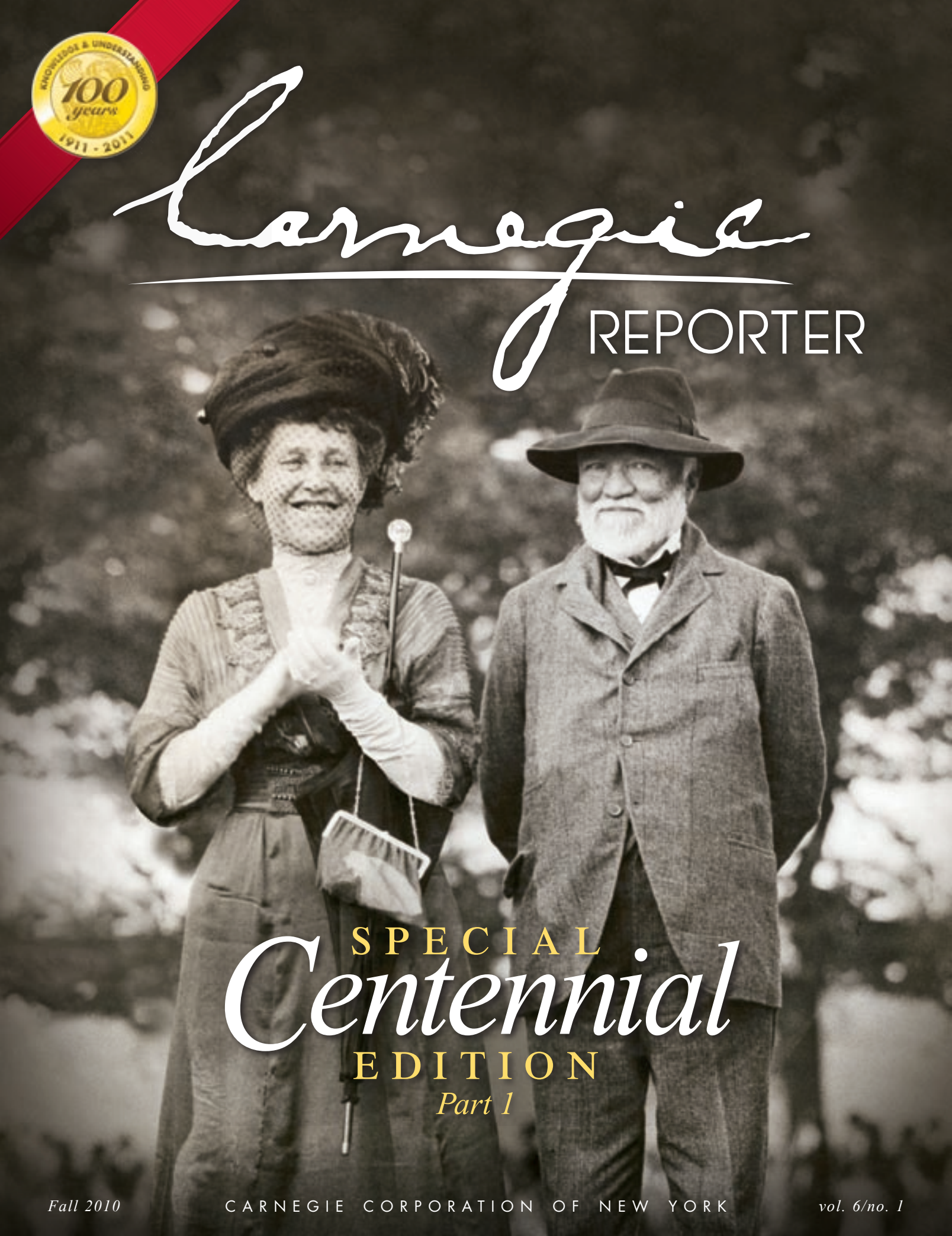


Carnegie REPORTER

SPECIAL Centennial EDITION

Part 1

Fall 2010 CARNEGIE CORPORATION OF NEW YORK *vol. 6/no. 1*

Committed To The Future, Honoring The Past:
Some Thoughts About Our Centennial

by Vartan Gregorian, *President, Carnegie Corporation of New York*

PHOTO BY MICHAEL FALCO

The more than twenty organizations established by Andrew Carnegie both in the United States and abroad were given different missions, but a similar mandate: to do their work in perpetuity. The Carnegie family of organizations—which are dedicated to advancing teaching and education, promoting international peace and ethical leadership, enriching knowledge about science and technology, preserving and sharing the cultural heritage of our nation and others, and recognizing what is extraordinary in "everyday" men and women, among other goals—are not in any way frozen in time. Nor are they immobilized by rules laid out in the dim past. Andrew Carnegie understood that while times change and needs change, as do the conditions that affect men and women, human aspirations survive even the most difficult challenges they face in any decade, any century. Hence, he created organizations and institutions to meet those aspirations and to contribute to the greater good of humankind as manifested in human autonomy, freedom of choice, the quest for knowledge and a yearning for liberty. In this endeavor, Mr. Carnegie was acting in concert with his fellow Scotsman and author of *The Wealth of Nations*, Adam Smith—often called the father of modern capitalism—whose first published work, *The Theory of Moral Sentiments*, examined the notion that while men and women have a natural inclination to value self-interest above all else, they are more often determined to act in an objectively moral and unselfish fashion.

These ideas come to mind as Carnegie Corporation of New York, the philanthropic foundation to which Andrew Carnegie bequeathed the bulk of his fortune in 1911, charging it to do "real and permanent good in this world," approaches its Centennial. This milestone is a time of reflection, a time to pause and take stock, and then forge ahead with a renewed sense of purpose. It is a time to acknowledge and appreciate the past, but not to let it entangle or encumber us. For Carnegie Corporation, our one-hundred-year anniversary does not signal that we have come to the end of an era, but rather, that we have reached an important marker on a continuum that leads into the future—a future, surely, of great work that will build on successes of the past, heed the lessons of failure, and use the wisdom that accrues from such an accounting to contribute to the strength and vitality of our society, our nation, and our democracy.

That is as it should be, because this foundation was established, in part, to be a kind of barometer of culture and society, which means that reviewing and adjusting our grantmaking to most effectively carry out our work at different times, under different conditions, is an integral part of the way we operate. Andrew Carnegie made that a foundational principle of the Corporation in his letter of gift, dated November 10, 1911, in which he wrote—using the simplified spelling he was devoted to—"Conditions upon the erth inevitably change; hence, no wise man will bind Trustees forever to certain paths, causes or institutions...I disclaim any intention of doing so. On the contrary, I giv my trustees full authority to change policy or causes hitherto aided, from time to time, when this, in their opinion, has become necessary or desirable." With that extraordinary mandate—to take the temperature of the times and, with evidence of success as our guide and wisdom as our compass, adjust our institutional sights accordingly—we have been able to carry out the most critical task of a foundation, which is to use private resources to make an *investment* in the public good, particularly when other means to do so may be lacking.

Thus, for the Corporation, our inclination, as we near our Centennial, is less to celebrate the occasion than to mark it as a time of renewal. As author Gabriel Garcia Marquez reminds us, human beings are not born once and for all on the day their mothers give birth to them, but that life obliges them to give birth to themselves over and over again. For the Corporation staff, our Trustees, our grantees, and myself, that idea rings decidedly true. We take our inspiration from the past but always face forward, to deal with the realities of today and those that may present themselves tomorrow. Progress, as they say, begets progress, and for the Corporation, progress is both cumulative and ongoing.

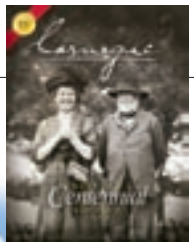
That is not to say that there is not a great deal to be proud of in the Corporation's history—there certainly is! We are particularly proud, for example, of our dedication to transparency, which has been a feature of our work from the very beginning. After all, this was the first foundation to produce an annual report, and it was one of our early trustees who declared that it was incumbent upon foundations to have "glass pockets." In more recent times, we have adhered to that tradition by writing about Corporation grants and initiatives that did not work out as we had hoped as a way of sharing our experiences with our sister foundations and other organizations and institutions that may benefit from what we have learned and hence, not repeat our mistakes. Mistakes, if dealt with as an opportunity to add to one's storehouse of knowledge, may be seen less as a setback than as an inevitable part of being in the risk-taking business, which, in many ways, *is* the business of foundations. Undeniably, it is the business of Carnegie Corporation, because that was what Andrew Carnegie wanted: until the day he died, he never gave up trying to change the world for the better by examining what was possible and was absolutely necessary, even though risky. We look to his example as we carry his ideals forward into a new century.

We are also proud of the great faith that Andrew Carnegie placed in the Corporation's Trustees. As noted earlier, in his letter of gift endowing the foundation with the majority of his wealth, Mr. Carnegie put the work and the future of Carnegie Corporation squarely in the hands of its Trustees, to be steered by their wisdom, enriched by their advice, and framed by their judgment. The men and women who have been Corporation Trustees from the very day of its founding are a remarkable, perhaps unmatched group of people. They include Nobel laureates, a future secretary of state, a secretary of education, senators, governors, a mayor, military leaders, media leaders, notable businessmen and women, college and university presidents, presidents

(Continued on page 44)

Carnegie REPORTER

About the cover: Andrew Carnegie and his wife, Louise. © Bettmann/Corbis



A Note About This Issue

A Centennial year is a milestone!

When we began to think about stories for this special Centennial edition we wanted readers to experience what it was like when there was no formal philanthropy. When the slate was blank. When Andrew Carnegie and his wife Louise decided to give away most of their wealth to build a stronger America. The couple didn't set out to identify and solve problems—in early 20th century America they developed an idea of what a young democracy could become and then discovered, created and funded the very institutions that built our modern nation. In these pages is the story of philanthropy when it was born.

Lee Michael Katz will take you through Carnegie Corporation's first 50 years when education, think tanks, libraries, and American scholarship came of age. It is an amazing story of creativity and institution building. Abigail Deutsch tells the story of the art and music sets that gave many young Americans their first taste of culture. And because to teach music demanded sound systems yet perfected, the project led to the development of special phonographs that would replicate the power of an orchestra. The need for new technology has always challenged foundations! And how can a foundation continue to serve the American public "in perpetuity" as our founder demanded of us? Karen Theroux leads us through the economic ups and downs of the Corporation's endowment.

Ted Sorensen, Special Counsel and advisor to President John F. Kennedy, graces our "BackPage" feature with a personal homage to Andrew Carnegie and his contributions to the American century for which Sorensen has had a front row seat.

Our emphasis in this first Centennial edition has been on the Corporation's early years and we introduce you to some of our presidents: Eilhu Root, Frederick Keppel and David Hamburg. Leadership has always been Carnegie Corporation's comparative advantage.

Under Eleanor Lerman's editorial leadership, a picture of modern philanthropy emerges in these pages. It was she who found our cover photo in the Bettmann Archives collection of Corbis—one we had never seen before. We think it is an apt cover picture because it captures the "first couple" of philanthropy: Andrew, who served as president from 1911 to 1919, promised to give away his wealth at an early age, but Louise, who served on the Corporation's Board, agreed in her prenuptial contract to the notion of wealth as a public good, not a private right.

Mr. and Mrs. Carnegie smile at us in this Centennial milestone moment, reminding us of our roots, our values, our legacy. But the Corporation doesn't come to this moment looking back—our history guides us always as we stay firmly focused on the future, and the role of the Corporation in building tomorrow's America.

SUSAN KING, *Vice President, External Affairs and Director, Journalism Initiative, Special Initiatives and Strategy*

