

Wal-Mart Goes Left:

Why Is It Pandering To Blue State America?

by Kirk MacDonald

Summary: Wal-Mart, the family-friendly, patriotic company founded by the late Sam Walton has transformed itself into a reliable ally of the political left in order to boost revenues by pacifying its growing chorus of critics. The company now funds radical groups and intimidates its suppliers into adopting its liberal, Big Government agenda.

uick: name a company that: once had Hillary Clinton on its board of directors; openly calls for socialized medicine for all Americans; provides funding to La Raza, and has been accused by the federal government of hiring illegal immigrants; prods suppliers to hire more women and visible minorities, and bullies them to adopt "sustainable" practices.

And yet generates anger – outright hatred, at times— among left-wing Americans.

The company in question is Wal-Mart, once described a decade ago by former Sierra Club president Adam Werbach as a "virus, infecting and destroying American culture." The fact that Wal-Mart brought Werbach aboard as a consultant in 2006 for its environmental initiatives is evidence the retail giant has shifted to the political left. In recent years it's been trying to curry favor, or at least to deflect never-ending criticism from liberals and economic nationalists.

The very idea of such a shift sounds preposterous, given the activist left's animosity towards the chain and Wal-Mart's history. The company was founded by World War II veteran and former J.C. Penney clerk Sam



Liberal spin doctor: Wal-Mart brought longtime Democratic operative Leslie Dach (shown above) aboard to preside over the mega-retailer's dramatic left turn. The rainmaker left a plum post at a posh Washington, D.C., public relations firm last year and now serves as Wal-Mart's executive vice president of corporate affairs and government relations.

Walton, whom the Manhattan Institute's Steven Malanga characterizes as a "conservative on family, religious, and civic issues."

Walton, who died in 1992, opened his first Wal-Mart Discount City in July 1962 with a vision of offering consumers the lowest possible prices all the time. Before Wal-Mart, general merchandise stores enjoyed profit margins as high as 45% of sales, but Walton's upstart chain thrived on an operating profit of

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22%, and passed those savings on to customers.

Not surprisingly, Wal-Mart grew by leaps and bounds. The Bentonville, Arkansas-based company was the most recognized name among a list of 15 major companies in a 2005 Pew Research Center survey. The study also found that 91% of respondents lived within shopping distance of a Wal-Mart, and 84% had been to one of its stores within the past year. Wal-Mart is America's largest private employer, with an estimated 1.3 million workers, 4,000 U.S. and 2,700 international stores, and \$345 billion in sales last year.

Walton achieved this stunning growth in part by keeping Wal-Mart non-unionized. In his biography, Walton argued that unions bring "divisiveness" to the workplace, and that "by breaking down direct communication, [unionization] makes it harder to take care of customers, to be competitive, and to gain market share."

Walton's non-union, low-cost philosophy succeeded brilliantly, but it came with a price: by the 1990s, Wal-Mart had become a cultural icon, a symbol of everything supposedly wrong with America, according to liberals, and even a few conservatives.

Editor: Matthew Vadum

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Address:

1513 16th Street, N.W. Washington, DC 20036-1480

Phone: (202) 483-6900

Long-Distance: (800) 459-3950

E-mail Address:

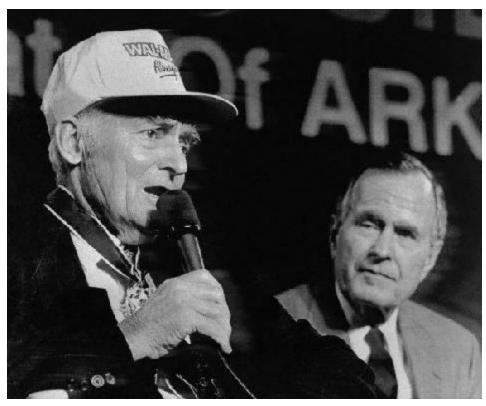
mvadum@capitalresearch.org

Web Site:

http://www.capitalresearch.org

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Wal-Mart founder Sam Walton (at left) speaks after receiving the Presidential Medal of Freedom award in March 1992 from President George H. W. Bush (at right). It is hard to imagine Walton, a conservative who died weeks after receiving the award, being pleased with his company's newfound liberal bent.

