itself apart from government programs because "private charities can flex and





Credit: Father Joe's Villages. License: <https://goo.gl/1AEY7>.

*For nearly 70 years, Father Joe's Villages in San Diego have been helping those in need with housing, support services such as job-seeking, childcare, primary health and dental care, mental health, and addiction treatment.*

deliver services with far greater impact than government programs and if the government would fund more charities, many more lives would be saved and put on track. We believe in being resourceful and understand the value of both volunteerism and in-kind contributions—unheard of in the government grant world.”

Working Wardrobes partners with corporate sponsors that can help in a number of ways, including hosting a donation drive, underwriting fundraisers, hiring Working Wardrobe clients, and providing scholarships for clients that allow them to take advanced skills training courses.

Autobytel, an Irvine company, has a particularly close bond with Working Wardrobes, sponsoring the organization initially in 2011 and following up in subsequent years.

“The employees in our company have been actively engaged in the community with non-profits for many years, but nothing has moved the hearts and souls of our employees like our partnership with Working Wardrobes,” says Autobytel CEO Jeff Coats. “Our support happens in so many different ways that every employee can find a way to signifi-

cantly contribute. Autobytel has made a major commitment to Working Wardrobes and I am proud to support their mission of strengthening families and community.”

According to ChristianVolunteering.org, Working Wardrobes’ 2015 revenue was \$4.4 million. Nearly \$2.7 million was from contributions, and nearly \$1 million came from sales. Only a little more than \$290,000 was from government grants.

Cory Vigil, a Navy veteran, told the *Orange County Register* last year that Working Wardrobes saved his life. After eight years as a gunner’s mate and suffering from post-traumatic stress disorder, Vigil was always angry, “and his gung-ho military style of communication didn’t quite work in the outside world,” reported the *Register*. Vigil eventually divorced, was jailed for months after a fight, was fired from his parks and recreation job, and ended up homeless. Then he found Working Wardrobes.

“He was one of the first students in the customer service training program. There, he listened to himself speak and realized why others didn’t want to talk to him, Vigil said.



“Impressed by his progress, Working Wardrobes hired him as a staff member. Now he is the only person in the county with the veterans resource specialist title, he says, helping veterans like himself and even giving talks about his experience.”

Vigil went on to acquire a second job and a house in Rancho Santa Margarita. Without Working Wardrobes, he told the *Register* “I probably would have been either incarcerated or, I don’t know, addiction or even death, who knows?”

## Father Joe’s Villages

### SAN DIEGO, CALIFORNIA

For nearly 70 years, Father Joe’s Villages in San Diego have been helping those in need with housing, support services such as job-seeking, childcare, primary health and dental care, mental health, and addiction treatment. The organization also offers a community lunch line and assistance to children and youth in trouble. It’s 80 percent funded by private contributions, according to Charity Navigator.

The goal is to empower the homeless and move them to self-sufficiency. Father Joe’s Villages served nearly 1 million meals to 7,000 people in 2016 and houses 1,900 individuals on any given night. The organization reports that 73 percent of its “clients who received targeted employment services in 2016 obtained employment” while “97 percent of clients who participated in our employment program increased their employability.”

In 2016:

- More than 31,000 hot showers were provided and 4,000 loads of laundry cleaned.
- 828 clients moved into permanent housing.
- The addiction treatment program served more than 500 clients and provided more than 2,900 services

- The therapeutic childcare center provided almost 62,000 hours of childcare and 85 percent of the children from 3 to 17 increased their academic abilities and life skills through the program.

In 2015, more than 6,000 received medical care, which the organization believes saved “the city of San Diego more than \$1.8 million due to decreased use of hospital emergency services and ambulances.”

Father Joe’s Villages is planning to renovate about 2,000 motel rooms in San Diego County into housing for the homeless. The five-year project, Turning the Key: Unlocking a Brighter San Diego, will cost about \$531 million, with the first units available in the middle of 2018. Though the bulk of the cost will be funded by government grants, \$122 million will come from private sources.

While government dollars will fund most of that project, Father Joe’s Villages President and Chief Executive Officer, Deacon Jim F. Vargas, says private donations are nevertheless at the core of the institution’s mission.

“Government donations come with so many strings attached and a lot of times what the government wants to fund doesn’t really match up with the needs of the clients,” Vargas said. “With private donations, these are donors who fall in love with the mission and know that we know exactly what these clients need and they trust us to get the job done.”

Charity Navigator gives Father Joe’s Villages an overall score of 88.6 out of 100, an 83.88 for its financial health, and a perfect 100 for accountability and transparency. Those are standards that no government program could ever reach. ■

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*Read previous articles from the Doing Good series online at [capitalresearch.org/category/doing-good/](http://capitalresearch.org/category/doing-good/).*

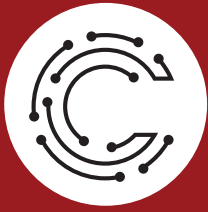
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