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Highlights of the Conference

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THE following brief summary of what was said at the conference is not intended to be a short essay on philanthropy. Rather it contains some of the points and questions which one conferee ranks as the highlights of the conference.

It should be noted that no verbatim record was made of the more than forty-five hours of discussions in the eighteen sessions of the conference. Nor did the Chairman request the participants to furnish citations or data to support their comments. Probably the conferees could have documented their statements, but this would not have been feasible in a discussion-type conference. The conferees were requested to, and many did, suggest changes in a longer preliminary draft, but this short digest stands as an incomplete record of what was said at the conference based largely on one person's impressions. Hence it should be considered similar to the contributed (signed) papers; one person determined which ideas and opinions of the thirty-one conferees should be summarized. This digest, as well as the contributed papers, do not necessarily present the views of the National Bureau or the Merrill Center for Economics, or of a majority of the conferees.

The Boundaries of Philanthropy

At the first session an attempt was made, of course, to circumscribe the area of philanthropy. As Boulding and Vickrey pointed out in their papers, the basic idea of philanthropy seems to exclude the application

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of a conventional theory of value and of what is known of ordinary market behavior. For philanthropy involves a one-sided exchange; that is, there is no *quid pro quo* unless it is extremely remote.

The conference expressed a hope that confusion could be avoided between the ends served by philanthropy and the methods and procedures used to finance it. Accordingly, an attempt was made to attribute the distinguishing qualifications of philanthropic activity to motivation and voluntarism. But a flurry of examples seemed to indicate that motivation and voluntarism could not be used as a means of circumscribing the content of philanthropy.

In fact, the conference concluded its eighteen sessions without locating the current boundaries of philanthropy. In my opinion, this was one of its virtues because the very opportunity for unbounded discussion of these concepts provided interesting comments on the problems encountered in the attempts of a group to circumscribe a broad and dynamic subject. The inapplicability of the whole mechanism of value theory was clearly recognized again and again by the economists present, and the problem posed thereby in delimiting the subject of philanthropy was well aired.

It was established that the conference should endeavor to discuss philanthropy in the broadest of contexts: not only as a term and as a concept but also as a problem or set of problems in public policy. These are not unrelated. The meeting of new responsibilities by government during the past three decades has wrought a revolution in the manner in which philanthropic goals are achieved. Consequently this conference was left in the throes of some serious definitional dilemmas. Some conferees would apply the term "public philanthropy" to activities of government—foreign or domestic—of a philanthropic character. Other conferees would exclude all forms of public aid from the concept of philanthropy.

The discussion turned from matters of definition to a consideration of the philosophical and historical bases of philanthropic activity. A mere listing of some of the terms suggested as topics for consideration will indicate the scope: philanthropy, charity, benevolence, justice, social justice, religious imperative, religious ethic, status, voluntary and compulsory giving, egalitarianism, public philanthropy, social welfare, social charity, categorical aid in the area of public assistance.

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The Future of Philanthropy

Is philanthropy an area where we can expect more nationalization? How much is the future of philanthropy linked to the future expansion of social security? Will higher incomes bring less philanthropy in the future? What will be the trend particularly during the 1960's?

The first speculation was that in the field of health and welfare there would probably be an increasing trend toward nationalization even to the extent of making wealthy as well as poor retired people eligible for free hospital care, and possibly also for some forms of free medical care.

To some conferees the trend of Old Age and Survivors Insurance (OASI) benefits and taxes was not reassuring; they now overshadow public assistance and giving to the traditional areas of private philanthropy. Data were introduced to show that in 1952 probably 96 per cent of the value of the current OASI benefits had not been theoretically prepaid by the retired persons and by their employers; for the current beneficiaries, OASI was 96 per cent Old Age Assistance (OAA). One conferee suggested that social security should be called "philsurance," because the claim that it is insurance has created no small amount of confusion. Most of the conferees did not agree with one who remarked that, if he should live to obtain his social security benefits for himself and for his wife, he would accept only the January check, since that was about as much as he and his employer could have (theoretically) prepaid. He would use the remaining eleven checks each year to transfer the income back to the needy members of the next generation who are being required to provide him with that income.