by Lee Michael Katz

Carnegie Corporation of New York: Creating Philanthropy & Building Institutions

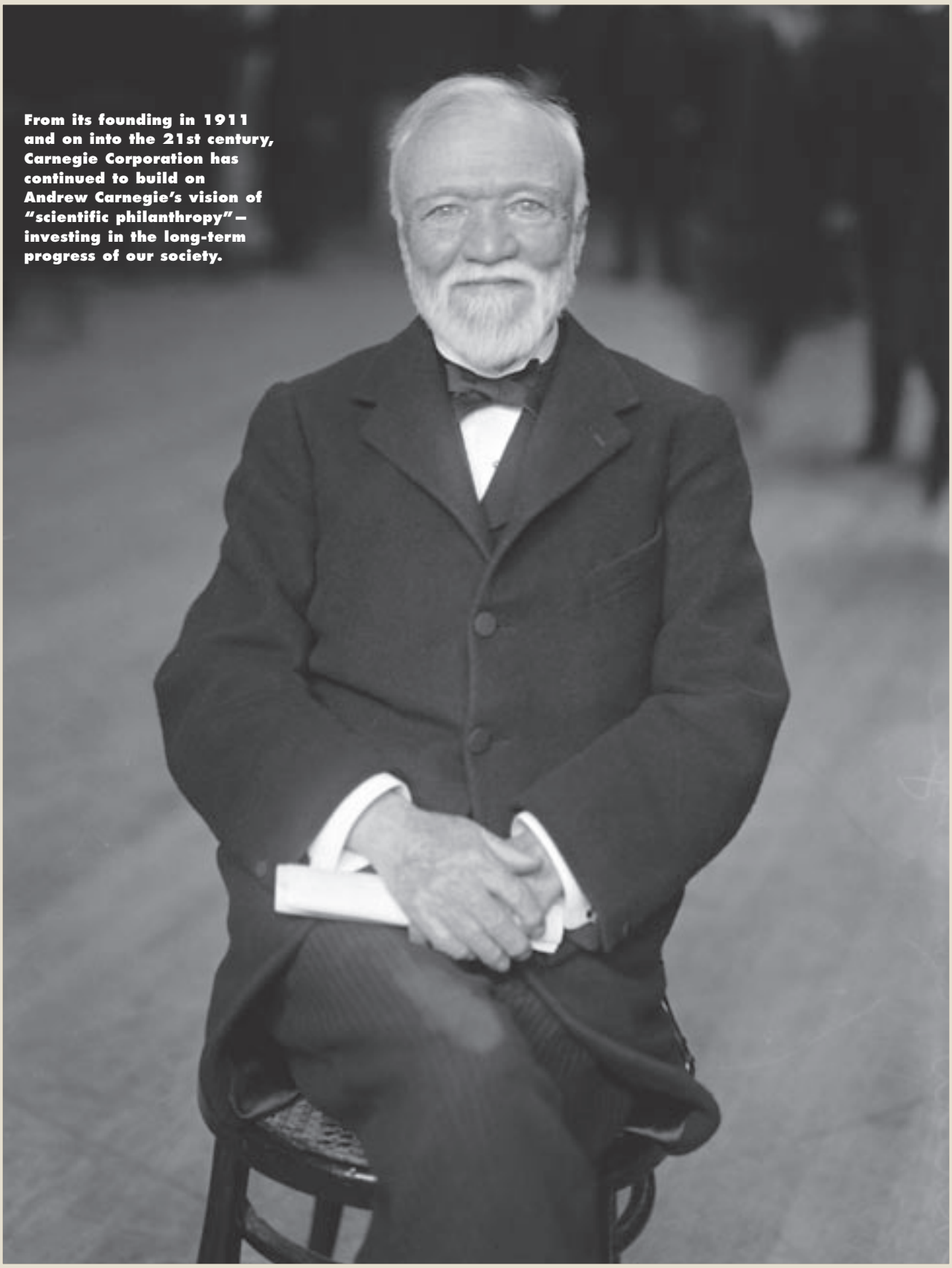
One simple statistic dramatically illustrates the power of Carnegie Corporation in shaping American society and building institutions during its first 50 years.

The entire budget for the federal Bureau of Education was not quite $5 million annually in 1911. By contrast, Carnegie Corporation of New York was founded the same year with what would be a whopping $135 million endowment.

That the Corporation was established with more than 25 times the amount spent annually by the federal Education Bureau reflected a very different era. The original Carnegie Corporation endowment is equivalent to a staggering $2 billion today, and 1911 was a time when private philanthropy could have a major impact on society, even to the point of basic institution building, which the U.S. government didn't consider as its job. "Government didn't play the big role that it plays now. It didn't spend as much money," explains Sara Engelhardt, former secretary of Carnegie Corporation and past president of the Foundation Center. "You could build whole institutions and you could build whole fields of endeavor. And I think much of that was very influential."

When she was at the Foundation Center, Engelhardt was often asked to explain the impact of the Bill & Melinda Gates Foundation when it was started in 2000 by the Microsoft magnate and his wife. She notes that even the well-funded Gates Foundation doesn't compare to the Corporation's early impact. Despite "all the good they're doing" and its huge budget, the Gates foundation's grantmaking, as compared to the U.S. government's budget, is tiny in comparison to the relationship that early philanthropy had to government spending.

Lee Michael Katz. Katz is a Washington, D.C., area freelance writer. He won a Stanley Foundation Reporting Project Journalism Award in 2007. Katz's work has appeared in Carnegie Results *and numerous magazines and Web sites, as well as* The Washington Post *and through The New York Times Syndicate. Previously, Katz was national reporter and Senior Diplomatic Correspondent at* USA Today *and Managing Editor/ International of UPI.*



From its founding in 1911 and on into the 21st century, Carnegie Corporation has continued to build on Andrew Carnegie's vision of "scientific philanthropy"—investing in the long-term progress of our society.

The Libraries of Andrew Carnegie

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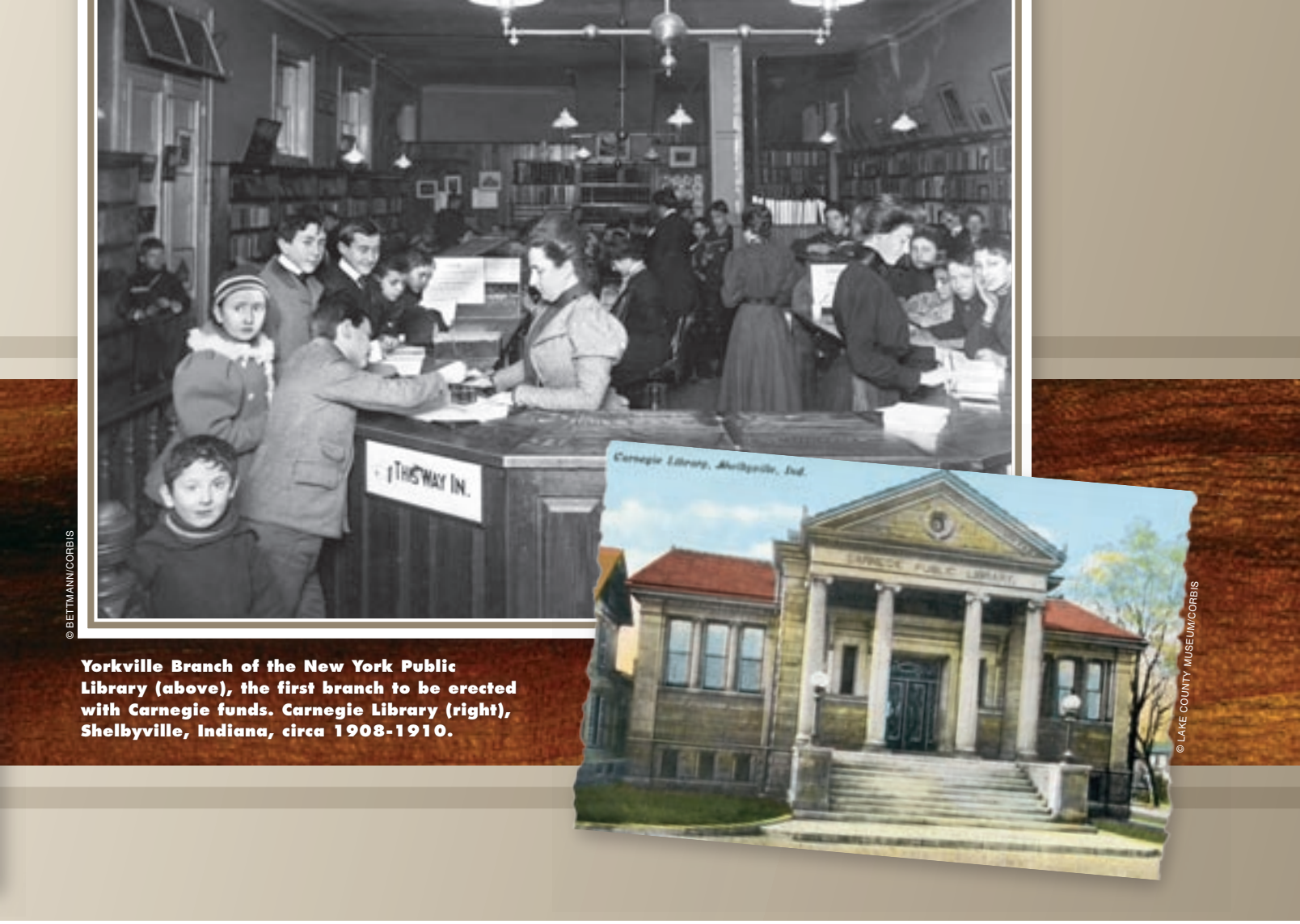
Andrew Carnegie's private library (left) in his home on 91st Street and Fifth Avenue in New York City. Today, Andrew Carnegie's library (below) is part of the Cooper-Hewitt, National Design Museum.

In today's times of big government and multi-trillion-dollar budgets, one would probably never imagine that a private foundation rather than government could play a dominant role in fostering education, literacy, equal rights for minorities, promoting advancement in economics, science and medical research, protecting pensions and analyzing our adversaries. Yet, because of its overwhelming financial resources, broad view of philanthropic funding and what was often a hands-off approach to organizations and scholars it funded, Carnegie Corporation marked its first half-century by having a significant impact in all these critical areas.

The Corporation was able to build some basic institutions in American society through the work that it funded, expanding on Andrew Carnegie's notion of "scientific philanthropy," meaning, investing for the long term. Instead of charitable giving, which is intended to provide short-term relief for immediate needs, Carnegie's philanthropy was focused on the future, on promoting progress on the issues he cared most about, such as education and international peace, that would be sustainable down through the years. As a result, "In the field of philanthropy, we were the leader" in the early years, observes Patricia Rosenfield, director of the Carnegie Scholars Program, who is writing a book about the Corporation's international programs. "Those running the Corporation made smart bets," she says, which turned out to be "transformative investments in American life." These range from the local libraries to teacher pensions to the think tanks that permeate the field of policy research.

"Carnegie Corporation played a very important role in creating the infrastructure of institutions that continue to be important in public policy to this day," explains Ellen Condliffe Lagemann, author of *The Politics Of Knowledge: The Carnegie Corporation, Philanthropy and Public Policy* (Wesleyan University Press, 1989).

Still, there was another facet of institution building by Carnegie Corporation that went beyond bricks-and-mortar institutions at a time when people actually used bricks and mortar. These might be called "virtual institutions" today, but in the early to mid-1900s they were created with



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Yorkville Branch of the New York Public Library (above), the first branch to be erected with Carnegie funds. Carnegie Library (right), Shelbyville, Indiana, circa 1908-1910.

Corporation help to lay the basic foundations of a sophisticated, more knowledgeable and equitable society. Just some of these Carnegie Corporation-created, inspired or aided virtual institutions include: the training of librarians, the promotion of adult education to improve the lot of working American men and women, standardized educational testing and early medical and dental research and training.

The foundation's grasp of the need to build, refine and study American institutions brought about two of the more influential academic studies in the 20th century. Neither Gunnar Myrdal nor James Conant are household names in popular American culture, although they are famous in their fields. For example, Myrdal's Corporation-funded study of the condition of black Americans was cited in a landmark Supreme Court ruling. Today, the Myrdal study and its findings remain the subject of much scholarship and numerous books.

Another landmark study was Conant's work on U.S. high schools. *The American High School Today* literally changed the shape of American schools after it came out in 1959. Conant's Corporation-supported work helped fuel the movement away from small, isolated schools with limited offerings to the modern American high school—which, spurred by innovative educational thinkers who may be viewed as Conant's successors, is once again being "rethought" in the 21st century. Carnegie Corporation remains deeply involved in this work by supporting efforts to promote and preserve a robust American democracy through grantmaking focused on expanding opportunity through education. The Corporation's aim is to enable many more students, including historically underserved populations and immigrants, to achieve academic success and perform at the highest levels of creative, scientific and technical knowledge and skill. Of particular concern is helping to build students' college and career readiness by supporting the development of high-performing systems of public secondary schools characterized by high standards, data-driven management and instruction, and high-quality leaders and teachers, among other rigorous and academically challenging innovations.

Doing What Government Didn't

Carnegie Corporation was born with a powerful treasure chest that it leveraged to make a difference in American society. "When Carnegie Corporation was created, it was the largest institution of its kind. Andrew Carnegie was the richest man in the world," Lagemann points out. Carnegie Corporation "was the only big shop in town at the very beginning."

"As [Andrew Carnegie's company] United States Steel had been the super-corporation in industry, so Carnegie Corporation of New York was the super-trust in the history of philanthropy," historian Joseph Frazier Wall declared in his seminal biography, *Andrew Carnegie* (University of Pittsburgh Press, 1970).

Later, Carnegie Corporation's influence would be magnified with the advent of the Rockefeller and Ford foundations, which also had great impact on society.

Much foundation business was done at the Century Association, a popular private club that was a kind of home-away-from-home for prominent figures in New York and visitors from Washington with government influence. It was a favorite lunch and gathering place for people who today we might call "influentials."

The heads of the Corporation and Rockefeller Foundation "certainly knew each other," notes Lagemann, adding, "The world was much more informal" back then. By way of illustration, she points to Frederick Keppel, President of Carnegie Corporation from 1923 to 1941, saying, "Fred Keppel and whoever was running the Rockefeller Foundation probably ran into each other [at] lunch at the Century and said, 'Let's support the Tuskegee Institute'—and they did."

"The idea to be inside of the government had never occurred to them because the government didn't exist in that way" as "big government" does today, Lagemann says. "They definitely believed public-spirited individuals should play a huge role in deciding what should happen in the United States."

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An adult education class discussing citizenship at Public School #225 in New York City circa late 1940s.

Because of the small political and social structure of the time, foundations could have that type of dynamic impact in creating institutions. "The early Rockefeller and Carnegie foundations were huge private forces in an era of small and limited government and profound national ethnocentricism," Princeton University professor of public and international affairs Stanley Katz recently wrote.

Wary of "socialism taking over Europe," Andrew Carnegie and Carnegie Corporation officials felt "the American system could do a lot better because the private sector could provide research and planning," Katz explains in an interview. "These were people who really were incredibly optimistic and incredibly confident that they could change the world in better ways."

