

Books of The Times

Trying to Give It All Away

By THOMAS LASK

THE BIG FOUNDATIONS. By Waldemar A. Nielsen. *A Twentieth Century Fund Study.* 475 pages. Columbia. \$10.95.

In this study of the large foundations (\$100-million or more), Waldemar A. Nielsen has exposed for scrutiny the history, workings and rationale of institutions we have heard a lot of and know little about. It makes good intellectual fare. It is not often that scholarship is treated in such an inviting way or that so austere a subject



Waldemar A. Nielsen

is presented in so genial a fashion. Mr. Nielsen, a scholar who has written about Africa and who is a former officer of the Ford Foundation, sees the groups not as disembodied structures but as enterprises set up and administered by human beings. The interplay between the personalities of the founders, the social functions of the institutions and the climate in

which they operate makes for sparkling reading.

The brief profiles of these founders, Andrew Carnegie, W. K. Kellogg, Sid Richardson, William Danforth are pungent investigations of the American character, and they offer bemusing glimpses of the American business in action in a field he knew little about: philanthropy. Before the charities were organized, they were run in some cases as lavish hobbies. It is interesting, though not particularly significant, I think, to note that many of these tycoons lived to a great age, that they were childless and that they were, by and large, an uninteresting lot. They were geniuses though in making money.

Reflecting Idiosyncracies

Most of the large foundations were established when their founders realized that they would have to put their money and their charity-giving into some kind of order. This was true of comparative late-comers in the field like Alfred P. Sloan of General Motors and Sid Richardson, the Texas oil baron, as it had been earlier of John D. Rockefeller Sr. and Andrew Carnegie. And though the great bulk of funds was channeled into science, education and health projects, there was more

than enough differences among them to reflect the idiosyncrasies of their founders. The Charles S. Mott Foundation, for example, likes to identify itself with Flint, Mich., the focal point of its good works. The Duke Endowment concentrates on North and South Carolina. Duke University, for one, has been handsomely provided for by this foundation, though the school's close identification with it has raised questions about the university's direction and control. And some of the foundations, the Rosenwald Fund (now dissolved) and the General Education Board (a Rockefeller creation) were involved for years with innovative and sometimes daring social problems:

education of black leaders, setting up schools for blacks and the like.

Not all the foundations pull their weight. Some of the trustees seem content to maintain a private preserve under the umbrella of a tax-privileged institution. The disbursements of the Irvine Foundation, a large land-based fund in California, do not seem, according to the book, commensurate with its resources. And the Nemours Foundation, a duPont holding, appears to be more bent on business than philanthropy. The duPont foundations in general, the author says, are "antiquated, provincial, and decidedly second-rate."

Facing the Challenges

The most intelligent procedure, according to Mr. Nielsen, is for a foundation to separate itself from its donor and his family, diversify its holding and carry out the goals of its mandate with the help of professionals. The best foundations do just that. But in too many cases, the donor or his family holds on to the fund as if it were a private not a public trust. As a result there is sometimes too close a relationship between the family, the fund and the business, which is its source of income. There is something sticky, though not necessarily wrong, about a fund that is the controlling stockholder or the holder of a large block of shares in a company whose top executives also administer the fund. Some foundations too are sluggish about disbursing their income. In 1968, according to information cited in the book, grants of the largest 15 foundations totaled only 57 per cent of their income. The trustees couldn't quite get away from the notion of making money even as they were spending it.

Today the foundations are facing all sorts of challenges. Their tax-exemption privileges are being questioned, and the ordinary taxpayer, groaning under the general load, resents the allowances under which the foundations are established. Government subsidies in the field of health, education, science make foundation money in these fields superfluous. The funds have been accused of interfering in controversial situations, such as the struggle over decentralized school boards in New York City, and of throwing their weight on one side. Some have been accused of supporting right-wing causes. Their boards of trustees are said to come from a narrow, highly stratified class in society and they have been charged with being aloof and arrogant in replying to critics of the foundations in and out of government. They are said to be secretive about their activities, structure and affiliations and resist disclosing these even when required by law.

Mr. Nielsen thinks the foundations today are timid, inert and without much imagination. Nevertheless, he feels they can be a force for good if they show more vigor and independence and devote themselves courageously to public purposes. Frankly very little in the book sustains such views. The foundations seem more like institutions that have seen their day and, at their worst, nothing more than playthings of the very rich. It is hard to conclude from a reading of this book that philanthropy in the United States would suffer greatly if they did not exist.