One of the forces in our democratic society today which will influence the future of philanthropy, it was pointed out, is the increased number of older voters. The proportion of older voters, say those aged 50 and over, will continue to rise until 1970. During the 1960's, therefore, there will be persistent demand for more transfer payments from the young to the old. The market place forces must be taken into account in considering the future of philanthropy. If we were to have a completely insured population or if there were enough corporate pension plans and other provisions for accumulation of savings during the working period of life, the problem of providing assistance in old age would be reduced to a minimum.

The rise in governmental welfare programs may provide an increas-

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ing demand for services to be rendered by private organizations but financed by government. Perhaps the chief function of private philanthropy in the future will be to provide capital funds rather than operating funds. Stress was laid on the possibility that, as our people have more leisure time, they will give more time to voluntary agencies.

Public accountability of private philanthropic institutions, it was felt, will continue to be an issue during the 1960's. The number and assets of foundations will increase rapidly, although no conferee gave a specific estimate of growth. A prediction was made that corporate philanthropy would probably increase very rapidly in the 1960's, although much would depend upon the rate of corporate tax. The total support by corporations of philanthropic endeavors, estimated to be almost twice what is reported in corporate income tax returns as "contributions," might reach \$2.5 billion a year by 1975.

There was also some speculation about the following: it was agreed that some institutions, such as the county poor house, are disappearing; that hospitals will probably continue to receive a decreasing proportion of income from philanthropy; that such items as playgrounds may be privately financed instead of publicly financed in the future; that government foreign aid, which some do and others do not regard as philanthropy, will increasingly dwarf its ancient counterpart, religious missionary effort, although other private foreign aid may also increase. The discussion of financing the rapid expansion in private and public education yielded no consensus on specific trends. At some future time total expenditures for health could exceed those for education. The prediction of increasing professionalism in philanthropy, especially in private and company-sponsored foundations, was disputed. Finally, several conferees stressed the difficulty of considering the role of philanthropy in a future dominated by missiles and nuclear power involving enormous expenditures.

Private Domestic Philanthropy

Despite the increase in affluence, the expected increases in the income and expenditures of churches are not too evident except for the rapid expansion in provision for religious education. Direct giving of benevolences through churches is one aspect of religious philanthropy; support of the current expenses of the church—the edifice itself, the preaching and teaching responsibilities—is another. The question of income elasticity in relation to this type of giving was discussed briefly, with special reference to Vickrey's paper. Data for 1959 showed that 34

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per cent of the charitable bequests in the reported estates under \$100,000 was given to religious organizations, but only 6.5 per cent of the bequests of \$1 million and over. The larger the bequest, the smaller the proportion given to religious organizations.

In the hospital area, as noted in Ginzberg's paper, one significant trend is that the share of government is going down and private payments for services are increasing; the latter, of course, are not philanthropic. At least one conferee contended that only a minority of Americans still conceives of the hard charity or relief case as being a function of private philanthropy. Those religious groups which continue to stress their responsibility for some special type of philanthropy (such as the care of unsupported children) will probably find in the future that the government will be purchasing more and more of their services.

Foundations

The foundation was by all odds the most popular subject of the eighteen sessions of this conference on philanthropy. Foundations may be classified conveniently into five categories: (1) general research, (2) special purpose, (3) company-sponsored, (4) family or personal, and (5) the community trust or community foundation.

Foundations are among the freest organizations in our economy. They are governed only by their trustees, and there is no substantial government regulation. They do not rely upon contributions and need not defer to contributors. It was contended that foundations can afford to be venturesome (a foundation is not doing a good job unless it derives no value from some of its grants); and that they should provide reasonably full disclosure of their activities at least once annually.

There was considerable discussion about the size of the foundation. It should be large enough, in one view, to expend funds for guidance in the making of grants. But can a foundation be too large? Can the few extremely large foundations—currently there are ten with assets of more than \$100 million—exercise an undue influence over foundation giving generally? There is certainly no legal barrier to keep foundations from concentrating research and overbidding for personnel in specific areas. This development, it was held by some conferees, could seriously dislocate some of our universities by bringing too great an increase in the demand for persons working in particular fields of research. Some of the conferees thought that the large founda-

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tion had a tendency to pursue academic fads and snowball them, and to concentrate their support on "safe" areas such as medical research. It was pointed out that there is no analogue to the market to enforce discipline upon the foundation. Hence there is a great need within foundations for adequate and competent criticism.