In the case of Carnegie Corporation's first 50 years, that meant sponsoring the creation of some of the most recognizable and powerful names in American society as well as some remarkable social, cultural and—in one notable case—even medical advances. Insulin, the Brookings Institution, the Educational Testing Service and the pension/investment group TIAA-CREF all exist today in large part because of the help of Carnegie Corporation. The famous *Brown v. Board of Education* Supreme Court ruling even famously contained a reference to the Corporation's Myrdal study on race.

These lasting institutions were created because throughout that first half-century, Carnegie Corporation wasn't looking for a quick fix, according to Rosenfield. "The impact was long term. We were not interested in short-term impact," she says. "We were looking for cross-generational impact."

An examination of Carnegie Corporation's efforts demonstrates a surprising but rich and lasting influence on American society and institutions.

"Reading through the Corporation's history is like being an archeologist who keeps finding more and more fascinating episodes that demonstrate how Andrew Carnegie's philanthropy made a real difference in a surprising variety of realms," says Carnegie Corporation President Vartan Gregorian.

Building and Running the Modern American Library: a Carnegie Legacy

Perhaps the most recognizable legacy of Andrew Carnegie and later, Carnegie Corporation, is the American institution of the free public library. In the early part of the 20th century, the American landscape was populated by libraries funded by Andrew Carnegie. As Lagemann notes, "It's probably fair to say that without Carnegie's library giving the United States would not have the variety of public libraries all over the country."

Libraries were special to Andrew Carnegie because they provided the impetus to help him rise out of poverty. He was inspired by a well-off man who opened up his own private library in Pittsburgh to the less fortunate Carnegie and other youthful factory workers.

For Andrew Carnegie, "who worked as a child laborer," Engelhardt says, the library meant access to knowledge and dreams for a new life. "Carnegie took advantage of that and he read everything that he could put his hands on and he was self-educated. And when he had enough money, he turned and he gave that privilege to people across the English-speaking world. To him, that was the essence of education...how one betters oneself."

Many libraries were built with Carnegie's personal wealth, and the Corporation funded even more libraries in its early years. Andrew Carnegie was the Corporation's first president, serving for eight years.

"Carnegie thought that access to books should be a part of the birthright of every youngster and that public libraries, still an innovation in American life, should be an indispensable civic institution," Gregorian explains.

As a result, Andrew Carnegie and Carnegie Corporation spent $56 million to establish 2,509 public libraries, of which 1,681 were in the United States. Andrew Carnegie insisted that communities be invested in operating the libraries. But more was needed to help libraries function. "There were an awful lot of them around the world and they realized they needed to [help] people running them," Engelhardt says. "It was a logical step. You build that structure, and what do you do to help people navigate the content?"

The answer was library science, a field Carnegie Corporation funding helped pioneer as the Corporation eventually shifted from the creation of public libraries to strengthening library infrastructure, services and training. In addition, the Corporation helped the standard-setting American Library Association in its efforts to professionalize the field. With a $5 million "Library Service Program" grant in 1926 to strengthen the association, along with graduate studies and other huge grants, Carnegie Corporation "spent an average of $830,000 a year from 1926 to 1941," wrote Florence Anderson, who joined the Corporation as a new college graduate in 1934 and served as its secretary for twenty years, beginning in 1954. Demonstrating the priority given to library service, Anderson noted the Corporation funding was "approximately one-sixth of its income available at the time." In that connection, notes, Gregorian, "Altogether, it seems fair to say that Andrew Carnegie and Carnegie Corporation have been associated in the past with nearly every major development in library services in the United States."*

Education: A Commitment to Lifelong Learning

Frederick Keppel was known for his personal involvement and eclectic grantmaking style as Corporation president. Keppel's open-door policy led to brainstorming by informal design at Corporation headquarters.

A "university president would be in the lobby—and there'd be three other university presidents there," Englehardt notes. "It was not so much a competition for money as a group of people who knew about trying to solve a problem. That was the way it worked."

One educational arena where Carnegie Corporation offered dedicated support was women's colleges, in an era when higher education for women was not a social priority. Bryn Mawr, Wellesley, Mount Holyoke and Vassar are among the institutions that received early and critical Corporation funding.

Nearly every high school in every substantial community has had a foreign exchange student at one point. What they might not know, however, is the early Carnegie Corporation role in funding the Institute for International Education, which helps to make such exchanges possible. The institute has "been our partner" since 1919, points out Rosenfield. "It is the major institute of international exchanges in the country," including for "American students going overseas."

One highly recognizable financial name, TIAA-CREF, had its start in a notion Andrew Carnegie had about the life of college professors. "Originally,

*Today, the Corporation's library-related grantmaking focuses on sub-Saharan African libraries, particularly on rebuilding public libraries in South Africa and revitalizing the libraries of several universities on the continent.

Andrew Carnegie felt it was inappropriate that people who were college professors had to work until they died because there was no retirement for them," Engelhardt explains.

To address that problem, pensions for teachers were largely organized by The Carnegie Foundation for the Advancement of Teaching, but the Corporation provided the original funding. Teachers Insurance and Annuity Company of America (TIAA) "was made possible through an initial grant, in 1917, by Carnegie Corporation of New York of $1,000,000 for capital and surplus, with subsequent large additional gifts," wrote Robert M. Lester, who also served as secretary of the Corporation, in his book, *Forty Years of Carnegie Giving* (Scribner's Sons, 1941). Now known as TIAA-CREF (Teachers Insurance and Annuity Association-College Retirement Equities Fund), the organization has become one of the largest financial services entities in the United States. Today, as an institutional investor, the organization has more than $300 billion in assets under management.

Adult education was another area where the Corporation's imprimatur was felt in an original and substantial way. One of the first foundations to focus on this area, the Corporation's interest stemmed from one of its first major undertakings, begun in 1918. What came to be known as the Americanization Studies ("Study of Methods of Americanization or Fusion of Native and Foreign Born") focused on assimilating immigrants. The results went to the federal Bureau of Naturalization and of Education as the first step toward developing national immigration policy and ten volumes were ultimately published in 1921.

With many immigrants and working Americans unable to complete traditional schooling while making a living, the American Association for Adult Education was formed in 1926. Carnegie Corporation was so invested in this area that it was the Association's sole support until 1940.

In the area of more traditional schooling—and though it might not be looked on fondly by millions of

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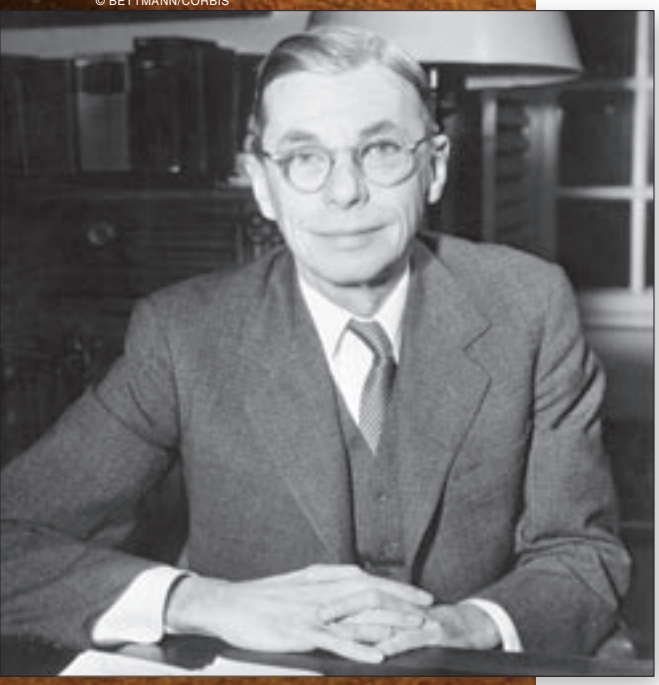
Carnegie Corporation provided early support to the Institute for International Education, which arranges foreign exchanges for students. Pictured: American university students in 1949, including Jacqueline Bouvier (Kennedy; center) on the deck of an ocean liner that will take them to France, where they will live and study for a year.



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James Conant, author of *The American High School Today.*

anxious high school students taking its SAT test to get into college every year—the Educational Testing Service (ETS) was established in 1947 with Corporation funding. Its mission, which continues today, was to carry out educational testing and research on a national basis, providing a means of measuring academic merit irrespective of social or economic background, which helped to democratize access to postsecondary education.

A decade later, in 1959, *The American High School Today*, popularly known as "the Conant study" was published and revolutionized thought about American high schools. It was "a real landmark study in terms of American education," proclaims Ellen Lagemann. Carnegie Corporation "poured money into it and it was widely read," she says. "One of Conant's recommendations was that all the little high schools be expanded...and that happened. They were hugely influential."

James Conant was "one of the best-known men of his era," according to Lagemann. Conant had been president of Harvard University, so he had an interest in studying how to improve American high schools. The educator didn't mince words on his conclusion on the ideal minimum high school size. "The enrollment of many American public high schools is too small to allow a diversified curriculum except at exorbitant expense," Conant wrote in his report. "The prevalence of such high schools" with less than 100 students in the graduating class, "constitutes one of the serious obstacles to good secondary education throughout most of the United States. I believe such schools are not in a position to provide a satisfactory education for any group of their students—the academically talented, the vocationally oriented or the slow reader. The instructional program is neither sufficiently broad, nor sufficiently challenging."

It is important to note that Conant wasn't necessarily talking about mega-schools with thousands of students, but those whose student body at least extended into the hundreds. This is consistent with the movement gaining favor today toward public high schools, such as charter and smaller high schools that are academically rigorous, focused on student achievement, and staffed by highly qualified teachers and principals.

The Conant report also brought a permanent change to the American educational landscape. "Conant became overnight the most quoted authority on American education," Carnegie Corporation's *Fifty Years in Review* noted just a few years later, in 1961. "The 'Conant Report' was debated in PTAs, school boards, superintendents' offices, and education conferences throughout the nation."

According to Sara Engelhardt, the Conant study dovetailed with Corporation goals to open up opportunities for all students in the American educational system. "James Conant was very much a part of the Carnegie Corporation plan to help develop set standards for what education would be," she says, "to give everybody a chance, and not just at vocational education, but academically based education in high school."

Gregorian noted Conant's impact on the educational institution. "In particular, Conant's study of the comprehensive American high school resolved a heavily polarized public debate over the purposes of public secondary education," he explained, "making the case that schools could adequately educate both the academically gifted and the average student."

Myrdal Brings a New View on Race Relations

Correspondence files in the Carnegie Corporation archives at Columbia University reveal an example of troubled race relations that would be absolutely astonishing today, but demonstrates why the Gunnar Myrdal study, formally entitled *An American Dilemma: The Negro Problem and Modern Democracy* (Harper and Row, 1944), was so sorely needed in an America still beset by segregation.

Ralph Bunche, who worked on *An American Dilemma* with Myrdal, a Swedish economist, held a doctorate from Harvard University and chaired the political science department at Howard University. Just a decade later, he would become famous for his work at the United Nations, winning a Nobel Peace Prize for mediating a Middle

East armistice and eventually becoming UN undersecretary-general. But in 1930s segregated Washington, the color of his skin could limit his access to public places. Bunche needed to make a standard request for study space at the Library of Congress. However, the situation was so delicate in 1939 that then-Corporation President Keppel personally wrote the request to Herbert Putnam, the Librarian of Congress. Today, it would be an abhorrent question that Keppel felt forced to bring up. "Would it embarrass the Library or you personally to receive a request for a study space to be used by a Negro scholar?" Keppel asked. He explained that, "the Swedish director of the large-scale study of the Negro in the United States" had asked Ralph Bunche, "a Harvard graduate and an able scholar," to join the study.

But in one fashion, Keppel did not tread lightly with his request. Pointing out it would be "a great convenience" to Bunche, "to have a working headquarters" at the famous site, Keppel also requested space for Bunche's assistants. Two days later, a definitive reply was sent from longtime library head Putnam's office. The answer to whether there would be any difficulty for Bunche as a man of color was "No indeed." Further the letter adds, "I am a bit bewildered" by the question, "for of all establishments in Washington, public or private, no such distinction is made or tolerated" at the famed library.

Demonstrating the small world of powerful men back then, Putnam noted to Keppel that he would be "lunching at the Century Association" in New York the next week and "as usual hope for a glimpse of you."

As a courtesy and a precaution, Bunche was given a formal introduction from Carnegie Corporation. It was sent to him with the tension-easing remark that "no one will read the letter, but the gold seal has almost magical effect."

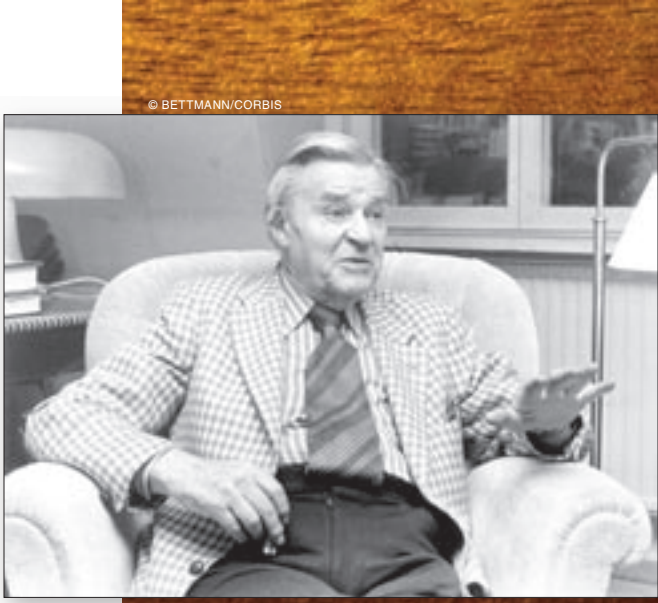
At the time, the inclusion of Ralph Bunche and other African-Americans as part of the project staff was a major step forward for society. "It recognized that they were capable of doing the research on their own issues as opposed to always having non-Black people do it," notes Engelhardt.

