

# The Future of Philanthropic Foundations

Ciba Foundation Symposium 30 (new series)  
Held jointly with the Josiah Macy Jr. Foundation



1975

Elsevier · Excerpta Medica · North-Holland

Associated Scientific Publishers · Amsterdam · Oxford · New York



**The Future of  
Philanthropic Foundations**

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*Ciba Foundation Symposia are published in collaboration with Associated Scientific Publishers (Elsevier Scientific Publishing Company, Excerpta Medica, North-Holland Publishing Company) in Amsterdam.*

Associated Scientific Publishers, P.O. Box 211, Amsterdam

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ISBN Excerpta Medica 90 219 4033 7  
ISBN American Elsevier 0444-15149-4

Published in March 1975 by Associated Scientific Publishers, P.O. Box 211, Amsterdam, and American Elsevier, 52 Vanderbilt Avenue, New York, N.Y. 10017.

Suggested series entry for library catalogues: Ciba Foundation Symposia.  
Suggested publisher's entry for library catalogues: Associated Scientific Publishers.

Ciba Foundation Symposium 30 (new series)

Printed in The Netherlands by Mouton & Co, The Hague

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# Introduction

LORD TODD

*Master of Christ's College, Cambridge; and Trustee of the Ciba Foundation*

The Ciba Foundation is now twenty-five years old and this is its two-hundredth symposium. That is a good time for a foundation to assess what it has done, and—stimulated by Dr J.Z. Bowers of the Josiah Macy Foundation, who first suggested this meeting—the Director and Trustees of the Ciba Foundation decided that this was an appropriate moment to ask other foundations to join us in taking stock of ourselves. All of us at this meeting have connections with philanthropic foundations, and it is perhaps peculiarly apt that we should meet now, when conditions have changed a great deal for such foundations. They are already under fire from the communication media, and attacks on them will probably become heavier before we are much older. This situation may have something to do with the spread of the 'welfare state' concept throughout the world. Through that concept, governments have been pushed into acting in many areas in which they were not previously very active, and this has meant the elimination or the diminution in importance of some fields in which foundations have worked happily and usefully over the years. Many things that we used to do, and on which we spent much money and effort, no longer need to be done because they are dealt with by governments.

Partly for that reason, and partly because politicians in countries with parliamentary democracies always take a short-term outlook, foundations have arrived at something of an impasse. In the last two or three years our countries have suffered from all sorts of economic troubles and this has caused at least some governments to start pushing their noses even further into the affairs of foundations. Some foundations are being taxed more and criticized more, because governments believe that they interfere in political issues. Yet, in the different fields that the foundations cultivate—all the way from medicine at one end of the spectrum to social problems at the other—we shall have to concern ourselves with new and certainly broader issues. There can be little doubt that these new issues will expose us even more to governmental inter-

ference, since many of them will have, or appear to have, political overtones.

I am looking forward to the papers and the discussions at this meeting and to getting your views on where foundations should go, what are the areas in which they can operate, and what exactly are the functions of the trustees, directors and others concerned in their operation. We must think and act now: if we don't, we may be in serious trouble with governments.

# Foundations and their fields

JOHN Z. BOWERS

*President, Josiah Macy, Jr. Foundation, New York*

The practice of private giving for the public good has its origins in Old World patterns of ideology, law and institutional implementation. The Christian stewardship of riches is central to Anglican, Puritan and Quaker philosophies. Modern philanthropy owes an immeasurable debt to English common and statutory law and experience, especially to the great Statute of Charitable Uses promulgated by Queen Elizabeth in 1601.<sup>1</sup> With its eloquent preamble defining the proper objects of charitable interest, this statute has influenced the courts of Great Britain and the United States for almost four centuries.