Small foundations, defined by the Foundation Library Center as those with less than \$1 million of assets, are increasing at the rate of more than 1,000 a year. A large part of their funds are used to support local and civic projects, including the Girl Scouts and the Boy Scouts, recreation, civic affairs, cultural activities. To some leaders of public opinion this indicates little imagination; to supporters of these activities it is deemed an advantage of the small foundation.

The general research foundations have had a considerable impact on the allocation of trained manpower and resources. They have conceptualized fields of research, exercised leadership, and shown initiative; they have become knowledgeable about the research interests and aspirations of the academic community, and tried to promote them; and they have supported research and developmental projects with large sums. The purpose of a research grant, it was felt, is to encourage the activity rather than to buy the end product of results. Apparently, government support of research is growing rapidly and foundations are becoming relatively less important as a source of research funds in the United States.

Would not these research funds of foundations and government agencies be more wisely allocated if large grants for long periods were made to universities? One comment was that each member of the university committee on grants might be in the position of voting grants to himself. So the claimed advantage of wholesaling versus retailing may not actually be achieved by allowing the university to operate as the retailer. One conferee suggested a conference where foundation leaders would exchange information on how universities operate. There were spirited criticisms of the large amount of funds available for research in the natural and physical sciences, which resulted, for example, in a deterioration in teaching. The budget of any modern large university, it was claimed, will indicate an undue stress from the standpoint of people in the social sciences, if not also the public interest, upon both teaching and research in science.

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Corporate Philanthropy

Originally, both in Great Britain and in the United States, the legality of charitable or philanthropic contributions by a business firm was determined by whether they were of direct benefit to the firm. Eventually the benefit concept was supplemented when the corporation came to be regarded as just another entity in the community. Like "any other good citizen," it was argued, the corporation should be expected to accept social obligations and to support philanthropic endeavors. Contributing to the building fund for a better community hospital could be considered a benefit to the firm and a means of improving the "corporate image."

One conferee contended that, even in a widely held corporation, the proposition "what is good for the corporation is good for the community" is applicable only in the health and welfare fields. The conference was informed that a stockholder under existing law cannot require the management to submit a list of all gifts to philanthropy made directly, or through the company-sponsored foundation. The revelation by the corporation of all of its expenditures during the year that are classed as "contributions" under the federal income tax law would omit the support which corporations give to all manner of philanthropic endeavors charged to business expense. Another omission is the paid time of corporation executives and personnel given freely to support the activities of Community Chests, United Funds, and all manner of philanthropic campaigns. If as little as 0.03 per cent of the paid time of officers and employees were devoted to philanthropic endeavors, this item alone would equal 10 per cent of the amount of the contributions listed by corporations.

Some conferees disputed the right of a corporation organized for profit to give away the funds of the shareholders, that is, to impose a "tax" for philanthropy. One of the reasons, however, why corporations support philanthropic endeavors is that their employees wish them to do so. Roughly one-third of corporate giving is for philanthropy of the Community Chest type. In the past decade corporations have become more interested in giving for educational purposes. There is a noticeable tendency in corporation giving to follow the line of least resistance, giving only to the organizations listed by the Internal Revenue Service as tax-exempt institutions of a philanthropic and charitable, scientific, or educational nature.

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COMPANY-SPONSORED FOUNDATIONS

The following appeared to be the most significant statements on this subject:

In order to minimize successful stockholder suits, a majority of the board members of the company-sponsored foundation should be, according to the lawyers present, company directors.

The company foundation in the last ten years has freed the corporation to some extent from supporting the pet projects of large customers, formerly an important influence in the allocation of gifts.

There are some indications that the company-sponsored foundation is more likely to employ consultants in the allocation of funds than would the company itself.

The company-sponsored foundation could stabilize the amount of corporate giving in high and low profit years.