The Carnegie Corporation name had long been associated with helping African-Americans by the late 1930s. "Andrew Carnegie was passionate about Booker T. Washington and backed him fully," notes Rosenfield.

Such historical precedents are also cited by Engelhardt, who notes Corporation support of the Tuskegee and Hampton Institutes as a way of investing in the education of African-Americans. The Myrdal study "was a good example of where the people in the foundation said, 'We wanted to take a whole different approach to this issue...and then paid for it," Englehardt says. "Not just to assume this...would never be solved," she says, but envision "what could happen."

Keppel's deliberate selection of the Swedish Myrdal wound up as a major factor in the influence of the far-reaching study. Keppel "went out and found Myrdal" to bring a fresh approach to the controversial issue, Engelhardt says. The selection was "intentional: a foreigner who hadn't grown up in the United States, so he would not have a standard perspective on American race relations."

In choosing Myrdal, Keppel also sought to "apply a discipline that was a relatively new one." Not only was Myrdal a trained economist, he was also a sociologist. "It was daring, a very different kind of approach," Engelhardt relates, "because race was a huge problem that needed to be dealt with."



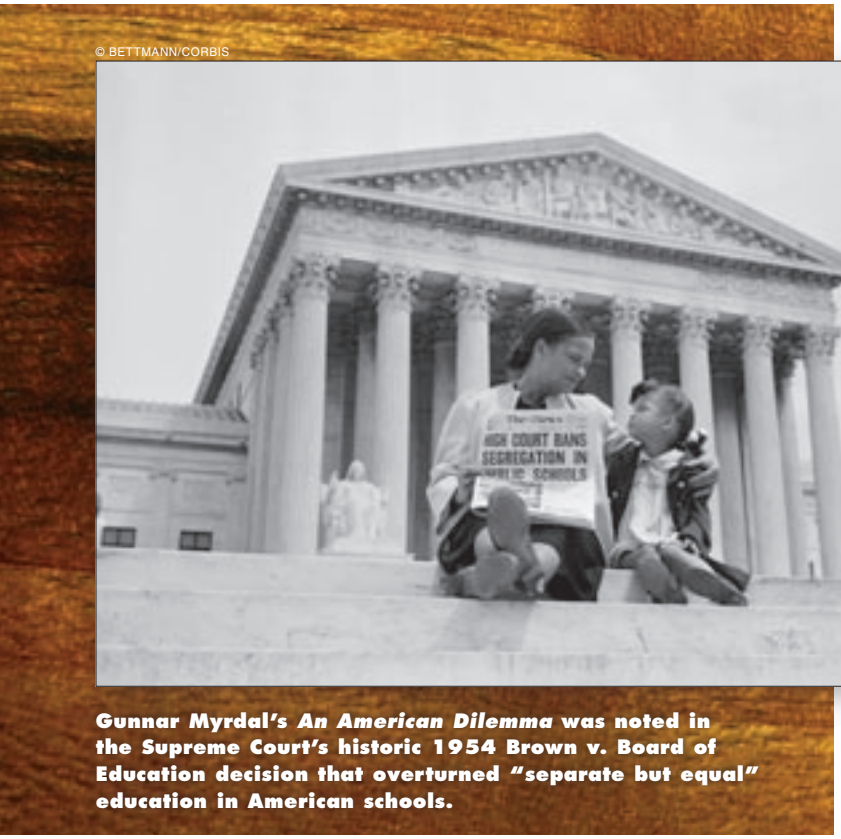
Gunnar Myrdal, author of *An American Dilemma*.

As author of *An American Dilemma*, Myrdal has often been compared to Alexis de Tocqueville, author of *Democracy in America*, and another foreigner who had great impact studying America a century earlier. Explaining why he sought a foreign view of an American racial problem, Keppel declared it seemed "essential that such a study be made under the direction of a person who would be free from the presuppositions which we all share to a greater or lesser degree on this subject."

Myrdal brought a new way of thinking to the discussion on racial barriers, Walter Jackson writes in his book, *Gunnar Myrdal and America's Conscience* (University of North Carolina Press, 1994). "Myrdal turned the conventional wisdom of white Americans on its head by arguing that the 'Negro problem' was really a 'white man's problem,'" Jackson notes, "a massive social problem of national dimensions caused by white racial discrimination."

When it was published in 1944, *An American Dilemma* served to

crystallize the emerging awareness that racial discrimination and legal segregation could not endure in the U.S. Its moral call for Americans to live up to the democratic ideals of the "American Creed" became a powerful justification that united the major groups responsible for the civil rights movement. It has been called one of the most important works of social science of the twentieth century. Never before had so comprehensive and wide ranging study of the state of black Americans and interracial relations been done.



Gunnar Myrdal's *An American Dilemma* was noted in the Supreme Court's historic 1954 Brown v. Board of Education decision that overturned "separate but equal" education in American schools.

On another level, *An American Dilemma* is also an example of the power of academic freedom, since Myrdal was given a free hand in conducting the study as he saw fit. "[Carnegie Corporation] did not commission that study expecting to be in the forefront of civil rights," comments Lagemann. In fact, the work was originally envisioned by Corporation leaders as being aimed at helping to guide the Corporation's grantmaking beyond its historic involvement in Black education in the south.* However, after carrying out preliminary research, Myrdal informed Corporation President Frederick Keppel that he would need to redefine the scope of the study since "The American Negro as a social problem is included in, and includes all other American social, economic and political problems." In what may be seen now as following in the tradition of Andrew Carnegie, Keppel felt he had invested in a "great man" and was willing to give him the latitude he thought he deserved, notes Walter Jackson.

Keppel's faith in Myrdal paid off. The impact of Myrdal's work was even found in the majority opinion in *Brown v. Board of Education*, which overturned "separate but equal" legal segregation in American schools. Chief Justice Earl Warren cited "Myrdal generally" in defining social science studies that had an effect on the landmark ruling.

There were other results, as well, including the fact that *An American Dilemma*, which came out just as the NAACP was stepping up its efforts to wage the civil rights battle through the courts, was used repeatedly in civil rights cases even prior to Brown. Myrdal's ideas also dovetailed with those of Martin Luther King, Jr. In his book *Stride Toward Freedom*, King lauded Myrdal for framing the problem of race as a moral issue. King invoked the book's title and central theme in the 1957 charter of the Southern Christian Leadership Conference.

"Myrdal's book played a major role in articulating and shaping a new racial liberalism for postwar America," Jackson stated. "A whole generation of scholars came out of it," adds Engelhardt.

The study was so powerful that it lives on today. Further, the reaction to—and various interpretations of Myrdal's work—was in line with Keppel's style of putting research out in society for people to draw their own conclusions. "In general, Keppel believed foundations should make the facts available to the public and let them speak for themselves, not directly or indirectly undertake to instruct the public as to what to do about them," Gregorian noted.

Keppel left a distinguishing mark on the philanthropic field, another example of Carnegie Corporation's influence on institutions. As Gregorian observes, "His cogent writings about philanthropy left a lasting impression on the foundation field and influenced the organization and leadership of many new foundations."

*More about An American Dilemma and the Corporation's involvement in the study can be found in The Lasting Legacy of An American Dilemma (Carnegie Results, Fall 2004).

Area Studies: Overcoming Ignorance on Russia and International Issues

Even after World War II painfully pointed out the need to understand the political winds blowing across the globe, America still had not moved to fill that potentially dangerous gap. "The Second World War forcefully brought home how little the United States knew about important areas of the world," former Corporation President John Gardner wrote. "Yet our position at the end of the war made a continuation of our relative ignorance unthinkable."

One solution to this problem that received substantial Corporation support was the advent of Area Studies, an effort to focus on improving American knowledge of peoples, societies and conflicts in various parts of the globe. "It was the beginning of our seeing ourselves in a world context rather than splendid isolationism," Engelhardt notes. The Corporation's aim "was to help create a generation of people who were going to be able to navigate world politics."

In the emerging Cold War era, when lives hung in the balance of relations between Washington and Moscow, there was a large and potentially deadly void in understanding what was going on outside and inside the walls of the Kremlin.

Though the USSR was "our greatest source of concern on the international scene, a careful survey revealed that there was no research center in the country that was carrying on extensive long-term research on the Soviet Union," Gardner recalled. "As a nation, we knew very little about the USSR, and we were not trying very hard to find out more. Discussion with policymakers in Washington made it clear that research in-depth on the Soviet Union would be heartily welcomed, and could not possibly be undertaken in the normal course of activities."

The creation of the Russian Research Center at Harvard University in 1948 was designed to address these issues. U.S. government research on Russia was "concerned primarily with the answering of specific and immediate questions relevant to the day-to-day work of various agencies. This is true of the units in Commerce, Agriculture, Central Intelligence, and much of the work in the State Department," the proposal for the Harvard Research Center noted.

Government researchers conceded "the necessity of answering day-to-day questions does not permit intensive and thorough research of the sort demanded by some of the basic problems of understanding Russian behavior." To address that lack of understanding, Carnegie Corporation invested $850,000 in helping to establish the Russian Research Center and, spurred by its contributions to American understanding of the Soviet Union, area studies programs grew rapidly. By 1961, there were Corporation-funded area research centers across the U.S. designed to study Russia and Eastern Europe, the Near East, South Asia, East Asia, Africa and Latin America. Part of the effort was "teaching languages," Engelhardt notes. These included Chinese and Japanese, which might have been considered an exotic diversion, rather than an important skill, before World War II.

The Science of Learning: Social and Physical Sciences

Early in the 20th century, Carnegie Corporation grants allowed institutions to carry on research in critical fields. "Following [Andrew] Carnegie's death, the Corporation began to align its programs with the more scientific assumptions that were coming to dominate social initiatives in the early part of this century," Vartan Gregorian explained. "Convinced of the nation's need to increase scientific expertise and 'scientific management,' the Corporation sought to build centers of excellence in the natural and social sciences.

Large grants were made to the National Academy of Sciences/National Research Council, the Carnegie Institution of Washington (now known as the Carnegie Institution for Science), the National Bureau of Economic Research, the Food Research Institute at Stanford University, and the Brookings Institution," Gregorian noted.

The life-saving discovery of insulin is an example of a medical development that came straight out of Corporation-funded research.

Two doctors in a Corporation-funded laboratory at the University of Toronto made the breakthrough discovery. Drs. Frederick Banting and J.J.R. Macleod won the 1923 Nobel Prize in medicine for discovering insulin, saving countless lives of those with diabetes.

Medical and dental education received much-needed Corporation attention in the first decades of the foundation's existence. "We did a huge amount" in that arena around the 1920s and 1930s, Rosenfield says. Such grants "were needed to build the research capacity, to build the training capacity, to build the institutional capacity" that hadn't yet developed to support modern medicine and dentistry, she notes.

Prestigious medical institutions were formed with Corporation money, including Columbia-Presbyterian Medical Center in New York and an outpatient clinic affiliated with Johns Hopkins in Baltimore.

In the social sciences, the American Law Institute was developed and founded with Carnegie support in 1923. Backers included Supreme Court justices and law school deans. "Every citizen of the country must hope that, out of the labors of the American Law Institute," a Corporation annual report

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A Carnegie Corporation grant of $1 million helped to found the Brookings Institution in 1927. Pictured: Russian president Dmitry Medvedev (left) and Strobe Talbott, president of Brookings (right) in April 2010.

noted optimistically, "comes a result that shall make legal procedure available to every citizen upon prompt and reasonable terms."

In the social sciences, one institution created with Corporation grants has been in existence for almost 90 years and still has award-winning impact. The National Bureau of Economic Research (NBER) has long been a powerhouse in the field. NBER "is the premier economic research institute in the country," Rosenfield declares. "There wasn't even a Nobel Prize in Economics" when NBER was founded in 1920. Since then, NBER has won 16 Nobel prizes, she points out.

A look at the NBER Web site reveals an austere presentation in today's graphics- intensive world. Indeed, an article might consist largely of columns of numbers. "It's not easy to read their articles. It's very deep research work," Rosenfield says.

NBER doesn't seek to popularize economics to the public. "They're going to be communicating with the economic policymakers," she adds. "Their strength is in absolutely rock-solid, brilliant economic research."

In fact, NBER is so influential that it is known as the economic authority that determines whether the United States is in a recession. Recently, it made headlines across the globe in officially confirming the economic downturn.

Powerful Think Tanks Grow with Corporation Support

The names of the Brookings Institution and National Academy of Sciences are synonymous with distinguished research emanating from our nation's capital and achieving national—even international impact. They were both founded in the early 20th century with seed money from Carnegie Corporation.

Because of its early funding, the Corporation is "the granddaddy" of foundation support for think tanks. Carnegie Corporation "was early in their support of think tanks," says Lagemann. "It wasn't Carnegie alone, by any means, but without private philanthropy, think tanks wouldn't exist."

The prestigious National Academy of Sciences in Washington and its allied National Research Council were bolstered in the 1919–1920 timeframe with large Corporation grants. The money was given to the National Academy and National Research Council through funds supplied to the Carnegie Institution of Washington, which had been founded by Andrew Carnegie in 1902. Demonstrating the link between these "sister" Carnegie institutions, Carnegie Institution of Washington President Robert S. Woodward was one of the first trustees of Carnegie Corporation, Lagemann notes in her book.

