What do Corporations Have to Hide?

January 27, 1994 *by Phyllis Schlajly*

Again and again during the media coverage of Whitewatergate, we hear the refrain, why didn't the Clinton Administration promptly reveal all the documents? Conventional wisdom tells us that people don't usually hide something unless there is a reason to hide it.

The same logic should be applied to the matter of charitable contributions made by Corporate America. When the Washington-based Capital Research Center made its annual survey of corporate giving, only 22 (8.8 percent) out of America's 250 largest corporations voluntarily provided the information.

It's called ""a conspiracy of silence between corporate boards and recipient organizations" to prevent stockholders from learning how their corporation's wealth is dispensed to special-interest causes.

It's not as though the corporations are protecting trade secrets. The corporations are publicly-held companies that should operate in the interests of their stockholders, and the stockholders are entitled to know to what causes their company is diverting some of its profits.

An examination of Capital Research Center's seventh annual edition of ""Patterns of Corporate Philanthropy" provides the probable reason why corporations suffer from such an acute attack of secrecy when asked to list the beneficiaries of their charitable giving. The stockholders just might not like the way their companies are big benefactors of numerous organizations identified with the political left, including the anti business left.

Big business donations to left-leaning organizations outweighed contributions to right-leaning organizations by more than three to one, up from two-to-one the preceding year. For every $1 given to conservative organizations, which are usually defenders of the private enterprise system, big U.S. corporations gave $3.35 to left-leaning organizations that back policies generally regarded as promoting more government control.

The beneficiaries of this generous corporate giving are organizations that back higher taxes, deficit spending, employment quotas, costly environmental and social spending, more control over families and children, and anti-business regulations. Other beneficiaries of corporate largess are Politically Correct groups that espouse environmentalism, multiculturalism, feminism, population control, or internationalism.

Some health-care corporations donated large sums of money to liberal organizations backing health-care ""reforms" that include government mandates on business, price controls, and the nationalization of the entire health care industry. Even some of the insurance giants, for example, gave to the Children's Defense Fund, a prime lobby in favor of tighter government control of our lives accompanied by big increases in federal spending.

As Richard Rahn, nationally respected economist said, ""The idea that increases in government spending will solve society's ills and create jobs is perhaps the most outrageous falsehood perpetrated on the public by many leaders of left wing groups." But, it seems, we can't count on the corporations to refute that lie.

The patterns of corporate philanthropy exposed in this important and unique study suggest that ""the largest publicly held corporations adapt to and appease the latest fads in political and social change." They contribute to ""politically correct" organizations they think will give them social or media approval.

The typical CEO holds his top job only five or six years. Apparently, many CEOs can be persuaded to use their control of corporate charitable giving for social, political, public relations, or personal advantage rather than for the long-term interest of their stockholders, which clearly depends on the vitality of the free market economy.

Corporate contributions reflect many of the same biases we have already noted in big business advertising. At the same time that corporations are expensively showcasing their affirmative action programs, they are downsizing by throwing out of work thousands of middle-aged white-collar and blue-collar workers who have given decades of service to those very companies.

The Capital Research Center recommends that a list of grant recipients, who benefit either directly from the corporation's treasury or through the corporation's foundation, should be available to any stockholder for the asking. How about writing the CEO of every corporation in which you hold any stock and see what kind of reply you get.