The Value of Free Services

The conference gave some attention to the question of the imputed values of free services. Consider the housewives who devote time to gathering funds for national health agencies, local hospitals, churches, and Community Chest drives. Should an imputed value for these services, as well as the paid time of corporation executives and other personnel that is devoted to philanthropic campaigns, be added to the total economic cost of philanthropy in the United States? The imputed value of the free services—not the paid time—would constitute an appreciable addition to national income and gross national product. The principal objection was to any imputed charge to philanthropy for the unpaid leisure time a man spends attending church meetings or engaging in other philanthropic endeavors. Granting that the privilege of making a socially significant contribution of one's unpaid time to the community may be a *quid pro quo*, such massive imputations of value or cost would seem to destroy the whole concept of leisure time for 45,000,000 persons and the freedom of the individual to use that time as he sees fit. Economic Man would become so overpowering that other aspects of human life would be eliminated. Apparently most of the conferees deemed it much wiser not to try to impute values for these free services, even those that might have been purchased if they had not been given. (One enthusiastic do-it-yourself conferee, however, insisted that his homemade furniture was a tiny addition to GNP.)

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Fund Raising and Private Giving

Regulatory measures other than the issuance of police-type permits are not evident in many of our cities. Some cities attempt to prohibit personal solicitation of funds. Others, notably Los Angeles, have strong regulatory commissions to which persons or organizations reveal certain facts about their organization before a license will be issued to solicit funds. In New York State, there is an SEC-type agency with which organizations are required to file before they begin fund-raising activities. In general, these regulatory bodies are concerned with fund-raising techniques, the integrity of the bookkeeping, and the accuracy of financial statements issued by the fund-raising agency. Apparently, there is more success in the area of "techniques" than in the other two areas. The most important national private evaluating agency is the National Information Bureau. The Community Chest and the United Fund exercise important regulatory functions with respect to organizations that wish to participate as members. Mention should be made, of course, of the mail fraud laws and the screening of fund-raising appeals by local and national newspapers, radio, and television. Also during World War II the National War Fund consolidated and regulated appeals of agencies collecting war relief funds.

The need for some mechanism (other than information returns or tax schedules) for evaluation of appeals to the public for funds was discussed. None was suggested for the field of education because of the strong accrediting associations which had been established and the competition among schools. The distribution of funds available for the voluntary national health agencies, however, is certainly not proportional to the number of deaths resulting annually from the diseases which are the special targets of these agencies. There does seem to be a need for a policy, which one conferee labeled a "death policy," on which to base judgment about the distribution of funds among disease categories, whether they are public funds, such as those of the National Institutes of Health, or the funds of voluntary health agencies. Or should a "death policy" be expanded into a "death and disability" policy? The relative prospects of a break-through in a particular disease seem too debatable to form a guide.

Motives for Giving

It was recognized that a great deal of pressure is exerted to persuade people to give to philanthropic endeavors. Certainly it was made clear

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again and again at the conference that voluntarism is a poor test for identifying philanthropy because much giving is really an exaction from individuals under pressure—even extreme pressure.

A young business executive counts it a feather in his cap to be associated with some worthwhile endeavor in the community; more likely than not, the boss allows him time off to engage in these activities. A labor leader's contribution, however, must often come during his leisure time; organized labor favors government programs instead of private philanthropy in so many of these areas.

Some of the national voluntary health agencies have made a number of studies on motivations for giving, but these studies have not been made generally available to the public. Evidently a considerable number are devoted to why an individual gives to one national health agency instead of another—an aspect of competition. Attitudes toward transfers of services to relatives outside the immediate family, broadened the discussion of giving. The motives for giving, aside from the pressures exercised by other members of the group, other members of the community, or by national advertising appeals, are extremely complex but still include the following: pity, neighborhood pride, personal prestige, the social and cultural tradition of the family, ethics, and religion.

Market Place Factors

The dividing line between market and nonmarket activities was drawn clearly. The receipt by a hospital of payments from private patients either directly or through their voluntary health insurance is an example of the private market mechanism operating in a field identified historically with philanthropy. The payment made by patients or by their insurance companies is clearly not philanthropy, but the development of mechanisms to facilitate such payments has had an effect on the development of philanthropy. It was in this connection that the discussion of market and nonmarket activities arose.