Philanthropy in the United States is largely a child of the present century: only seven American foundations of significance carried over from the nineteenth century. A new philosophy for foundations began to develop at this time, based on the concept that they should turn their attention to the causes of inequity and suffering, which present a greater challenge and reward than concentration on remedying the consequences of these conditions. The advance of philanthropy as an international instrument received major inspiration from two developments, one in Sweden and the other in Great Britain. I refer, of course, to the Nobel fund and its prizes awarded without consideration of country, creed, race, or colour, established in 1890. The Cecil Rhodes Trust, founded in 1902, established an international precedent by awarding scholarships for Americans to study at Oxford.

The Tax Exemption Act of 1913 was a major encouragement to the establishment of philanthropic institutions in the United States. In the mid-1940s there was a surge of new foundations based on wealth accumulated by individuals during the Second World War. These were largely family foundations, with restrictive policies and programmes. The most significant development has been the emergence of the Ford Foundation and the Robert Wood Johnson Foundation as the two largest philanthropies.

The US Tax Reform Act of 1969 was passed to provide closer regulation of foundations. The Act is an inhibiting force in charitable and financial investing. The 4 per cent excise tax imposed on the annual income of foundations exceeds the cost of regulation and is an unjustifiable penalty on the institutions that foundations wish to assist. There is cause for concern that similar levies may be imposed by the states and by municipalities. Finally, the regulatory provisions of the Act are an unfortunate discouragement to the establishment of new foundations. On the other hand, a salutary effect has been the full disclosure of programmes and finances now practised by all foundations of merit.

#### UNIVERSITY RELATIONSHIPS

As a social instrument, the university is the nearest relative of the foundation. The responsibilities of the trustees of both kinds of institutions are similar in terms of policy and financial matters. Foundation officers usually come from academic backgrounds and like to describe themselves as 'a community of scholars'. Moreover, both kinds of institution regard creativity as the hallmark of achievement.

Foundations turn to the universities for advice and consultation; we prefer to work with them because we understand how they operate and are thus assured of permanency, of continuity of leadership in our programmes, and of stability.

There is a danger, of course, that foundation officers find the university relationship so comfortable that they may hesitate to work with other agencies—perhaps at times less enduring and more demanding, but capable, with foundation assistance, of major achievements, especially in facilitating social advances which lie beyond the scope of the universities alone.

Today our universities are the subject of criticism from without and are making serious efforts at self-appraisal, especially in regard to their capacity to meet new demands of society. Perhaps we, too, should be re-examining our policies, our programmes, and our structure in relation to our capacity to react to changing demands—especially in the resolution of major social problems.

#### INTERNATIONAL PROGRAMMES—PHILANTHROPIC DIPLOMACY

The rapidly widening disparity in the quality of life between the developed and the developing countries has brought general recognition of the need for larger commitments from the developed nations. On a similar basis, there is a need for larger commitments by philanthropic institutions to programmes of

assistance in the Third World, especially those concerned with the fundamental quality of life. Fortunately, indigenous leaders or potential leaders in many countries have been trained, usually by foundations, and are capable of creating and directing major programmes. Foundations can play an important role in supporting these leaders, and in so doing can ensure that they remain at home instead of migrating to more developed countries in search of fulfilling roles.

Of course, there are difficulties inherent in working in developing countries—not the least of which is the instability of some governments and their institutions. The decision-making process in developing countries may be long, painful and exasperating. Correspondence and requests for reports may be dealt with sluggishly. Should the foundation maintain a staff overseas, or can adequate communication be sustained by visits from London, Arniberg or New York? Frequent staff visits are essential if programmes in developing countries are to be adequately evaluated and supported.

Foundations themselves benefit from international programmes: they stretch the horizons of staff and trustees. I recommend philanthropic diplomacy as a regenerating and rewarding programme for any foundation. In the world of today, I sincerely believe that every foundation has an obligation to use a share of its resources in the developing countries.

The practices of government, especially the degree to which it invests directly in education, health and hospitals, profoundly affect foundation programmes. The cooperative undertakings earlier in this century in which foundations joined national and state governments to combat such infectious diseases as hookworm and yellow fever were eminently successful. Foundations with international programmes have traditionally kept the American government at arm's length so that we could not be accused of imperialistic practices. Yet we find it desirable and often mandatory to work closely with governments in countries where we have overseas programmes.