The amount funneled to the National Academy and the National Research Council from the Corporation was a whopping $5 million. "That was gargantuan," Rosenfield says. "We were very keen on science in the 1920s and 1930s."

Also providing critical support was the Rockefeller Foundation. One National Academy member and critic bitterly called the National Research Council, "the Rockefeller-Carnegie Research Council," Lagemann notes in her book. "First Carnegie [Corporation] grants and then Rockefeller grants had played a decisive role in shaping national science policy and in determining the ways in which it would be formulated in the future."

The Corporation money was for headquarters and an endowment. But "in a broader sense, it represented Corporation support for a more elevated place for science and scientists in national policymaking," Lagemann wrote." It was the first of several large grants made by the Corporation during the early 1920s to help establish research institutes and research-coordinating councils that would be accessible to the federal government but not controlled by it."

The Corporation's moves "to capitalize private organizations that could fulfill public policy functions" had an important aim in the era of limited government. "The hope was to increase the nation's capacity for *governance* without enlarging the *government*," Lagemann emphasizes.

The Brookings Institution is considered the earliest major think tank and still thrives today as a powerful Washington institution. Carnegie Corporation funding helped Brookings come into existence in 1927 and provided economic strength. "We have Carnegie [Corporation] to thank for getting off the ground," declares Brookings President Strobe Talbott.

The Corporation gave an initial gift of $1.65 million over 10 years starting in 1922, helping to finance research organizations that were later merged to created Brookings, according to Brookings Managing Director Bill Antholis. Smaller gifts followed from 1933 to 1941, when America grappled with economic devastation. Eventually, the Brookings Institution grew from its Corporation-assisted launch in the 1920s to a household name. Brookings' success is the kind Corporation officials like to cite "in building an institution that doesn't need need us" to survive, comments Rosenfield.

Those critical investments, stemming from a time when Carnegie Corporation wielded great financial power and influence in a much simpler world, live on in today's complex society. One thing that remained steady during the fluctuations of the first 50 years of Carnegie Corporation's work, Engelhardt says, was "a consistency of thought, of trying to move into areas that were not heavily tilled already—to be able to take on new problems."

Creating Institutional Legacies

The institutions created by Carnegie Corporation are its founder's lasting contribution to America and the world, not to mention the more than twenty institutions in the U.S., Great Britain and elsewhere—with missions ranging from providing higher education to promoting international peace to advancing teaching and supporting the sciences—that Andrew Carnegie established prior to endowing the Corporation with the bulk of his fortune. Carnegie "was a man who didn't have a lot of family. He only had one daughter," notes Engelhardt. "Yet I think his tradition and the institutions he founded were basically his family. They have lasted through the ages as his legacy."

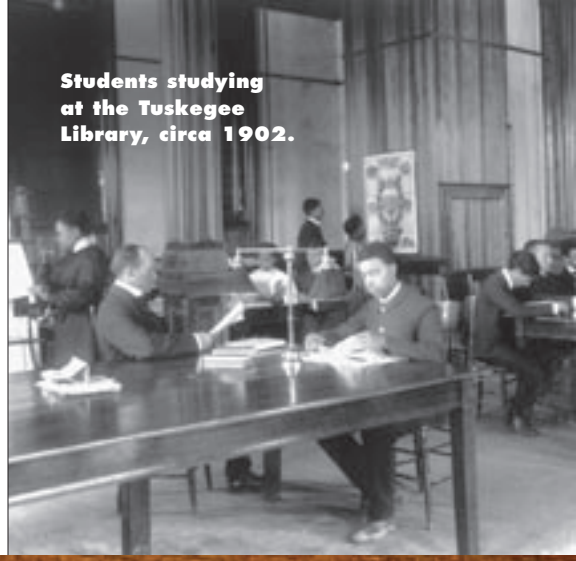
Some of these were not even the priorities of Andrew Carnegie, who specifically gave Carnegie Corporation's Board of Trustees the freedom to both expand on and branch out from his own concerns as the world inevitably changed. And their efforts, at times, perhaps turned out differently than he might have envisaged. "Ironically, in some of its early grants to research institutions, as in its grantmaking throughout the century," Lagemann wrote, "agencies it helped establish or support often ended up providing vital assistance to people and views of which the Corporation's Trustees had not and would not have approved." But that is the risk philanthropy takes when it invests in new ideas. As Vartan Gregorian has often noted, the Corporation is "an incubator, not an oxygen tank," and thus, its goal is not to engineer a specific outcome for all of its grantmaking but rather, to pursue strategies and support work it considers promising and that will ultimately fulfill the mission given to the foundation by Andrew Carnegie: "To do real and permanent good in this world."

In that regard, discussing the impact of Carnegie Corporation grants in the early years, Lagemann noted, "one might even argue that, by helping science through grants in support of research, Carnegie Corporation, and increasingly other foundations, helped decisively to shape American politics." Patricia Rosenfield sums up the effect of Corporation grants during the first half of the 20th century as "unpredictable, but with great results." She adds, "The influence of the Corporation on creating institutions has brought "consistent strong results" that have lasted well into the 21st century. In fact, as the Corporation readies itself to cross its centennial mark and journey on into its second century of work, "We continue to draw inspiration from our founder's legacy, from the richness of the Corporation's history, and the continuing impact of our work, all of which are rooted in acknowledging the strength to be drawn from continuity and the vitality that comes from understanding the positive power of change," Gregorian declares, setting out his vision for the future of Carnegie Corporation of New York.

"Andrew Carnegie saw the world as One. He saw America as One. So do we," Gregorian further observes. "Our work, now and into the future, carries forward Carnegie's mandate to promote the continuing advancement and diffusion of knowledge and understanding, a vision that still inspires us all." ■

by Eleanor Lerman
Director, Public Affairs and Publications,
Carnegie Corporation of New York

Tuskegee Institute



Students studying at the Tuskegee Library, circa 1902.

Andrew Carnegie and Carnegie Corporation Help to "Open Doors"

Andrew Carnegie (center) sitting with Booker T. Washington and his wife Margaret (seated to the right of Mr. Carnegie) at the 25th anniversary celebration of the founding of Tuskegee Institute, held in 1906.

Tuskegee Institute, now Tuskegee University, was founded on July 4, 1881, in a building borrowed from a church. Not long after the founding, the campus was moved to "a 100-acre abandoned plantation," which is its current site. But more than a bricks-and-mortar structure, Tuskegee was built on the dream of Lewis Adams, a former slave, who became a community leader in Macon County, Alabama. In return for a promise of assistance in creating a school for freed slaves in the area, Adams lent his support to W.F. Foster, a white candidate for the Alabama Senate who was eventually elected. Foster kept his promise, helping to pass legislation that appropriated $2,000 for the establishment of a "Negro Normal School in Tuskegee." Booker T. Washington, the famed educator, author, orator and political leader, was the first teacher and principal of the school, where he served until his death in 1915. Since that time, Tuskegee has risen to national prominence as an historically black institution that provides both an exemplary liberal arts education as well as a curriculum that emphasizes "the relationship between education and work force preparation in the sciences, professions and technical areas." It is also celebrated for initiating the Tuskegee Airmen flight training program, the all-Black squadrons who were highly decorated World War II combat veterans.

Early in its history, Tuskegee also had a prominent philanthropist who was interested in its progress. As Andrew Carnegie biographer Joseph Frazier Wall explains, Carnegie, a self-made immigrant from Scotland, was interested "in opening doors for another group of descendants of immigrants—those who had not come to America voluntarily, and who had found here only slavery, degradation, and the cruelest forms of man's inhumanity to man." Consequently, Andrew Carnegie became a patron of Tuskegee and an unabashed admirer of Booker T. Washington.

In a letter dated April 17, 1903, Carnegie writes about a gift he is making to Tuskegee's endowment fund, noting that he is giving the school "six hundred thousand dollars, 5% U.S. Steel Co. 1st Mortgage Bonds." He then goes on to say, "I give this without reservation except that I require that suitable provision be made from the gift for the wants of Boker [sic] Washington and his family...I wish that great and good man to be entirely free from pecuniary cares that he may be free to devote himself to his great mission. To me he seems one of the greatest of living men because his work is unique...History is to tell of two Washingtons—one white, the other black, both Fathers of their people."

After creating Carnegie Corporation of New York, Andrew Carnegie, the foundation's first president, continued to support Tuskegee through Corporation grantmaking. Altogether, the school received around $1.3 million from Andrew Carnegie and his Corporation from 1900, when Andrew Carnegie, the great patron of libraries, made his first gift of $20,000 to an endowment for a library building for the school, all the way through to 1963, when the Corporation made a grant to strengthen Tuskegee's academic program through a $1.5 million allocation to the United Negro College Fund.

Today, Tuskegee University enrolls more than 3,000 students and employs approximately 900 faculty and support personnel. Its physical facilities include more than 5,000 acres of forestry and a campus on which sit more than 100 major buildings and structures. Among these is a vibrant library system whose fundamental purpose is to "acquire, organize, and disseminate information, which prepares the student to function responsibly as an individual within society."

Andrew Carnegie was deeply committed to helping sustain the work of the Tuskegee Institute. Today, he would certainly be proud of the role he played in assisting this great and historic university as it continues to carry out its educational mission in the 21st century. ■

by Abigail Deutsch

Investing in America's Cultural Education

The Carnegie Art and Music Sets

In June 1936, Carnegie Corporation consultant Harold Flammer strolled through Lockwood Memorial Library in Buffalo, New York, took in a scene, and penned this note:

> Found 6 students—5 boys, 1 girl—listening to records ....Girl followed Stravinsky score—making remarks as follows: "I'm never sure of myself" (as she turned pages).... "Heard this once before—heard Toscanini do it—gee it was the nuts—not any better than this though."...I asked her if she took music at the University. She said: "No, I take biology. I want to earn my living—that's why I don't want to study music."

By 1936, Carnegie Corporation had made quite a study of the study of the arts. Since 1926, the Corporation had been assembling sets of art and music materials—slides, records, phonographs, and more—and distributing them to hundreds of high schools and colleges throughout the United States and the British Commonwealth. The story of how these sets came into being has as prologue the Corporation's interest in culture at that time, the swelling American involvement in the arts, and the tastes and tendencies of Andrew Carnegie himself.

Even before Frederick Keppel became president of the Corporation in 1923, the foundation was supporting the arts through small grants, paying particular attention to arts education. The early twenties seemed a ripe moment to invest further. Museum attendance was on the rise, with 100,000 visitors patronizing the Metropolitan Museum and the Art Institute of Chicago at least once a year. And the 1923 annual report from the Corporation indicates that, more particularly,

> *...there is no more interesting or significant phenomenon in recent American education than the growing interest of the students themselves in Art....In the last conference of the deans of the men's colleges in New England, attention was called to the growing number of previously somnolent students who "wake up" in the classroom of some course in the Fine Arts.*

Corporation leaders understood the deprivations of these recently roused scholars. From previous initiatives, Carnegie Corporation knew the American collegiate landscape well, and knew also the depth of its requirements with regard to art. As the 1923 Corporation annual report states, "The number of competent teachers is altogether inadequate to meet present needs, to say nothing of the future, and very few colleges have the necessary teaching equipment, or know how to get it." At stake, that report proposes, was the future of American communities' engagement with the arts, for "whenever ten per cent of our students get some conception in college of the normal place of the arts in human life, we shall have an army of more than fifty thousand going out

Art sets assembled by Carnegie Corporation favored Italian Renaissance art. Pictured: Portrait of Giovanna Tornabuoni by Domenico Ghirlandaio.

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each year as a leaven to work in the community at large."

At the same time as it prepared to launch art sets, the Corporation was pursuing several other initiatives geared toward supporting the fine arts. Under the leadership of Keppel, it endowed music departments in 20 American institutions of higher learning, provided fellowships to leading art historians and music directors, supported several associations linked to the arts, and funded the educations of prospective art professors.

Keppel's fierce personal interest in art would help fuel those efforts for the next two decades. The son of a leading printmaker, Keppel had grown up accompanying his father on trips to Paris to purchase art. Later, the Corporation president developed the habit of presenting his coworkers with prints once they married. (Staff member Florence Anderson, who never married, received a print upon buying a cottage in the country.)

In a more general way, Keppel and his cohort seemed to have embraced a view of culture that Andrew Carnegie himself inherited from Matthew Arnold, as scholar Ellen Lagemann writes. Arnold believed culture was "a pursuit of our total perfection by means of getting to know, on all matters which most concern us, the best which has been thought and said in the world." For Arnold, "the men of culture" were "the true apostles of equality"—perhaps because of their "passion for diffusion," their drive to spread learning among the deserving masses (or, in the language of the 1923 annual report, to "leaven" the community). The result, according to Lagemann, would be an increase in "fortitude, resolve, courage, honesty, disinterest, public spirit, and 'good taste.'"

This attitude informs a comment in that report, which describes art as both pleasurable and functional: "In the present hurried every-day life of the American people, there can be no doubt that such a cultural knowledge of art, if widespread, will not only add to the satisfaction and to the happiness of its people, but will also contribute something to that durable satisfaction in life which brings steadfastness and self-control."