During several of the sessions, it was suggested that the subject of philanthropy could be approached from the standpoint of the imperfections of the market mechanism. Everyone could look forward to retirement without any reasonable expectation of being an object of public or private charity if, during his working life, he accumulated a sufficient pension financed in whole or in part by his employer; or if he had enough savings or enough life insurance. A sufficient amount of "permanent" life insurance for a person ending his working years

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of life would enable him to pay all the costs of his last illness; this is one of the reasons why people buy life insurance and continue to pay premiums. Indeed, life insurance may be the best insurance against the costs of the last illness or accident. The loan value of permanent life insurance is available in critical periods. Similar purposes could be served by the accumulation of savings and loan association shares, deposits in a savings bank, stocks and bonds, real estate, or farm land. Certainly the market-place provision for old age or for the inevitable rainy days which, if not adequate, might lead to a demand or a need for philanthropic assistance can be expanded through the process of savings or insurance. Stated another way, philanthropy may be said to be a result of the imperfections of the market place as it actually operates in human life.

The development of voluntary health insurance, particularly since 1935, illustrates this relationship between philanthropy and the market place in another fashion. Increasingly, the prepayment is becoming a part of the fringe benefits of many employees.

This portion of the discussion also included some attention to the so-called medical service entrepreneurs or merchants who are providing an increasing amount of medical or hospital services, or both, usually financed by a prepayment plan. The medical service merchant buys, so to speak, at wholesale, employs physicians and paramedical personnel, offers a wide variety of services, and retails it (furnishes the service) over the counter for cash or insurance. (Insurance organizations, of course, are not merchants in this sense; they finance but do not furnish such services as, for example, an appendectomy.) These medical services merchants are entering the field of medical care apparently on the grounds that they can do the job more efficiently. In some metropolitan centers they are becoming an important part of the market mechanism for the delivery of medical and hospital services. Many of them own hospitals as well as clinics. The medical service merchant was viewed merely as another market variant in the long development sketched here of the declining role of philanthropy in the hospital and, possibly, medical service field. The extent of philanthropy involved in their services was discussed but not estimated.

When is research an activity which belongs in the field of philanthropy and how can this research be separated from the entire universe of research activities in the United States? No hard and fast answer was found to this basic question. An illustration of philanthropic research would be that provided by a chemical company making a research grant to a university for the chemistry department, with no

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instructions as to the types and kinds of chemical research which could be conducted under such a grant.

Areas of Philanthropic Neglect

The conference was concerned with a number of areas in which giving seemed to be deficient—the theater, art, music, museums, and certain urban problems. These fields of activity have usually required support. The reasons for this apparent neglect were sought.

A number of nostalgic references were made to earlier centuries in which the patron supported the artist. Apparently the theory developed then that artists must be half starved to produce creative art. This notion was vigorously opposed by several of the conferees who challenged foundations to give lifetime grants to artists. One of the fundamental problems in increasing philanthropic support of the arts lies in their very nature; in this area we are likely to give honorary degrees for criticism rather than for creativity.

What kind of cultural activities in our large cities should be given more encouragement by private and public philanthropy? For music, the problem appears to spring from a limited concept, particularly in the public schools. Music should be treated as an intellectual discipline as well as an emotionally disciplined experience; either alone has limited philanthropic appeal. The mass production and mass use of hi-fidelity sets and excellent records, however, may actually be improving the appreciation of music in the United States more than is realized by persons who count the number of people who listen to good music in concert halls. The theater was believed to be in a worse state than music or any of the other fine arts. A high proportion of the members of Actors' Equity are unemployed. Could a national arts council restore the climate of culture and dignity of some of the types and kinds of TV programs which the people of the United States are expected to hear and watch? The independent educational television stations have had great financial difficulties in most cities. Considerable success has been achieved through the efforts of private foundations and other philanthropic institutions to bring traveling libraries to the smaller communities. This has also become a function of the state educational system in many states.