In recent years, Wal-Mart has been constantly bashed by two groups: Wal-Mart Watch, founded by the Service Employees International Union (SEIU), and Wake-Up Wal-Mart, which is backed by the United Food and Commercial Workers Union.

Both groups attack the company's wages and benefits policies and see Wal-Mart as a long-term threat to the organized labor movement, which dreads the continuing downward slide of manufacturing sector employment. In 2003, the number of Americans working in retail jobs (14.9 million) surpassed the number of Americans (14.5 million) in factories.

Plenty of Problems – and Critics

Wal-Mart is hated for other reasons too. Environmentalists and traditionalists see the mammoth company as a leading agent of suburban sprawl and a force that has destroyed small-town America by proletarianizing its shopkeepers and local businesspeople. A representative example of this arguest can be ford the Long Emergency, a 2005 book by social critic James Howard Kunstler. Kunstler claimed that "[b] argain shopping justified the extermination of the middle class and all its relations with the locality," adding, "[t]he American people were gulled into the fantasy that every day of the year would be like Christmas, Wal-Mart style."

Economic nationalists in the Lou Dobbs / Pat Buchanan mold criticize Wal-Mart for sending American factory jobs overseas and feeding illegal immigration. Business journalist Charles Fishman's book, *The Wal-Mart*

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www.capitalresearch.org/blog

Effect: How the World's Most Powerful Company Really Works — and How It's Transforming the American Economy, asserts that "10 percent of everything imported to the United States from China" is sold to Americans through Wal-Mart.

A review of Fishman's book in Buchanan's American Conservative magazine argued that the retail chain is encouraging the flow of illegal immigrants: "Not only does Wal-Mart create low-wage jobs that lure further immigrants here to do jobs that Americans could not afford to do even if they wanted to, but it provides a place those illegals can afford to shop."

In 2005, the U.S. Justice Department announced an \$11 million settlement with Wal-Mart – the largest worksite enforcement action in American history – over the alleged hiring of illegals by contractors providing cleaning services to Wal-Mart stores.

The settlement was the result of a 2003 raid on 60 Wal-Mart stores in 21 states, leading to the arrest of 245 illegal workers. Although Wal-Mart has claimed that executives neither knew nor encouraged the hiring of illegals, an affidavit filed by the Bureau of Immigration and Customs Enforcement to obtain search warrants suggests otherwise.

In the affidavit, prosecutors said that testimony and taped conversations from 2003 demonstrated that two executives at the company's headquarters in Arkansas knew that undocumented workers were being used as cleaners. (USA Today, November 8, 2005)

According to the sworn statement, Christopher Walters, a cleaning contractor, told U.S. immigration officials that his company, IMC Associates of St. Louis, was dropped by Wal-Mart in 1997 after Immigration and Naturalization Service raids in St. Louis found workers without employment authorization had been cleaning local stores. Walters told the INS that instead of refusing to do business with his company, a Wal-Mart vice president advised him to set up multiple subsidiaries so he could continue to do business with Wal-Mart if one or more were busted for using undocumented employees.

Another conversation was said to take place between Steve Bertschy, a Wal-Mart

vice president in charge of store maintenance, and two contractors accompanied by an undercover INS agent. After one of the contractors made repeated comments about cleaning subcontractors using illegal workers, Bertschy is said to have replied: "And they load them up into one or two apartments and they take a family of five and pay them \$1,000 a week, that's probably [one dollar] an hour if they're there seven days a week and



Wal-Mart CEO Lee Scott has embarked on an aggressive strategy of pushing his company to the left in order to appease liberals and boost sales in left-leaning states.

they're not paying taxes because they're not getting paid a fair rate compared to U.S. standards, then they start stealing from the store to make up the difference." (USA Today, November 8, 2005)

Federal raids afterward found illegal immigrants crowded into small apartments or even sleeping in the backs of Wal-Mart stores, toting their personal belongings between job sites.

Wal-Mart's Opponents Organize and Wal-Mart Strikes Back

Whatever their motives, some of the groups opposing Wal-Mart are working together. Last year, Wal-Mart Watch and Sprawl-Busters joined forces to create Battlemart, an online toolkit for community groups looking to take on the company.