The most recent dramatic example of the impact of governmental programmes on foundations was the burgeoning support of all aspects of biomedical research by the National Institutes of Health (NIH) in the decades after the Second World War. Previously, the support of biomedical research had been a principal activity of foundations whose primary areas of concern were medicine and health. They were the sole major source of support. Yet I am not aware of any significant communication between the government and foundations during those years of NIH expansion.

Because of the massive funds forthcoming from NIH, foundations essentially abandoned support of biomedical research. We looked for new opportunities and found them—in medical education, in medical care, in family planning and in social change.

Foundations in the United States are frequently criticized for having shown too little interest in encouraging humanistic scholarship, most particularly in music and art. This is attributed to the historic philanthropic emphasis on assisting 'the weak, the poor, and the unfortunate'. This philosophy was enunciated most succinctly in the comment: 'Since wealth had been won at the expense of the poor, it was a sort of second robbery for those possessing it to give for any purpose other than directly improving the lot of the poor'.<sup>2</sup> The utilitarian cast of the American way of life, and the tradition of multi-millionaire 'angels' who fostered the arts, were also significant. Foundations are currently expanding their interest in the humanities at a time when federal support for this purpose is growing rapidly. The new National Endowment for the Humanities will spend \$50 million in 1974 and probably \$100 million in 1975. The National Endowment for the Arts is growing equally fast, with expenditures at the level of \$50 million. It will be interesting to note whether foundations withdraw from the field and turn towards new opportunities.

#### PHILANTHROPIC OPPORTUNISM

Few would challenge the desirability of foundations establishing defined fields for their major programmes. These are arrived at after careful study by staff, and extensive discussion with trustees—not only so that the programmes may benefit from their wisdom, but also in order that the trustees themselves may understand the reasons for entering a given field, the challenges and problems that lie ahead, and the anticipated achievements.

A rector of the Sorbonne stated that 'the outstanding social phenomenon of the years following the war had been the renewal of the scholarly migrations which were the outstanding feature of the life of the Middle Ages and the Renaissance'.<sup>3</sup> Scholarly migrations are today one of philanthropy's most important contributions to the advancement of international learning. Not only is intellectual exchange desirable, but scholars need the opportunity to have a period of concentrated scholarship—a 'creative pause' away from their customary teaching and administrative responsibilities.

Foundations have been the leaders in the United States in supporting opportunities for international intellectual exchange and for extended periods of intensive scholarship; the Rockefeller Foundation, and its associate, the General Education Board, were the first to institute such a programme, followed more recently by the John Simon Guggenheim Foundation. As a newcomer to this field of philanthropic endeavour through a programme for faculties of medicine and public health, the majority of whom are discovering sabbaticals for the first time, the Josiah Macy Foundation finds a deep sense of satisfaction

in promoting excellence through scholarly migrations. A corollary, and more selfish, reward is the opportunity we have of observing the worldwide flow of scientific thought and interests.

After only ten years in foundation work, I am completely convinced that, in addition to established categorical programmes, we need to use part of our resources for *philanthropic opportunism*. A foundation can become ingrown, stagnant and spiritless when programmes are too rigidly defined. It is true that if we are totally compartmentalized, the number of uninteresting, time-consuming telephone calls, appointments and requests may be fewer and more easily turned off. A venture project that is non-categorical, however, may lead to a new programme. Frequently we have to make an investment in a field to learn about it.

There are probably more foundations in the United States putting more money into social reforms aiming to bring about equality—without consideration of race, colour, creed, or sex—than into any other field. The dimensions of these questions are greater in the United States than in other countries represented here, and we have learned much during the past decade.

One lesson is the need for maximum flexibility and mobility in developing programmes: the will to end or decrease support in some programmes and to open new ones—to learn as we go. This becomes of special importance when other major sources of support are coming into a field rather suddenly—not only from philanthropy but from government—and at times leaving it suddenly.