Facing new opportunities for investment after his arrival at the Corporation, and having thus identified the arts as a field that could use further sowing, Keppel held a series of conferences between 1923 and 1925 that prompted the formulation of a thesis

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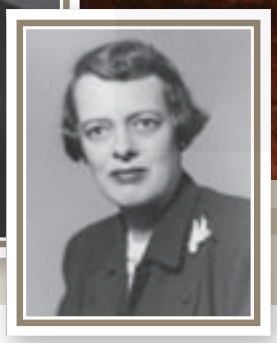
Abigail Deutsch is a writer based in New York. Her work appears in The Los Angeles Times*, the* San Francisco Chronicle*,* Bookforum*, the* Village Voice*, and other publications.*

Florence Anderson



Florence Anderson—"Andy" to many of her friends and colleagues—joined the staff of Carnegie Corporation in 1934, having graduated from Mount Holyoke College in 1931. For two decades, she served in various positions at the foundation until, in 1954, she was appointed Secretary, making her one of the few women of the time to hold an executive position in a major foundation. From 1943 to 1945, she also served in the U.S. Marine Corps Women's Reserve. At the Corporation, in addition to her administrative duties, she was responsible for the foundation's pioneering grants in continuing education for women and in nontraditional study. She retired from Carnegie Corporation in 1975, having earned a reputation among her colleagues as being "the conscience of the Corporation." Ms. Anderson died in 1985 at the age of 75.

regarding art education. In the words of Corporation secretary Robert Lester, "satisfactory collegiate work in the arts requires equipment comparable to that recognized as necessary in such fields as chemistry, physics, or history." At the time, however, colleges made do with hardly any equipment beyond "text books, cheap color prints and a few lantern slides."

The Corporation took on the task of compiling art sets partly because it sensed colleges would be overwhelmed by the work involved in selecting and retrieving such materials—and so a great deal of work, not all of it interesting, fell to the Corporation. It first sought people to organize the endeavor. That committee then needed to agree on what the sets should consist of, which flowed as easily as committee work usually does. It needed to find distributors of books and prints, and locations in need of sets, and a librarian to write up an index, and solutions to several other practical problems.

Ultimately, a rather impressive assembly gathered to choose set contents: Edith Abbott, William Clifford, Alice Felton, Frances Morris, and Henry Kent, all of the Metropolitan Museum of Art; Martin Birnbaum of the gallery and dealership Scott and Fowles; David Keppel (the president's brother) of the art firm Frederick Keppel and Company; Frank J. Mather, Jr. of Princeton's art history department; Paul J. Sachs of Harvard's Fogg Museum; John Shapley of the College Art Association; and Frank Weitenkampf of the prints department at The New York Public Library. By 1925, they had drawn up plans "for a set of equipment designed to serve as a basis for teaching an appreciation of the arts, to be soundly grounded on history but not to be a history of art." The set was to include 200 books in assorted languages; 1,800 mounted photos of architecture, sculpture, painting; samples of original prints and textiles; and an annotated guide and catalogue to be considered an "admirable example of the graphic arts." As surviving letters reveal, subcommittees took up various parts of set planning.

The Corporation went to some length to ensure a high-quality, representative set. In search of the best possible reproductions, Rudolf Lesch—of the company charged with coordinating prints for the sets—visited "every principle art center" in Europe. It also enlisted the services of Florence Niblack, a kind of textile missionary whose extraordinary correspondence reveals adventures across the globe in search of fabrics. "I had to educate as I went," she wrote Keppel on June 19, 1926. She sold the Corporation treasures from her collection including, Lester writes, "Congo weave, Indian Kinkob, Cashmere weave, Chinese tapestry, embroidery and damask, Manila weave, Bolivian and Central American fabric, Eastern rugs, Greek embroideries, velvets, paisley shawls, modern printed silks and cotton prints." In her letter, Niblack adds that "since the awakening here in America in textile matters there is a growing demand for this kind of teaching material, unaccompanied by a corresponding ability of the school to buy....I have always

recognized that this work of dissemination belonged to a person or institution which had the money to prosecute it," and so she welcomed the interest of Carnegie Corporation.

While attempting diversity in Western and Asian art, the set nonetheless reveals strong bias. As scholar Amy Golahny points out, the selections favor the Italian Renaissance and contemporary representational art, to the near-exclusion of post-Impressionist and abstract art. That proclivity is in line with the conservative preferences some committee members articulated. After the Armory Show of 1913[1]—which introduced certain strands of European avant-garde art to America—Frank Mather compared his response to "one's feeling on first visiting a lunatic asylum"; the art was "a harbinger of universal anarchy." Yet the set's limitations didn't stem entirely from the tastes of the committee, which relied on whatever books, slides, photographs, and other materials became available any given year (and which considered its own selections "far from perfect," according to the 1926 annual report). Accordingly, the contents of the set shifted regularly.

Once the Corporation had some sense of what it would be distributing, it had to decide where. Its distribution philosophy sought to achieve a delicate balance— between schools that most needed materials, and schools with sufficient artistic background to use materials well. The Corporation considered what schools proposed to do with the sets and favored those with "interesting programs," as well as those that had not previously received substantial grants from the Corporation. It "tried to distribute the sets among colleges away from the large centers where there is easy access to cultural opportunities, placing them, however, in communities which were sufficiently 'awakened' to make good use of the material," according to a 1936 report.

The 1913 Armory Show.

In a pamphlet, Lester describes such balances in slightly different terms. The Corporation decided to give sets to high schools as well as to colleges, and to poorer schools as well as to richer, because sets for public schools "tend to acquaint many students who will never attend college with a field of knowledge and interest of which they might otherwise remain ignorant," whereas those for private schools affect "not only those who may become deeply interested in the arts in college, but those who are to be the patrons, supporters, and trustees of colleges, libraries, museums, institutes, and associations of tomorrow." Hence the sets went to privileged places such as Groton, Milton, and Exeter—as well as at public high schools throughout the country.

In practice, however, distribution may have felt more haphazard. In an oral history, Florence Anderson, longtime Corporation Secretary, declared that an organized dissemination rationale didn't exist, that occasionally "Mr. Keppel used [the sets] as a consolation prize. When somebody came in and wanted $50,000 for something, he ended up by giving him a music set." Keppel himself had a different view. In 1937, writing in response to comments made by Edward R. Embree, president of the Julius Rosenwald Fund, Keppel noted: "I will take issue with you as to the scattered nature of some of our small grants. Those for art and music, for instance, are carefully selected items in the process of reaching a clearly conceived objective."

But just what were the effects of these sets? The Corporation mailed out a questionnaire in 1936, by which point 134 colleges and 141 high schools across

[1] The International Exhibition of Modern Art, organized by the Association of American Painters and Sculptors and held in New York City's 69th Regiment Armory on Lexington Avenue from February 17 to March 15, 1913, is known as "The Armory Show" and became a watershed date in the history of American art as it served, for the public, as an introduction to what is now known as "modern art," as opposed to the more "realistic" art movement that had dominated previous eras. The show also served as a catalyst for many emerging American artists.

48 states and five countries had received sets. The responses varied widely. Lester begins his report, in a pamphlet from the late 1930s, with this caveat:

> *It is not to be assumed...that fully effective use of the sets is general. In fact, visitors often report that a given set, though allocated years ago, seems to be almost untouched. This may arise from excellent care, but probably comes from inaction and lack of enterprise on the part of those responsible for the material.*

Yet some sets saw a good deal of use. Professors incorporated them in courses on history, English, and foreign languages, as well as art appreciation. Some schools allowed the general public to borrow from their book set. The photographs and slides went out to women's clubs, to architects, to religious groups, to interior decorating firms; they appeared in exhibits for the campus or community; they enhanced dorm rooms or students' homes.

As the 1936 questionnaires revealed, schools reported more nebulous shifts, changes in attitude—a "widening appreciation which makes students aware at least, and maybe tolerant, of modern art...They are beginning to see beyond their provincial viewpoints and to understand wider ranges of artistic effort and expression." Members of the general community were similarly responsive when they had access to sets. One correspondent mentioned that "discussions of art subjects are frequently overheard in public places." Galleries reported increased attendance; clubs formed to facilitate the viewing of art. Additionally, "faculty attitude toward art often changes from tolerance and enjoyment to participation," and colleges began funding more professors, courses, and materials. Exactly how many schools and communities saw such developments is not clear.

©BETTMAN/CORBIS

On December 28, 1905, *The New York Times* featured an article about Andrew Carnegie's love of organ music. The newspaper reported that, "On mornings when Andrew Carnegie has been in this city, in the past year, he has had Wallace C. Gale, organist of the Broadway Tabernacle, come to his Fifth Avenue home at Ninety-second Street, at 7 o'clock in the morning and play on the great organ that is built in the lower hallway of the steel master's mansion. Mr. Carnegie is usually wakened by the music." Pictured: Andrew Carnegie's organ in the Carnegie mansion.

One of the most important effects of the art sets was the inspiration of another kind of set—a music set. In 1925, as the Corporation was laying groundwork for the art set, music educator Thomas Whitney Surette suggested in a letter a set "for small colleges to enable the teachers to carry on music appreciation more thoroughly and extensively." This idea might have pleased Carnegie, who donated thousands of pipe organs throughout America and the world.[2]

The Corporation called in consultants, who shared ideas both progressive (John Erskine of Harvard suggested including phonographs) and imaginative (Howard Hinners of Wellesley advocated a harpsichord). At an informal conference featuring representatives of the Corporation, along with the Presser, Juilliard, and Guggenheim foundations, on January 14, 1930, attendees decided that the set would include a phonograph, scores, books about music, and a collection of records.

Realizing this goal was another story. Disorganization and illness

[2] *In* The Gospel of Wealth and Other Timely Essays *(The New York Century Co, 1901), Andrew Carnegie wrote movingly of his belief that music—particularly the organ—enhanced the devotional experience of the churchgoer: "Every farmer's home, heart and mind in the district will be influenced by the beauty and grandeur of the church; and many a bright boy, gazing enraptured upon its richly colored windows and entranced by the celestial voice of the organ, will there receive his first message from and in spirit be carried away to the beautiful and enchanting realm which lies far from the material and prosaic conditions which surround him in this workaday world...." In service of that belief, he donated nearly 8,000 pipe organs to churches in the United States and abroad.*

slowed the project's helmsmen. By the time it came together, in 1933, the project had seen numerous revisions, but its purpose remained the same—and quite distinct from that of the art set.

The music set was intended not for classroom enhancement but for productive fun. In an essay entitled "Music and Libraries," Florence Anderson wrote, "We believe that music, like reading, should be a leisure-time activity—recreation of a constructive nature; that while it is the responsibility of the college to provide the equipment, its use should be left to the initiative of the student, with of course, a subtle guidance, the techniques of which are familiar to all librarians." The Corporation did not intend to dismiss pre-professional music programs, but rather to carve out a recreational space where nonprofessionals might learn more about the power of music.

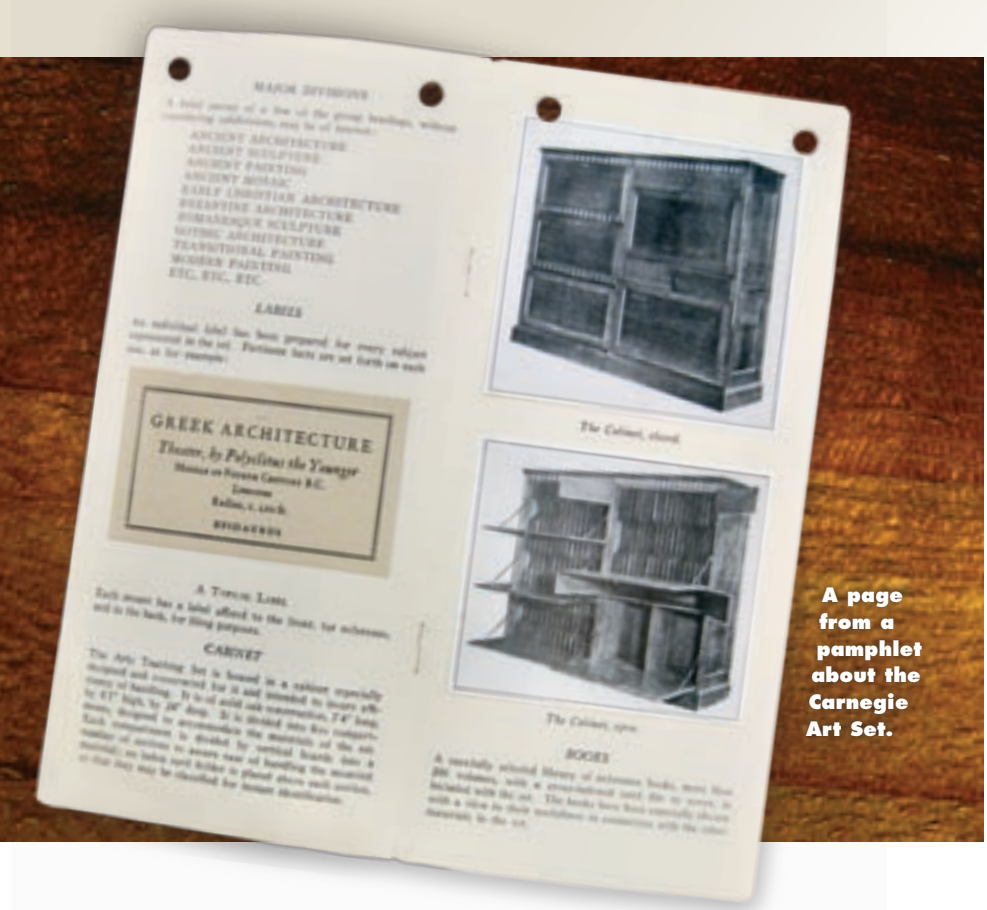
In May of 1933, a committee—James B. Munn of the College Art Association, Randall Thompson of Wellesley, Carleton Smith of the music department at the New York Public Library, Richard Aldrich of *The New York Times*, and Jeffrey Mark, a composer—officially approved the contents of the set: 129 books about music, 251 scores, 824 records, a phonograph, and a handsome cabinet to house it all.