The bad publicity has hurt Wal-Mart's

business. According to a leaked 2004 report prepared by McKinsey and Company for Wal-Mart, between 2% and 8% of Wal-Mart customers have ceased shopping at the chain because of "negative press."

Wal-Mart responded by hiring Leslie Dach, a prominent Democratic media consultant who advised President Bill Clinton during his impeachment. As the company's new executive vice president of corporate affairs and government relations, Dach acted quickly, establishing a "war room" in the company's headquarters. When Wal-Mart is criticized, the war room takes action by firing off rapidresponse press releases, telephone calls to journalists, and Internet rebuttals.

When he ran the Washington, D.C., office of the Edelman public relations firm, Dach beefed up Wal-Mart's public relations team and created an outside advocacy group called Working Families for Wal-Mart.

As the Competitive Enterprise Institute's Timothy P. Carney wrote in the Washington Examiner (September 5, 2006):

"Wal-Mart's hiring a Democrat is not a defensive measure. Nor is it primarily paying 'protection money' to the company's foes. Any good consultant will tell you: The best defense is a good offense. Dach and the company's executives are going on the offensive and using government as their weapon. This turn to big government might reflect the recognition that, however much pure market forces favor the big guy, big government is the most powerful weapon for squashing competitors."

Wal-Mart makes a special point of rebutting critics by emphasizing that it creates many jobs and that low and middle-income Americans save money by shopping at its stores. The company recently produced television ads claiming its low prices save the average working family \$2,300 per year.

The company has also dropped its longstanding opposition to legislated increases in the minimum wage. As Carney notes, Wal-Mart corporate chief H. Lee Scott Jr. visited Washington in November 2005 to endorse a proposed increase in the minimum wage. Scott said: "While it is unusual for us

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to take a public position on a public policy issue of this kind, we simply believe it is time for Congress to take a responsible look at the minimum wage and other legislation that may help working families." Last summer, Scott denounced the federal \$5.15 per hour minimum wage as "out of date with the times."

What better way to crush competition, Carney argues:

"Proposed minimum-wage hikes on Capitol Hill would set it at \$7.25, which is less than Wal-Mart pays its lowest-paid workers, but more than Mom and Pop pay their 17-year-old part-time help. A minimum-wage hike might just eliminate another competitor of Mom and Pop, while imposing no cost on the mega-retailer."

Wal-Mart also hired Harriet Hentges, a former nun and chief operating officer of the League of Women Voters, to develop company policies on the environment, health care and labor relations. The company has reached out to environmental groups including the Natural Resources Defense Council and Environmental Defense, and even started a program to teach its employees about healthy living and the environment.

Wal-Mart's Environmental Health and Wellness Program offers practical – some might call it nannyish, intrusive, or even Orwellian – advice to its workers, such as eating more fish, and replacing 60-watt light bulbs with energy efficient bulbs sold in Wal-Mart stores.

Employees receive more than health tips from their employer. Last year, Wal-Mart sent letters to its 18,000 workers in Iowa, attacking prominent Democrats, including Senators Evan Bayh and Joseph Biden, and Governors Tom Vilsack of Iowa and Bill Richardson of New Mexico for joining a bus

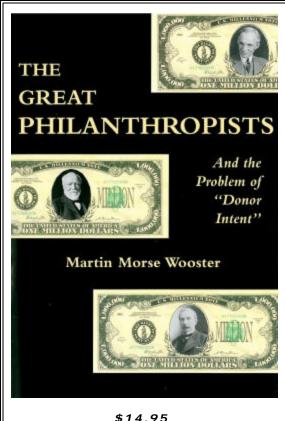
tour set up by Wake Up Wal-Mart.

"We would never suggest to you how to vote, but we have an obligation to tell you when politicians are saying something about your company that isn't true," wrote Tom Underwood, a regional Wal-Mart general manager. Similar letters were sent to employees in important presidential primary states, including New Hampshire, South Carolina, and Nevada.