During the nine years that the Macy Foundation has been engaged in increasing the number of blacks, Mexican-Americans, Puerto Ricans, and American Indians in the health professions, our efforts have included: grants to medical schools to initiate the recruitment of blacks; a special post-baccalaureate programme to produce qualified black applicants for the medical schools at a time when there was a national hunt for 'instant blacks'; support of national and regional conferences that aim to establish confidence, open up communication and encourage cooperation between the medical schools and the black colleges; and the award of fellowships to establish blacks on medical school faculties. We are now concentrating on strengthening premedical education in the black colleges, to produce larger numbers of qualified blacks and to reduce the attrition rate after entry into medicine.

While programmes encouraging social reform are challenging and frustrating, they are also rewarding. One soon becomes aware of singularly deep sensitivities. Important and continuing problems of communication arise, related in part to the fact that we are less likely to be explicit because of these sensitivities. There is the danger of being romantic, and of unwittingly applying lower criteria than normal to educational programmes and people—running a double standard.

There is a growing recognition of the importance of evaluating foundation activities. We ask for more detailed reports from the recipients of our grants, and arrange for more frequent visits by the staff. For the evaluation of a broad programme we may use consultants from the field under study. We may invite consultants who are not directly involved in the field, so that we can avoid any possibility of vested interests. Or we may find it more fruitful to use a team combining the two approaches.

An appraisal of programmes should be included in the preparation of annual reports, to which all foundations are giving more attention than in the past. The presentation of proposals and the ensuing discussions with trustees are avenues for evaluation. We find it useful to present a general review of at least one major programme at each meeting of the trustees. I hope that evaluation will be included in our discussions at this symposium.

Unfortunately, during the past several years, the entire notion of private philanthropy in the United States has experienced problems in relation to public and legislative confidence. It would be a mistake if we turned from innovation and pioneering to conservatism, and I see no indication that we are moving to that posture.

Private philanthropy is one of the most distinctive, useful and effective social institutions in the world.

## Discussion

*Knowles:* Among the social roots of philanthropy are the value of pluralistic approaches to problem-solving and the development of what was known as voluntarism. According to the Shorter Oxford English Dictionary, 'voluntary' as applied to institutions was first used in 1745 to mean free from state interference or control, and supported by the freely donated offerings of an enlightened citizenry. A little earlier than that (in 1720–1721), Thomas Guy had given much of his money to the founding of Guy's Hospital, which was the first real step in modern philanthropy. The question now is: will democratic governments be able to afford perpetually the luxury of pluralism and voluntaristic approaches? Will this value be retained when the drift is towards more and more central governmental control of attempts to solve the complexities of modern social issues? Will we have heterodoxy or government orthodoxy? Probably every generation says this, but at least to my mind the social complexities of the modern world are horrendous, contrasted with the past. Do we have the time to support voluntarism in its institutional form—the foundation—which at least is less fettered than the university with its problems of

tenure and government with its homogenizing political controls? Will this third force be allowed to maintain itself? If so, how so, and how will it prove its values?

*Todd:* In countries that operate through state capitalism or socialism, the position of foundations would be untenable, and there are no foundations in such countries. Most countries seem to be moving towards a form of government that lies somewhere between the extreme form of socialism and the old *laissez-faire* capitalism, and since the foundations are organized and operated on a basis of *laissez-faire* capitalism, we shall have to think hard about the problems facing us.

*Harvey:* In the UK, successive governments have fought shy of taking over the Royal National Lifeboat Institution, which organizes the lifeboat service round our coasts. This organization, supported by privately donated money and effort, has been efficiently run as a charity for over one hundred years, even though there has been a strong case for the government taking it over.

*von Euler:* Dr Bowers mentioned the contact between foundations and governments. In some countries, including Sweden, the government appoints one trustee of foundations which have a capital exceeding a certain sum or which spend more than a certain sum annually. In this way the government can get closer insight into, and can also—at least potentially—influence, the activity of a foundation. By having different representatives in several foundations the government could even coordinate that influence. As long as this control is kept at a moderate level it could be useful.