In his 1972 essay "In Memory of the Carnegie Music Set," another participant in the set's planning—Philip Miller of the New York Public Library—describes the complications of crafting a set that evenly represented composers, styles, forms, and nations. Yet even as he critiques the set's limitations, Miller displays enthusiasm for the committee's selections:

> *It should be remembered that in the thirties Sibelius cut a bigger figure than he does today—we had a choice of several symphonies—but Mahler had not yet caught on and could be represented (not altogether shamefully) by the orchestral song Ich bin der Welt abhandengekommen (an actual performance recording by Thorborg with the Vienna Philharmonic under Bruno Walter).... Although we set out to include only "modern" recordings presenting "authentic" performances, this rule was often overridden by vocal style. There was the beautiful "Piangerò" from Handel's Giulio Cesare, sung with all the wrong instruments by Hélène Cals.*

The set also included music for band and jazz band, national songs (Japanese, French, American, and more), Negro spirituals, Eskimo and American Indian music.

A 1936 questionnaire sent by the Corporation to schools that had received art sets revealed "a widening appreciation which makes students aware at least, and maybe tolerant, of modern art."



A page from a pamphlet about the Carnegie Art Set.

The Corporation's preference that the set support recreation rather than education prompted a significant change in the contents of the set over time. Anderson writes, "When we found from experience that the scores and books were used almost entirely for class assignments, it was decided that the more general purpose we had in mind would be equally well served by the smaller set which contained only the phonograph and records"—a smaller set previously intended only for high schools that now seemed to suit high schools and colleges equally well. A history of music, a phonograph, and a record collection composed what came to be called the "standard set."

That phonograph stimulated a familiar conversation—the debate that seems to arise whenever a new technology appears. Some of the set's planners stood opposed to mechanically produced music. On June 15, 1932, Aldrich wrote Munn to express his general approval of the set, but added:

> *I am a little dismayed by the amount of disk-listening the student will be expected to do, and a first look makes it seem as if he would have to spend six or eight hours a day for several years of his life listening to [the phonograph] with no opportunity to hear what living artists do, and no opportunity to discover any difference between mechanical reproduction and the living touch. I don't suppose this is really so. I am perhaps old-fashioned in my strong preference for the man over the disk. In fact it is only very recently, on the irresistible pressure of my son, that I have come to have a mechanical instrument in the house. I suppose I shall turn into a "fan" soon enough.*

A memo of March 5, 1927, had noted that committee member Harold Hinners was likewise "not in favor of canned music, and will look into the question of whether it would be practicable to have instruments."

Surette, however—who had proposed the set originally—strongly supported the inclusion of records. He wrote Keppel on March 4, 1930, that "if that list of music does not comprise the phonograph records, it should comprise them...The phonograph recording has advanced so in the last few years that it is now possible to use them in education successfully and I would help all the small colleges to have sections of all the standard symphonies, overtures, selections from operas, etc."


ALFRED EISENSTAED/GETTY IMAGES

Surette proved right: in the end, the records and phonograph may have served as the most meaningful elements of the set. A memo from February 28, 1939, suggests "no more books," since colleges "really want" records. And the Corporation, fed up with the flawed phonograph it had been using, eventually commissioned a phonograph that came to be considered a marvel for its time. The interviewer conducting Florence Anderson's oral history decades later noted that music set users at MIT "responded to the sound quality as well as to the music. I have been told that it was recognized by them as being the best phonograph of its time." Anderson assented, "Yes, it was. We spent a lot of effort to get the best."

Unlike the art sets, whose precedents are murky, if they exist—Lagemann points tentatively to similar experiments undertaken by the Russell Sage Foundation and the American Federation of the Arts, which assembled color reproductions from the collection of the Metropolitan Museum—the music sets operated within a clear educational tradition. For all the Corporation planners' objections to "canned music," the Victor Company, a manufacturer of phonographs and records, had for several years produced an educational catalogue that assembled "the treasures of its repertoire for use in teaching of history and appreciation," as Miller writes in the aforementioned essay. A few years before the Carnegie

Corporation set appeared, an anthology by Parlophone had presented music history through Bach on 10 records. And while Carnegie Corporation was in the process of assembling and distributing its music sets, other, similar projects—the *Columbia History of Music* in England, and *L'Anthologie Sonore* in France—were underway.

In trying to determine which institutions should receive the music sets, the Corporation undertook similar research as it had for the art sets, issuing circulars asking for advice, focusing on administrators working in the United States and, later, abroad. The popularity of the set is evident from the hints correspondents dropped—more or less subtly—suggesting they themselves would appreciate a set. Take this response from the president of Hamilton College, written on September 7, 1933: After stating some general points of advice, he adds, "Frankly, I admit that it seems to me that institutions like Hamilton which have latterly-established departments which are already playing a large part in the civilizing effect of the college course may well be among the chosen for this purpose."

More than 300 high schools and colleges hailing from every continental state received sets, as did more than 65 institutions in the British Commonwealth. These included "Negro colleges," which became the subject of fascinating discussion. Already engaged with African-American causes, Carnegie Corporation staff wanted to alleviate need in Black schools, and their approaches reflected what may be seen as typical limitations of their era with regard to race relations. In May 3, 1930—before the Corporation had begun distributing music sets—Erskine wrote to Keppel:

> *At Fisk University the music department has been asking us for aid. Their ambition is, as usual, to develop the stereotyped music department. I am convinced, however, that no matter how good the results might be for the individual students, there is slight need to train members of that race for the concert platform. On the other hand, music is an extraordinary element in the social life of the negro. I suggested, therefore, to President Jones and to David Mannes, one of their trustees, that the Music School of Fisk ought to begin to send out field workers who would organize local contests among the choirs of the negro churches—the church being the center of negro social life. The plan is to send some competent people from county to county to suggest the proper music for these people to sing, to coach them if necessary, to gather judges for the contests, and to see that in the award of the prizes some sound instruction was incidentally imparted. The prizes would be a ribbon or something else of no monetary value.*

"In the present hurried every-day life of the American people, there can be no doubt that a cultural knowledge of art, if widespread, will not only add to the satisfaction and to the happiness of its people, but will also contribute something to that durable satisfaction in life which brings steadfastness and self-control."

—1923 Carnegie Corporation Annual Report

Significantly later, in 1936—in the context of a larger conversation about the "problem of Negro education" alluded to in a memo—the Corporation decided to appropriate $125,000 for music sets in Black colleges including Atlanta-Spelman, Bennett College for Women, Dillard University, Hampton Institute, Howard University, Morgan College, Talladega College, and Tuskegee Institute. "The Committee will continue its inquiries" into helping Black institutions develop music programs, the memo reports, and meanwhile believed "a modest appropriation, which will give particular pleasure to a music loving people, may be made for the distribution of music study material to a selected list of negro colleges."

Whether Black or White, universities tended to respond to the sets with

enthusiasm (if they received sets) and envy (if they did not). Schools in greater or lesser need seemed to consider the sets equally marvelous: the University of North Carolina, which one administrator advised his Corporation correspondent could very much use a set, would come to consider the gift the foundation of its music library. Princeton, whose need was less dire, found the set "an invaluable aid to the work of the undergraduate courses in music, making it possible for properly trained students to work in certain fields for which the University collection had provided very few, if any, documents." Both considered the gifts to be cornerstones of collections that continued to develop: according to a 1937 Princeton library report, "This gift is a substantial help toward the goal of so complete a library of scores and records that no student shall find us lacking any of the available load for study."

Those schools bypassed by Carnegie Corporation sometimes expressed resentment. Following the preferences of Andrew Carnegie himself, the Corporation skipped parochial schools in favor of nonsectarian institutions, prompting this note in a 1937 issue of *The Caecilia, Magazine of Catholic Church and School Music:*

> *Each of 20 American colleges has recently received the "College Music Set" from the Carnegie Corporation. Each set contains 824 phonograph records, in 136 albums; 251 scores in miniature, and in sheet music size; 129 books on music, a phonograph, of the most modern sensitiveness; various accessories. A musician could spend his life, reading and listening to records, in these libraries. Those who avail themselves of these resources will certainly be well informed. Would that some other "Carnegie" would come along and make such gifts available for Catholic colleges.*

Given the reports provided by Harold Flammer—whose description of a Buffalo library begins this piece—and set adviser Eric Clarke, such envy is no surprise. In 1934, Clarke summarized reports from 16 colleges as follows:

> *[In] general, the set is serving an obviously useful purpose and is genuinely valued. It is supplying what music students need, but is even more significant in leading others toward the classic literature. It is linking music with other departments. Best of all, it is helping to build a musical background to college life. The machine and records have succeeded beyond expectation; they are filling an immediate need.*

He offers no caveat like Lester's regarding the underuse of art sets—yet it's worth observing that his confidence applies only to 16 schools.

In a cursory yet delightful memo of the same year, Clarke noted the comments received from colleges. "Bucknell: 20% of the visitors have been inspired and spiritually elevated. 65% say they are glad to listen to great works. 15% admit that it was futile to bring them closer to music."

Some sets were so successful as to inconvenience their host schools. Agnes Scott College faced additional expense after the set "revolutionized" its course in music theory, requiring the institution to hire an extra teacher and to cancel fees for theory and harmony courses, presumably to make them more accessible. At the University of Arizona, the set helped the student body "in general cultural development" and prompted a coordinated program in fine arts until "classes in all divisions now about twice convenient size." At Wheaton College, class size for music history and appreciation courses tripled.

In a cursory yet delightful 1934 memo, music set advisor Eric Clarke noted the comments received from schools about the sets: "Bucknell: 20% of the visitors have been inspired and spiritually elevated. 65% say they are glad to listen to great works. 15% admit that it was futile to bring them closer to music."

The cover of a pamphlet (right) describing the Carnegie Music Set. Carnegie Music Set (below) in a university student union.

CARNEGIE CORPORATION OF NEW YORK
ANNUAL REPORT 1941

By the mid-1940s, the Corporation had formally ceased distributing art and music sets. In her essay "Music and Libraries," Florence Anderson observed that the foundation was discontinuing sets not because it was dissatisfied with results, nor because it felt the efforts had reached a "saturation point." She wrote, "To the officers of the Corporation, the surprising thing is that we have continued for so long. The general policy of the Corporation has been to demonstrate the usefulness of an idea and then leave it for public, private, or institutional funds to keep going if it's really good"—a variation of Andrew Carnegie's idea that recipients of aid must aid themselves. In this case, they must curate their own cultural experiences, and those of their communities.

So were the sets "really good"? Several surviving documents suggest the Corporation thought so. In his 1937 pamphlet, Lester described the art sets as "one of the most useful enterprises in the experience of the Corporation... The decision of the Corporation some twelve years ago to provide sets of arts teaching equipment has probably exercised greater influence on the cultural study of the arts in this country than has any other single thing during the past quarter of a century." In her essay, Anderson uses similar language to describe the effects of the music sets, "one of the most successful and useful programs [the Corporation has] ever undertaken." She continues, "We believe the lives of large though uncounted numbers of individuals have been enriched."

That "uncounted" is important: vagueness necessarily impinges any evaluation of this project. No report can accurately measure how culture has enriched a life, nor how much. Elsewhere in the essay, Anderson's analysis reflects this uncertainty:

> *It is obvious to everyone that public taste and interest in music have advanced tremendously in the past decade. It is possible that the music sets scattered around among educational institutions throughout the country may have had some slight influence in bringing this about. It is equally possible that this rising tide of interest caused the demand for and widespread use of this kind of material in the schools and colleges. All we can finally say is that the Corporation has played a part in the general movement.*

Tracking the afterlife of the sets is likewise no easy matter. The music sets may have had a more detectable effect than the art sets since, as Anderson indicates, the former was intended for widespread listening, and was distinctly labeled as the Carnegie Set. The art set, on the other hand, often got mixed in with other department materials. "Unless you were taking the art course, you wouldn't know it was there; and if you were taking the art course, you might not know where it came from," she said. While contemporary reports from schools suggest Anderson may have been overlooking more general uses of the art set, there's no doubt that the music set was explicitly intended to reach as many casual listeners as possible, outside the context of a classroom, and thus probably affected more people. Accordingly, Miller mentions that many who grew up with the music set have told him that it "did win friends for music and influence people."

While the sets' effects are hard to define and while they seem to have vanished from America's cultural memory, not all have literally disappeared: art sets remain on display at schools such as Labette Community College in Kansas and Memorial University in Canada. For staffs and visitors at those schools, the sets continue to serve as objects of interest—and perhaps, as the Corporation's 1923 annual report suggests—to "leaven" artistic interest in ways that are still unfolding. ■

by Karen Theroux

Weathering the Financial Storms of a CENTURY

The ups and downs of the economy have impacted Carnegie Corporation's endowment from its inception—often in unexpected ways.

The day he created Carnegie Corporation, Andrew Carnegie made his wishes clear: the purpose of the foundation was to use his private wealth for the public good—*in perpetuity*. In other words, he wanted the *inflation-adjusted* spending on grants to be sustained forever. To fulfill that legacy in bad times as well as good, the Corporation must invest wisely in a diversified pool of primarily equity and equity-like strategies, because fixed-income investments do not generate high enough returns to cover spending and inflation.