It is an anomaly that the federal government can send plays abroad but does not send plays throughout the United States. In Russia the government supports and controls the theater; informed conferees

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stated that, with some exceptions, the Russian theater experiment had produced creative art. Most of the large Swedish cities have their own opera houses and theatrical companies which are governmentally sponsored and subsidized. The tradition of royalty supporting the artist is a factor in Europe; in the United States, our democracy has no such tradition. Government aid to museums was not criticized by any of the conferees but government support of the theater was viewed with grave misgivings; and even support of music was mildly questioned. Subsidies for the construction of arts centers might encounter less objection, even during the cold war.

Some of the questions on culture incompletely answered by the conference which may be of value to the student of the problems of philanthropy were: Is there a need for community repertory theaters? Should foundations buy prime television time continuously for cultural programs? Should more city centers for operas, such as the one in New Orleans, be financed by grants? Should government subsidization of cultural television programs be undertaken? Should the Federal Communications Commission be given whatever authority it needs to compel commercial television stations to measure up to a higher cultural standard?

The conference turned its attention to several urban problems particularly that of the Negro; and reviewed the status of philanthropic endeavors in this field. What can philanthropy do to help solve the very difficult problems of the Negro in our large cities, particularly the young Negro? (The problem in rural areas was not discussed.) The traditional general measures such as the maintenance of a health and welfare program, various types of social planning, family counseling, etc., were reviewed. The migration to the city by the Negro poses problems that are, of course, different from those of earlier migrations. For example, the Irish were eager to own property and the Italians and Jews were ambitious to have their children educated. The problems of the Negro are more intense. The Julius Rosenwald Fund has been liquidated. Is there a need for another Rosenwald foundation? Should a special effort be made to instruct Negroes about the dangers of going into debt? Stress was laid on the point that within the Negro community itself those Negroes who attempt to assert leadership are often discouraged from doing so. One of the conferees observed that as the Negro's economic status rises he does not tend to contribute more to the support of the members of his community.

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Public Policy and Philanthropy

The changing relationship between government, welfare, and philanthropy was one of the liveliest and most controversial subjects treated at this conference on philanthropy. (If Barzun¹ had been present, I doubt that he would have continued to consider philanthropy one of the three enemies of the Intellect.) The discussion of this changing relationship was spread over several sessions, and certainly provided some sharp challenges and observations on public policy and historical trends, as well as on the current situation.

In the approach to public policy it was noted that private philanthropic organizations often carry out some functions which might be called "state" functions in addition to the purely private ones. Likewise, it is not completely fair to think of their private activities as being wholly "privately financed" when discussing their tax position and other matters of public policy. The determination of the final resting place of the burden of taxes created by certain exemptions for philanthropic organizations and their donors was noted by the conference as a subject that needed a great deal more attention than it had received. With highly progressive rates of income taxation, the government has in effect chosen or committed itself to match private contributions on the basis of the effective marginal rate of tax for the contributor. The government hence has to dip into high incomes with a sieve, since the high income taxpayer obviously has a lower "net cost of giving" than does the low income taxpayer. An examination of giving to philanthropic endeavors by the very high income receivers indicates, however, that full "advantage" is not taken, for example, of the nine to one ratio by persons in the 90 per cent tax bracket. It was contended that nine parts of his gifts are really income taxes not levied and only one part would have been left as after-tax income. On the other hand, some of the expenditures of private philanthropic agencies reduce the need for government expenditures and revenues.

A conferee contended that one of the reasons why the wealthy did not seem to give as much as their incomes would indicate they should (and did not seem to realize the nine to one advantage that they had in giving) was due to the fact that some of the new or only temporarily wealthy are included in the annual statistics. In a metropolitan com-

¹ In *The House of Intellect* (New York, 1959), Jacques Barzun describes the three enemies of the intellect: art, science, and philanthropy; he also devotes Chapter Four to the "Folklore of Philanthropy."

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munity it is quite possible for them, especially those lacking religious affiliations, to remain relatively isolated and "anonymously wealthy."

In addition to freedom from federal tax on their current income, philanthropic organizations enjoy the distinction of having gifts to them legally deductible from the taxable income of the donor up to 20 per cent or, for some gifts, 30 per cent of his income. (The state income tax laws provide a variety of deductions.) On the other hand, charitable bequests (made by wills) are free from federal tax in any amount provided the purpose is charitable, educational, scientific, religious. Other western countries have more limited systems of special privilege for philanthropic institutions.