*Longenecker:* The Commission on Private Philanthropy and Public Needs in the US is looking at the wider questions underlying the whole area of private philanthropy. The issues are being discussed by a broad spectrum of representatives of the public at large. Labour and underprivileged groups are included. In England, the Charities Commission may have the potential to assist.

*Williams:* The Charities Commission has the potential but is unfortunately not set up to give the answers.

*Zuckerman:* What is the legal authority for the surveillance of foundations in the US? Does such authority exist in the UK?

*Bowers:* I do not know of any legal basis for what we consider as accountability. It is more, I think, that we feel we owe accountability to our trustees, to ourselves and to the public.

*Goheen:* The Attorney-General of each state in the US has the responsibility of ensuring that charitable trusts are conducted for charitable purposes. The Attorneys have not been very active, except in New York State, California and a few other states. In the 1960s, when it seemed that some foundations were being used more for personal advantage than for the public good, the US Congress moved into what legally would have been the territory of the

Attorneys-General of the states. The Congress has probably always had the authority to regulate any institutions eligible for tax exemption, and it was on this basis that it laid down stringent regulations in the Tax Reform Act of 1969.

*Zuckerman:* Does the Act regulate the programmes of activities?

*Bundy:* No; it refers mainly to what foundations may *not* do.

*Rogers:* Although I agree that programmes should not be too rigidly defined and that a pluralistic approach is essential, the vagueness of the foundations' hopes for a better world has often landed them in trouble. In many ways it may be wise for foundations to indicate clearly their areas of interest. I think they also get into trouble if they decide to push narrowly oriented approaches to a problem, and here I would agree that the pluralistic approach is most appropriate. Although evaluation might lead foundations to be timid or too conservative, it might instead move them to a braver stance. Foundations are often criticized for their unwillingness to establish a set of goals and to tell the public how effective their programmes have been in moving society in that direction. In areas of social change evaluation is enormously difficult, but if foundations are to deal responsibly with such criticisms they need some reasonably solid data indicating that they have moved the world from A to B, or towards a certain aspiration in a socially appropriate manner. More professionalism and more rigour may be introduced if foundations attempt to evaluate whether they have moved towards goals they have set for themselves.

*Bell:* Your comment about the money spent on the humanities, Dr Bowers, reminded me of the cynical remark current in Washington: poverty is out, culture is in. It is easier for the Administration to help culture than confront poverty.

What also strikes me, as an observer, is that many foundations delude themselves that they are at the frontiers of knowledge, at the cutting edge, and want always to be ahead of things. One of the problems of being so far ahead is that a lot of things get left behind; no one ever looks at them, and no one follows through. I find it troublesome that foundations become so pre-occupied with cutting edges and frontiers, instead of sticking to their last—which is to define a programme and stay with it, even if that programme is less dramatic and doesn't hit the current headlines.

*Ray:* The amount of federal money spent on the humanities and arts is now almost \$150 million, and the states Arts Councils often add large amounts—\$34 million has been allocated in New York State for 1975. These sums greatly exceed anything the private foundations—even Ford, Rockefeller or Mellon—are prepared to spend in these fields. However, federal and state funds are being used to encourage the widest possible participation in the

arts, often without strict regard to standards. Thus all this money could lead to lower standards generally, though not necessarily so. If such programmes try to do something for everybody at a level they are capable of appreciating, what happens to the professionals? What happens to the leaders in the field if a great deal of activity is being carried on at a low level? How do the people who have stood for a high level continue to make their predominant impression? One role for foundations lies in backing excellence, in insisting on higher professional standards, and in using their funds predominantly in that way rather than in the widespread indiscriminate way that the government is likely to encourage, at least in the US. In the arts and humanities the foundations should not necessarily aim at being innovative or reforming, but should promote the individuals, and the institutions serving the individuals, who are capable of imposing professional standards, seeing to it that they get the money and support they need to provide the necessary leadership. This will remain a major role for foundations, no matter how much money the government may spend.