Liberal Philanthropy

While right-of-center organizations such as the Heritage Foundation, the Manhattan Institute and the American Enterprise Institute have received donations from the Walton family, Wal-Mart's corporate charity takes a mostly liberal approach to its philanthropy.

For example, in 2004, the company's charitable foundation, the Wal-Mart Foundation, gave \$732,350 to groups on the political left,



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GOOD DEEDS, SQUANDERED LEGACIES

A cautionary tale first published in 1994, this third edition by Martin Morse Wooster testifies to the continuing importance of the issue of donor intent. It contains new material focused on the ongoing Robertson Foundation v. Princeton University case and an update on the tragic battle over the Barnes Foundation. An Executive Summary is also included.

Wooster, senior fellow at Capital Research Center, tells a cautionary tale of what has gone wrong with many of this country's preeminent foundations. But he also shows that other foundations, such as those established by Lynde and Harry Bradley, James Duke, and Conrad Hilton, safeguard their founders' values and honor their intentions.

while just \$2,530 went to groups on the political right. (See "Funding Liberalism with Blue-Chip Profits," by David Hogberg and Sarah Haney, *Foundation Watch*, August 2006.)

Among the recipients were the NAACP (\$60,850), AARP (\$3,750), the Izaak Walton League (\$2,250), League of United Latin American Citizens (LULAC) (\$12,000), the Congressional Black Caucus Foundation (\$10,000), and abortion rights group Planned Parenthood (\$2,500).

The biggest recipient of Wal-Mart money that year —at \$630,000— was the National Council of La Raza (Spanish for "The Race"), a mostly left-wing Hispanic advocacy group — an interesting choice for a company accused by the government of giving work to illegal immigrants.

None of these donations appeared on the websites of either the Walton Family Foundation or the Wal-Mart Foundation, which fund a variety of charitable enterprises under the headings of K-12 education reform (including many groups which favor school choice), environment (mostly moderate proproperty rights groups), the Delta region of Arkansas and Mississippi, Northwest Arkansas, community, children, hurricane relief, and other innocuous-sounding initiatives.

Indeed, even the Walton Family Foundation's 2005 Special Initiatives Grants turned up only one red-flag: \$10,000 donated in that year to the liberal American Civil Liberties Union (ACLU) Foundation.

Many of the 2005 recipients listed on the Walton Family Foundation website were conservative or libertarian, including \$5,000 for the Heritage Foundation, \$3,000 for the Cato Institute, \$125,000 for the Milton and Rose D. Friedman Foundation, and \$1,000 for the Capital Research Center, publisher of *Organization Trends*.

The National Newspaper Publishers Association (NNPA) examined Wal-Mart's IRS Form 990 forms last year and found that contributions to African-American organizations rose from \$325,000 in 2001 to a whopping \$1,702,500 in 2005. Recipient groups included a \$1 million grant to the Congressional Black Caucus Foundation for scholar-

ships and internships for black students.

Some of these investments appear to be paying dividends. Hazel Trice Edney, the reporter who broke the NNPA story found that "[n]one of the major Black organizations receiving Wal-Mart funds have publicly criticized the \$300 billion a-year retail giant as it has mounted a civil rights record with millions of dollars in lawsuit settlements."

Rather than criticize Wal-Mart, the NAACP issued a corporate report card that gave Wal-Mart a C+ - the highest of all 45 stores in the retail category – in terms of employment,



Senator Hillary Clinton, now running for the U.S. presidency, served on Wal-Mart's board of directors from 1986 to 1992.

marketing, procurement, community reinvestment and charitable donations.

Reverend Jesse Jackson, the president and chief executive of Chicago's Rainbow/PUSH Coalition told Edney his group has declined donations from Wal-Mart, and accused the company of "openly and publicly and consistently...[it] tried to virtually throw money at us." Jackson claimed that Wal-Mart "want[s] to leverage our organization. I think they want to leverage us into silence."

Hillary Clinton's Appointment

The appointments of Dach, Hentges, Werbach, and Hillary Clinton would suggest that Wal-Mart does not have a problem with hiring liberals to do its bidding.