It was observed that any potential tendency for favorable tax treatment in the aggregate to create centers of power by philanthropic institutions would be found in the areas of religion and education, and in foundations. The extensive property holdings of some of the churches, one conferee contended, is eroding the property tax base in certain areas.

Local administration of welfare programs has persisted but with an increasing portion of state and federal financing. Provision of funds by the federal government has brought with it a degree of standardization and control; but a large measure of control is still exercised through the instrumentalities of the various states. The entrance of the federal government into the fields formerly largely preempted by the local and state governments and private philanthropy has undoubtedly resulted in raising the amount of the benefits, standards of training of personnel, clarification of eligibility requirements, and the right of confidential records being accorded to welfare recipients. (One conferee briefly outlined his alternative proposal of *social budgeting* which had first been presented under that label in 1937.)

From some points of view the largest public assistance and welfare program in the United States is the veterans' program (\$5 billion a year). It is the oldest and largest federal aid program. Its inclusion as philanthropy was not uniformly acceptable to all of the conferees. One thought that the veterans' program should be viewed as an expression of gratitude by the people of the nation for the services rendered by veterans. Others thought that the entire veterans' program had to be considered a form of public charity.

One problem for the conference was to decide whether, for example, old age assistance when provided under a federal-state program is philanthropy, although every conferee would admit that pro-

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vision for the old had been one of the primary objects of philanthropy for centuries.

The future expansion of social security will cast a shadow, a long shadow over the future of public philanthropy (or government welfare, or public and private welfare, or whatever it may come to be called). It may be now, or later may become, the largest item in philanthropy. Certainly there are transfer payments from the rich and poor young to rich and poor old in the present social security program. Whether one calls this public philanthropy or social charity (as was apparently the implication of the encyclical of Pope John XXIII issued from Rome on May 15, 1961) or modern substitutes for private philanthropy is a question of terminology. Whatever the choice of nomenclature, it was clear that the conferees could not possibly discuss philanthropy without considering the impact of some of these governmental welfare programs. They involve a very large flow of funds. The impact on private philanthropy has been extensive; for example, private agencies dealing with the blind are no longer concerned with poor relief for the blind.

In the summer of 1961, when this conference was held, no one could be unaware of the large problem of foreign aid in the world today and its possible future developments. But the conference was also concerned with terms; and the question of terms here was whether helping the starving people of foreign countries through governmental plans was properly designated "public philanthropy" when helping the starving people of foreign countries through private agencies is and always has been unquestionably within the scope of philanthropy. The maintenance of the church missionaries in Africa and in other sections of the world during this period of nationalism, and in the face of the attempts of communists to spread antireligious propaganda throughout the world is truly remarkable. It brings up the question of including or not including foreign aid in the form of, for example, technical assistance within the broad concept of philanthropy. Certainly a portion of the foreign aid of recent years has been of a type which resembles the nonpreaching activities of our foreign missionaries for more than 100 years. No conferee contended that every dollar of foreign aid was money thrown away foolishly, although many of our citizens apparently hold that view. These questions about foreign aid in relation to a broad concept of philanthropy are not easy. During World War I when Herbert Hoover led the great humanitarian effort to help feed the people of Belgium and a small sector of northern France, more than 90 per cent of the funds used were of public

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(governmental) origin rather than private. Does that mean that in the light of history we should exclude the vast and successful attempt to feed those starving people as being outside of the pale of philanthropy? Some of the conferees said no, others yes. There seemed to be agreement among the conferees only on the proposition that there was a charitable element in part or most of our foreign aid operations, but that this was mixed in with national interest and the two were, are, and doubtless will continue to be difficult to separate. The amount of our foreign aid is becoming very large indeed and attempts should be made to place it in the right position in our national accounts.

Doubtless the development of a completely satisfactory nomenclature for such a dynamic subject as philanthropy in an affluent society must await the clarification of some of the concepts in the growing fields of public welfare and foreign aid. Again, philanthropy is literally "love of mankind." It involves concepts of social justice and social charity. In a very dynamic period it is difficult to circumscribe the flow of funds into activities that inherently possess no clearly discernible economic boundaries. This conference on philanthropy explored but did not locate those boundaries.