*Luckey:* You mentioned the lack of communication between governments and foundations, Dr Bowers. Could you also comment on the quality and quantity of communications between various foundations?

*Bowers:* There has been far too little general communication between foundations, although we tend to consult each other on particular programme areas. In the US, David Rogers is now bringing us together at Princeton for sessions that I hope will become broad meetings, not focused on a particular area such as health care.

*Knowles:* Often the flow of communication consists of us passing supplicants to each other, but when the Rockefeller Foundation reviewed its activities for 1973–1974, we sent copies of the review to ten other foundations because of the problems of evaluation. Other foundation people are perhaps the only ones who can be objective about a foundation's programme—although they have problems of collegiality and cannot insult each other too vehemently. It is hard to get anybody outside the foundations to criticize objectively, because they may fear that they won't be welcome as future supplicants. It is a problem unique to foundations that it is very hard to find the truth through objective evaluation. Certainly the programme officer of a foundation is not in the best position to evaluate his own decisions.

*Williams:* Communication between foundations is going to be an important matter affecting their future. How good was communication between foundations in the US during the time that led up to the 1969 Act? If they were communicating well, why did they fail to prevent the drawbacks of that Act? Were they communicating so badly that they were not able to speak with one voice? In the UK we have not yet had the trouble that the American foundations had

then, but the writing is on the wall. Communication between foundations in the UK is not very good and not very easy, although there are some associations, such as the 'Donors' Dozen' and the Standing Conference of Medical Research Charities—which is called a standing conference because so far the members just wish to talk. There is a considerable amount of mud-slinging at foundations and charities, who don't act together to tell the public what they are really doing. We could learn much from the American experience.

*Bundy:* I think better communication would have made a difference in the US. The real breakdown in communication was between foundations generally and members of the Congress. For many years the assumption was that if foundations were in good communication with the Treasury that would be sufficient, but now that has changed, for a variety of reasons, including particular visible actions of particular foundations and a change of Administration. This confluence of forces led to a series of initial recommendations which if passed would have been highly destructive to the programmes of the major foundations. We are now left with something complex and often irritating, and with a tax that is objectionable in principle.

But the basic programmes of the foundations represented here have not been deflected much by the Tax Reform Act, although the Act did make them pull up their socks in their relations to one another and to other philanthropic organizations and institutions. The Council on Foundations is now a much stronger concern, with a distinguished and active leadership, and the Congress now knows where to look for informed advice. In our legislative process one of the most frustrating things we encountered in 1969 was the constant request from committees to tell them what people in the foundations themselves felt and wanted, when foundations as a group were in no position to give a responsible answer. There are still great differences among foundations in the US over what the legislative framework ought to be, but Bob Goheen reconciles those into statesmanlike presentations to the Congress, and this makes a big difference.

*von Muralt:* Good communication and coordination is essential when foundations have, or plan, activities in developing countries. Foundations working in those countries should coordinate their efforts on behalf of the country and the project, rather than act selfishly on their own.

*Sai:* The foundations should also communicate with the international agencies, which in the Third World operate along almost the same lines as foundations.

We need to consider, in addition, how the support of national leadership is affected when foundations operate in these regions. Legal problems are perhaps less important than the socio-psychological problems arising when

people work for the government of their country alongside others of the same calibre who work for a foundation from outside.

*van Leer:* The future of foundations generally and of any foundation in particular will depend on how they view their own uniqueness and their own *raison d'être*. Foundations are neither private nor government enterprises, and what can and should they do, that neither private nor governmental agencies can do as well or better? So what are they or what is it, and why must they or it exist? Each foundation has to make up its mind about what it believes is the calling of foundations, and each has to come to grips with what it is itself, essentially. Only then can it chart its future and make sure that the essence will be preserved and continue to function. A symposium like this ought to face and resolve the cardinal issue of what foundations, as a genus, fundamentally ought to be and do, in order that the various foundations, as species, may lastingly serve society in a unique role and thereby justify their existence. Within the framework of the consensus, each foundation should then make up its mind about what it believes its specific calling is, in the pursuit of which it will find its own identity and *raison d'être*. Dr Bowers gave a definition of what a foundation is in structural terms, but not what it ought to be in functional ones.