Clinton's six-years on Wal-Mart's board of directors is a touchy subject for the New York senator and presidential candidate. She rarely discusses her time with the company, and there is no mention of it on her campaign website, even if it includes her involvement with the Children's Defense Fund, the Child Care Action Campaign, and the Children's Television Workshop.

Clinton joined the Wal-Mart board in 1986 – several years before Wal-Mart became the bête noire of the American left – and departed in 1992. While Mrs. Clinton rejected a \$5,000 campaign donation from Wal-Mart in 2005, citing "serious differences" with the company, her husband, former President Bill Clinton, speaks frequently with Wal-Mart's chief executive, H. Lee Scott Jr. Moreover, Mrs. Clinton even brokered a secret meeting between Dach and leaders of the United Food and Commercial Workers Union.

According to fellow board members and Wal-Mart executives, Mrs. Clinton often advocated for hiring more women in management and for a comprehensive environmental program, although she said little about the company's anti-union philosophy.

Today, 23% of Wal-Mart's 300 corporate officers are women, and the chain is cleaner and greener than it was two decades ago.

Muscling Suppliers

Many Americans view workplace diversity and environmental responsibility as worthwhile achievements. Yet Wal-Mart has recently taken a further – and disturbing – step in imposing these goals upon its 60,000 suppliers worldwide.

Starting next year, consumer electronics suppliers will have to fill out a "scorecard" outlining the environmental sustainability of their products. "Wal-Mart believes that this scorecard will move electronics in the right direction—a sustainable direction," said Ross Farnsworth, divisional merchandise manager of home electronics at Wal-Mart in a speech earlier this year.

More ominous is Wal-Mart's "Supplier Diversity Program" which will judge suppliers on the diversity of their workplaces. The

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program comes on the heels of a class action lawsuit launched in 2001 by current and former female employees who said they were denied promotions and paid less than male employees.

The Supplier Diversity Program could impose defactojob quotas on the private sector without government intervention. Wal-Mart's sheer size and influence over the marketplace make it difficult for suppliers to say no, especially when Wal-Mart often squeezes supplier profits by keeping prices as low as possible. Fishman's book paints a picture of a nearly all-powerful retailer that imposes barely-profitable deals on its suppliers, who can either take the deals or take their chances with smaller retail chains.

Despite record earnings and its status as the world's largest retailer, all it not well for Wal-Mart. It pulled out of South Korea and Germany last year, and its stock has stagnated as investors wonder how it can continue to grow when new stores often siphon away sales from existing stores.

"[Wal-Mart is] in a box," Fishman said in an interview last year. "Unless they abandon

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After making controversial comments, Andrew Young quit Working Families for Wal-Mart under pressure from liberal activists.

the idea of growth, they need to find a wider array of customers."

Courting Blue State America

Some believe Wal-Mart's shift to the left might have something to do with its attempts to find that wider array of customers in an untapped market: America's cities. Last year, the company launched an ambitious plan to expand its stores into 50 urban markets, despite resistance from state and municipal leaders who have passed wage and benefits ordinances aimed at Wal-Mart.

Andrew Young, the civil rights leader, former Atlanta mayor and former United Nations Ambassador in the Carter administration, was hired in February 2006 to ease Wal-Mart's advance into urban America. Instead, liberal activists pressured Young to resign from the Working Families for Wal-Mart front group after he told an African-American newspaper that Wal-Mart would drive out of business "the people who have been overcharging us - selling us stale bread and bad meat and wilted vegetables." He identified the supposed culprits this way: "[f]irst it was Jews, then it was Koreans, and now it's Arabs; very few black folks own these stores."

As Wal-Mart has attempted to expand into urban America, it has also riled religious and

pro-family conservative groups by changing its retailing practices.

The chain that once covered magazines such as Cosmopolitan and Glamour with blinders and refused to stock CDs that bore parental warning stickers triggered a boycott last year from the American Family Association (AFA). The boycott was initiated in part because of Wal-Mart's support for the "In and Out Workplace Summit," a conference held in Chicago last year to support gay-friendly workplaces.

Like any business, Wal-Mart makes its decisions to maximize profits. After the chain ordered it employees to wish its customers "Happy Holidays" instead of "Merry Christmas," the AFA and the Catholic League launched a boycott, and forced the company to do an abrupt about-face. "Merry Christmas" greetings can once again be heard in Wal-Mart stores during the yuletide season.

Similarly, Wal-Mart's support for socialized medicine can be attributed to its concern for its own bottom line. In February, Wal-Mart CEO Scott held a joint news conference on Capitol Hill with Andy Stern, president of the Service Employees International Union (SEIU) to call for government help for Americans without health insurance. John Podesta, chairman of the liberal Center for American

Progress (CAP) and Bill Clinton's former chief of staff introduced the two men to the assembled news media. (For more information on CAP, see "The Center for American Progress: 'Think Tank on Steroids,'" By John Gizzi, *Organization Trends*, May 2007.)

Together, Scott and Stern called for universal health coverage sometime around 2012, and for a shared responsibility between individuals, businesses and government in financing health care and expanding coverage.

Nearly 10% of Wal-Mart employees do not have health insurance. Of the employees who do have health coverage, only 47% are enrolled in the company's health plans, while the remaining workers rely on benefits from spouses (22%), Medicare (5%), Medicaid (2%), or on plans offered through colleges or parents. One of the stronger accusations against Wal-Mart is that it does not provide enough coverage for its employees, and that it has shifted health care costs to governments.

This argument helped persuade Maryland legislators to pass a bill last year that would have required Wal-Mart to spend at least 8% of its payroll on health care or pay into a state fund. A state court later struck down the law, but the health care issue remains a roadblock

to further expansion. "Wal-Mart has actually been defeated in metropolitan America," said labor historian Nelson Lichtenstein of the University of California at Santa Barbara, adding: "It makes a lot of business sense for them to try to get health care off the table."

Conclusion

"To continue growing, Wal-Mart, like any cyclopean, globe-straddling corporation, must ingratiate itself not only with the political elites who rule the local, state and federal regulatory bureaucracies, but with the cultural elites — in this case, the leftists using Wal-Mart's ill-conceived largesse to peddle multiculturalist and open-borders ideology. These leftists and the illegal immigrants who love them would destroy the culture and economic system that created Wal-Mart."

So wrote R. Cort Kirkwood last year in an article titled "Wal-Mart Conservatives" for Chronicles Magazine. Kirkwood strangely echoed the founder of the now-defunct Soviet Union, Vladimir Lenin, who sneered that capitalist dupes would "sell us the rope with which to hang them." Lenin referred to such capitalists as "useful idiots" who were content to work "on the preparation of their own suicide."

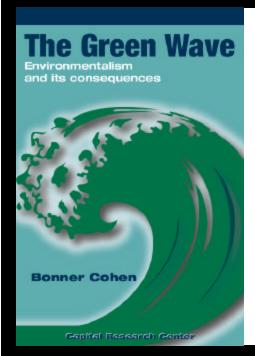
In many respects, Wal-Mart is an ally of the political left, and it is no longer the family-

friendly, patriotic company founded by Sam Walton. Still, as a multinational corporation, it is primarily concerned with money, not with changing society. Wal-Mart advocates socialized medicine not because Hillary Clinton left an intellectual legacy at the company, but because health care is expensive and Wal-Mart does not wish to pay for all of its employees' costs. Similarly, Wal-Mart has used the services of illegal immigrants not because of ideology, but because they are cheaper than American workers. Wal-Mart funds conservative and libertarian groups because it wants them to defend it as an example of free-market, borderless capitalism in action. It funds left-wing organizations such as the NAACP and La Raza because it is very sensitive to criticism, and it wants to make peace with Blue State America.

Conservatives and libertarians who dislike Wal-Mart's recent activities should remember the company's risk averseness, and be encouraged by the fact that a little public pressure prompted Wal-Mart executives to bring back "Merry Christmas" after shoppers objected.

Kirk MacDonald is a Canadian freelance writer with a masters degree in Political Science from Toronto's York University.

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BrieflyNoted

Former vice president **Al Gore** claims that the **Live Earth** concert on July 7 was "officially the largest global entertainment event in history." Viewers of the event that was supposed to raise awareness of global warming were exposed to a stream of expletives from performers **Madonna** and comedian **Chris Rock**. Model **Petra Nemcova** blamed the tsunami that nearly killed her in Thailand in 2004 on climate change, as opposed to an earthquake that rocked the Indian Ocean floor. Nemcova said she "didn't feel hate toward nature" because of the deadly wave. "I felt nature was screaming for help."