*Knowles:* I would like to reinforce that. It is easy to slip into extensive discussions of means—what we are doing now and how good it is and so on—but not to ask that ultimate question. The answer has to be partly ideologically based. There are no foundations in China or in Russia, as far as I know. If we value pluralism and voluntarism we have to believe in pluralistic approaches and the viability of a private sector. Secondly, if we set ourselves a certain goal, how do we evaluate that goal? What is unique about our money? If the Ciba Foundation was not holding this conference or one on, say, adrenaline, would someone get the money for it from the government, or from individuals?

On the issue of work in developing countries, the largest foundations in the world are the World Bank and the various agencies for international development backed by the developed countries. One example of where foundations have perhaps been able to justify their existence is in the development of international agricultural institutes. The Ford and Rockefeller Foundations started these in 1958 with grants of about \$3 million each a year, the first being the International Rice Research Institute in the Philippines. Several years ago the international aid agencies and the international development banks began funding what are now eight institutes. Their contributions amounted to \$35 million in 1974. There are other instances where foundations have led the way, but the real questions about the future of the foundations have not been answered.

*Goheen:* One can define a philanthropic foundation, at least in the western

world, as a pool of endowment funds constituted for the public benefit but functioning under private management. When one tries to go further one gets into difficulties, because our societies have such diverse needs that foundations can fill significant requirements in many different ways. One has to rely on broad definitions or justifications, such as the benefit of pluralism, or of multiple sources of support and of initiative, in meeting social and cultural needs and opportunities. The argument that the fundamentally important thing about foundations is that they are instruments for innovation and change can be a troublesome one: for example, in supporting some of the most conservative activities of a university the foundations may be doing the most good. They may be aiding fundamental studies of long-term significance, as against treating symptoms. I think one has to look on foundations as having a broad kind of utility in a complex open society.

*Bruner:* Classically the foundations have been the recipients of requests from universities, the arts and so on, and they have responded to those requests. With the emergence of large foundation-like activities sponsored by the government—such as the National Institutes of Health and so forth—that function has passed to these larger agencies. The spectrum available to foundations becomes increasingly limited. A polarity might be said to exist between the initiating activities of foundations on the one hand and their function of sifting preferred alternative proposals on the other. Setting up institutes, such as agricultural institutes, serves as a bridge to an active, innovating role, not to be found in situations where clients come to ask the foundations for funds. If part of the foundation role is to sponsor innovations, do the foundations now have staff able to lead them into such new types of activities? In the main, they seem to have continued in the more passive role of receiving requests rather than initiating activities. I speak as an outsider, and I would like the reactions of the more experienced insiders here on this point.

*Todd:* I think I know what foundations ought to be doing. There is no place for foundations in states like Russia. Clearly, the foundations ought not to be passive and I do not think they are passive. The agricultural institutes were a positive initiative; another example, from a much smaller foundation, is the programme initiated by the Nuffield Foundation which aimed to revise science education in schools in the UK. We spent perhaps \$5 million on that programme. Government never would have done that because it would have been attacked for political interference with the schools. The Nuffield Foundation could sponsor such an effort and through it influence science education not only in the UK but overseas as well. There are other such areas where government cannot just walk straight in, but where independent bodies can, under the political systems in which we all work.

*Knowles:* That is one definition. At the same time one must realize that the more often one does that, the more often government puts controls on that free-floating power. The US Tax Reform Act of 1969 was passed partly because the foundations were in the forefront of voter registration drives for black people. Tax reform is in the control of southerners and some of them did not welcome the extensive registration of blacks. Yet this was one of the greatest things the foundations have done for our country. Generally speaking, the more foundations do that the government does not want to do or is fearful of doing, the more governmental control they get. And more and more issues are social ones with strong ideological and political implications.

*Todd:* We have certainly not seen the last of government interference with the foundations.

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