A year before the Beijing Olympics, the **World Wildlife Federation** is urging everyone going to China by plane to offset the carbon emissions their travel generates by making a contribution to "dependable climate change reduction projects." More than 10,000 athletes are expected to compete in the games and each athlete's flight is expected to inject four metric tonnes of carbon dioxide into the atmosphere, according to the group.

Anti-war activist **Cindy Sheehan**, the public face of **Gold Star Families for Peace** and **Code Pink**, threatened on July 8 to run as an Independent against House Speaker **Nancy Pelosi** in her San Francisco district unless the Democratic leader introduced articles of impeachment against President **George W. Bush** within two weeks. "Democrats and Americans feel betrayed by the Democratic leadership. We hired them to bring an end to the war," Sheehan said. Sheehan's threat came just weeks after she issued a statement blasting America and vowing to give up her anti-war activism.

Missouri Governor **Matt Blunt** has signed legislation barring individuals affiliated with abortion providers such as **Planned Parenthood** from teaching or supplying materials for sex education courses in public schools. Blunt said that abortion providers were receiving a "significant source of revenue" by selling sex education materials to taxpayer-financed school districts and hailed the new law as "one of the strongest pieces of pro-life legislation in Missouri history."

The U.S. Court of Appeals for the Sixth Circuit has overturned the ruling of a federal judge with ties to the **American Civil Liberties Union** who ruled in favor of the ACLU in a lawsuit challenging President **George W. Bush**'s warrantless domestic surveillance program. In her decision last year U.S. District Judge **Anna Diggs Taylor** ruled that the program was unconstitutional. Taylor is secretary and trustee for **Community Foundation for Southeastern Michigan** (CFSEM) which gave \$45,000 to the ACLU of Michigan, a plaintiff in the lawsuit. **Judicial Watch** previously noted that according to CFSEM's website, "the foundation's trustees make all funding decisions at meetings held on a quarterly basis."

Federal prosecutors have implicated three U.S.-based Islamic groups as participants in an alleged criminal conspiracy to support Hamas, the Palestinian terrorist group, the New York Sun reports. Prosecutors have labeled the Council on American-Islamic Relations (CAIR), the Islamic Society of North America, and the North American Islamic Trust as unindicted co-conspirators in a Dallas, Texas terrorism trial of five officials of the Holy Land Foundation for Relief and Development. That charity was designated a terrorist organization and shut down by the U.S. government. The three unindicted co-conspirator groups are accused of having or having had ties to the fundamentalist U.S. Muslim Brotherhood's Palestine Committee. Daniel Pipes and Sharon Chadha profiled CAIR in the August 2005 issue of Organization Trends.

NAACP chairman **Julian Bond** said his group is still active despite the untimely departure of its chief executive and recent financial troubles that forced the layoff of 70 employees, the Baltimore Sun reports. His comments came months after **Bruce Gordon**, formerly a senior **Verizon Communications** executive, abruptly quit earlier this year after just 19 months in the post, citing differences in "management style." Bond is a firebrand, who is known for smearing black conservatives as "hustlers and hucksters" and has compared conservatives and the **Bush** administration to Afghanistan's ousted Taliban regime. He is also co-founder of the radical **Southern Poverty Law Center**, which Matthew Vadum profiled in the November 2006 edition of *Organization Trends*.

Concerned about a drop in travel to the U.S. since the September 11, 2001, terrorist attacks, the Senate Committee has approved S.1661, a bill that would create a nonprofit group to promote the U.S. as a tourist destination. The proposed entity would be funded by donations from the travel industry and by a \$10 user fee levied on travelers from the 27 countries participating in a visa-waiver program with the U.S. Supporters say the nonprofit is needed because visits to the U.S. from countries outside of Canada and Mexico have fallen 17% from a peak of 26 million in 2000. The measure was introduced by Senator **Byron Dorgan**, a North Dakota Democrat.