In addition, the Corporation must spend wisely, meeting the minimum 5% payout required by Congress,[1] using a formula that will withstand market fluctuations and provide long-term stability in grantmaking. In spite of the many financial crises over the past 50 years, *(Figure 1)* the Corporation has met this goal, growing its assets in real terms net of spending while paying out almost $2.2 billion. *(Figure 2)*

[1] Prior to 1969, there was no spending requirement for foundations. That year Congress enacted a minimum spending rule of 6% for private foundations, which was reduced to 5% in 1976. The Corporation's average annual spending rate since 1969 has averaged 5.2%, and prior to then (from inception through 1968) it averaged 3.6%, resulting in an average throughout its history of 4.2%.

FIGURE 1

Capital Markets Storms in the Corporation's History

1929 – 1935: The Depression
Cumulative investment returns of 37% plus deflation of 20% enhanced purchasing power, thanks to investments in bonds

Fiscal 1974: Oil Embargo, Stagflation, and Nifty Fifty Crash
The Corporation's market value declined 40% from $338 to $200 million in one fiscal year

Fiscal 1988: The Crash of 1987
The Corporation's fiscal year return of 4.7% masks the crash

Fiscal 2000 – 2002: The Tech Bubble
The stock market declined almost 40%, but the Corporation's performance was essentially flat during this period

Fiscal 2008 – 2009
The Corporation's performance of -9.9% in Fiscal 2008 and -2.6% in Fiscal 2009 only partially reflect the equity market rollercoaster

FIGURE 2: Historical Returns, Spending and Market Value ($MM)

AS OF SEPTEMBER 30, 2009

	1 Year	10 Years	25 Years	50 Years
Annualized Return	-2.6%	8.4%	11.6%	9.5%
Spending %	5.3%	4.6%	5.1%	4.9%
Nominal Change in MV	-7.6%	3.4%	6.5%	4.6%
Annualized Inflation	-1.3%	2.6%	2.9%	4.1%
Real Growth	**-6.4%**	**0.9%**	**3.6%**	**0.5%**
Beginning MV	2,630.3	1,738.2	504.8	261.2
Ending MV	2,429.1	2,429.1	2,429.1	2,429.1
Total Spending	133.0	988.0	1,827.4	2,191.0

*Spending includes grants, admin expenses and excise tax but excludes UBIT and investment office expenses

EVEROD NELSON

D. Ellen Shuman, Carnegie Corporation Vice President and Chief Investment Officer.

MUSEUM OF AMERICAN FINANCE

A $100,000 United States Steel Corporation bond.

A thoughtful investment policy is frequently overwhelmed by fluctuations in the global capital markets, for better and for worse. For example, open Carnegie Corporation's 2007 Annual Report (page 79) and you'll find this headline: *Annual Fiscal Year 2007 Investment Performance Strongest in Corporation's History; Portfolio Exceeds $3.0 Billion, Also a Record*. Read on: "Guided by the tenet that the Corporation's assets constitute a perpetual pool of capital, the Corporation's investment program is designed to weather market swings and generate meaningful returns over the long-term... Over the past five years, the Corporation's assets grew from $1,610 million to $3,070 million, the highest valuation in its 96-year history. Fiscal 2007 was an exceptional period for the Corporation's investment portfolio, and may prove to be a watershed year."

A watershed it was, but not quite as anticipated...

"2008 was unprecedented," says D. Ellen Shuman, Carnegie Corporation Vice President and Chief Investment Officer. "No investor emerged unscathed. It was the most stressful experience of my 25-year career." Just one year after pushing its endowment to the highest heights, the Corporation's assets declined sharply due to the global capital markets crisis in the second half of 2008.[2] But Shuman doesn't question the viability of the endowment model—a diversified long-term investment strategy structured to maximize future risk-adjusted returns by assuming a variety of risks—the approach favored by many foundations and universities. Almost one hundred years of Corporation history have helped to put the worst financial crisis since the Great Depression in perspective.

The Peril of Rising Prices

"The Corporation has weathered many storms," Shuman says. "We've experienced a number of traumatic short-term events and survived pretty well." However, the most insidious threat to a pool of long-term assets is inflation. When inflation raises the price of goods and services over a period of time, every dollar buys less. Steady erosion in the purchasing power of money (a rising Consumer Price Index) represents a massive loss of value to investors and consumers alike. "Ultimately, inflation is our worst enemy," she says. "What you lose to inflation you can never recover."

Carnegie Corporation learned this lesson early on. Beginning in 1916—just five years after the Corporation's founding—the purchasing power of its assets was cut in half by 1920 due to a cumulative inflation rate of 98%! So, less than a decade after its inception, the Corporation had suffered the worst loss it was ever to experience, and not from poor investment returns, but from the ravages of inflation.

In contrast, low inflation over the past 20 years has had been enormously beneficial to the investing community and consumers in general according to Shuman, who points out how the 25 years from 1969 through 1990 experienced inflation of almost 6.3% per annum, compared to a rate of 2.6% between 1990 and 2010.

Surviving the Depression

To the uninitiated, any economic downturn, worst of all a depression,

[2] *Carnegie Corporation's fiscal year ends on September 30. The Corporation's performance for fiscal 2008 and 2009 of -9.9% and -2.6%, respectively, masks the sharp downturn in asset prices caused by the collapse of Lehman Brothers and other events in the fall of 2008, and the subsequent sharp recovery of asset prices beginning in March 2009.*

Presidential Viewpoints

1911

I hereby assign and transfer Twenty-Five Millions of Dollars in First Mortgage, Fifty-Year Bonds of the United States Steel Corporation, the principal of which is to be held and the interest income thereof applied for the purposes of the Corporation, as stated in its charter, viz, "to promote the advancement and diffusion of knowledge and understanding among the people of the United States...." My desire is that the work which I have been carrying on, or similar beneficial work, shall continue during this and future generations.

—Andrew Carnegie, *Founder*

1923

It is therefore evident that for the next thirty years the trustees of the Corporation will have an investment problem of considerable magnitude with which to deal. Important as this problem is, it constitutes only one phase of the responsibility with which the Corporation is charged. Of equal importance is the question of the systematic SCRUTINY of its securities through the most expert agency so as to preserve intact the great endowment for which the Corporation is responsible.

—Henry S. Pritchett, *Acting President 1921 – 1923*

1933

There has perhaps never been a time when it was harder to think clearly in terms of the long run, as contrasted with the calls of the moment, never a time when it was more necessary that the attempt should be made. ...Whether or not we are in the mood to agree with Shakespeare that the uses of adversity are sweet, we must recognize that adversity has its uses and that these recent years have their definite lessons to teach the foundations.

—Frederick Keppel, *President 1923 – 1941*

should spell disaster for a foundation's endowment. Yet the Corporation fared surprisingly well during the Great Depression because the endowment was invested exclusively in high quality corporate bonds.[3] During periods of deflation, the owners of bonds benefit and the issuers suffer because issuers must pay off the bonds with money that has actually appreciated in value. Conversely, inflation undermines the owner of a bond and benefits the issuer, because the issuer pays back the loan with cheaper money. Thus, while stocks tumbled, bond prices soared from 1929 through 1935, providing the Corporation with a 37% return, plus a 20% boost in purchasing power as a result of deflation.

Crises and Recoveries

Withstanding the depression, however, did not insulate the Corporation against instability decades later. Fiscal year 1974 brought the collapse of the "Nifty Fifty"—the 50 most popular large cap stocks traded on the New York Stock Exchange. The result was a devastating 40% drop in the Corporation's assets, from $338.5 million to $199.9 million. Added to that setback, stagflation—a combination of inflation, stagnant business growth and high unemployment—persisted throughout the 1970s.

Despite recovering most of the portfolio's nominal value by the early 1980s, a cumulative rate of inflation of over 130% between 1972 and 1982 seriously undermined the purchasing power of the Corporation's assets. The Corporation did not recover its real market value as of October 1, 1973 until 20 years later. Still, unpredictable events such as the stock market crashes in 1987 and 1998 proved to be "short-lived traumas" in Shuman's words. Even the bursting of the Internet tech bubble "was less problematic due to the strong value bias in the Corporation's portfolio."

The Corporation's investment policy is designed to maintain the endowment in real terms (after the grants are made and the bills are paid) and in perpetuity. Even with the economy's recent tumult, the Corporation has actually increased its purchasing power over the past 10, 25 and 50 year periods—one of only a handful of institutions to accomplish this feat. Over the decade ending with fiscal 2009, the real value of investible assets has increased at a yearly rate of .9%, even with spending of approximately $1 billion—a remarkable achievement in a decade in which the global equity market generated a loss.

At the same time, a reasonable level of spending through the decades has been critical to maintaining purchasing power net of spending. The average annual spending rate during the Corporation's history is 4.2%. Raising that rate by just 1% per annum, to 5.2% produces a startling result: the Corporation's endowment would be

[3] In fact, 80% of the bonds in the Corporation's portfolio relied on a credit of just one entity—you guessed it—U.S. Steel Corporation, a credit Andrew Carnegie knew extremely well.

1955

The establishment of institutions charged wholly with a creative concern for the fundamental problems of human life was a momentous innovation... An essential part of this thesis was the principle that the foundation should keep its funds free and uncommitted so that they might be used flexibly and imaginatively on the most critical problems of the day. ...The only workable long-term solution was to create an institutional device wholly for the purpose of dealing in free funds, which would have no other function than to maintain such "risk capital" and dispense it creatively.

—John Gardner,
President 1955 - 1967

1982

Approaching the end of 1982, more than 11 million workers are unemployed, and huge deficits are anticipated in the federal budget for the next few years. Generous tax cuts have failed to stimulate economic growth and have so increased the federal deficit that the country has been obliged to institute a large tax increase. ...I believe that some Americans will begin to understand the longer-term negative consequences for the nation's economy and for its security of a prolonged failure to invest adequately in human resource development.

—Alan Pifer,
President 1967 – 1982

1997

Foundations should have glass pockets. Freedom from political pressure is as necessary for the viability of private foundations as it is for institutions of higher education, but so is transparency. Only then does the significance of the term "a public trust" come clear.... We are accountable not only before the law and the court of public opinion, but before history as well.

—Vartan Gregorian,
President 1997 –

less than $1.0 billion, versus its current $2.4 billion, while total spending over our history would be a staggering $1.0 billion less than our actual, at $1.5 billion versus $2.5 billion! *(Figure 3)*

The Benefits of Diversification

The Corporation's investment decisions aim to enhance returns and protect capital through diversification and by its investment managers' exploitation of market inefficiencies. Asset classes include global equities, private equity (including buyouts and venture capital), absolute return strategies, real estate and resources, fixed income and cash. *(Figure 4)* Emerging markets, the Corporation's best performer over the past decade along with buyouts, has been a key factor in accomplishing this goal.

While the only prediction one can make about the future is its unpredictability, today the Corporation is well positioned with a global approach to investing, and exceptional managers in each asset class. The portfolio is positioned well for the long term, but the short term has, and always will be, uncertain. ■

FIGURE 3: If the Corporation Spent an Additional 1% Per Annum, Assets Would be below $1B, vs $2.2B.

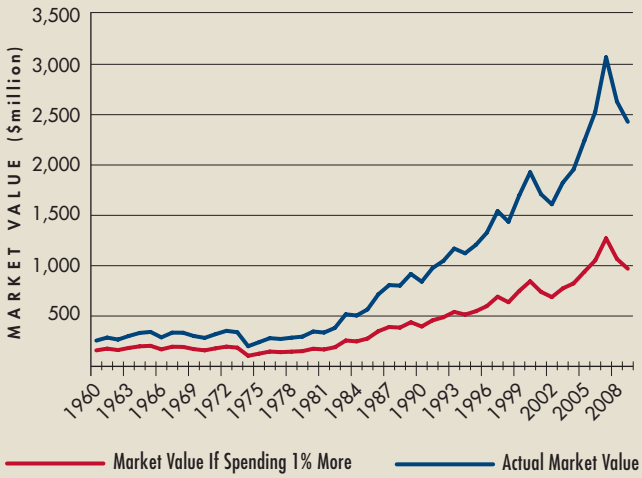
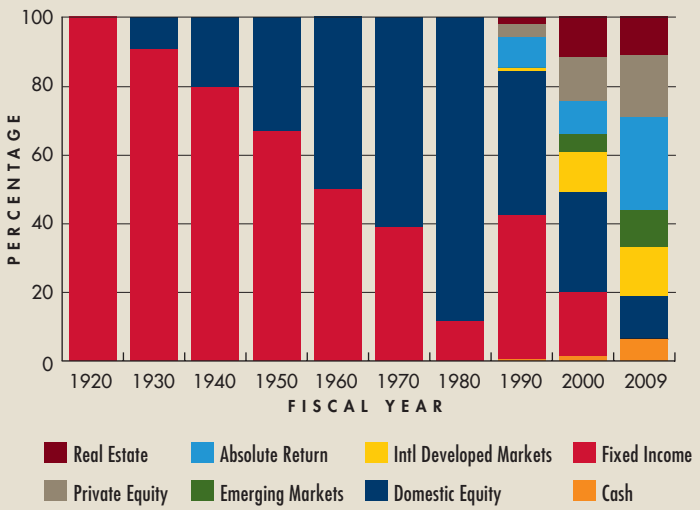


FIGURE 4: Asset Class Diversification by Decade



by Andrés Henríquez,
Carnegie Corporation Program Officer; Urban Education, National Program

"The ROOT" of Strategic Grantmaking

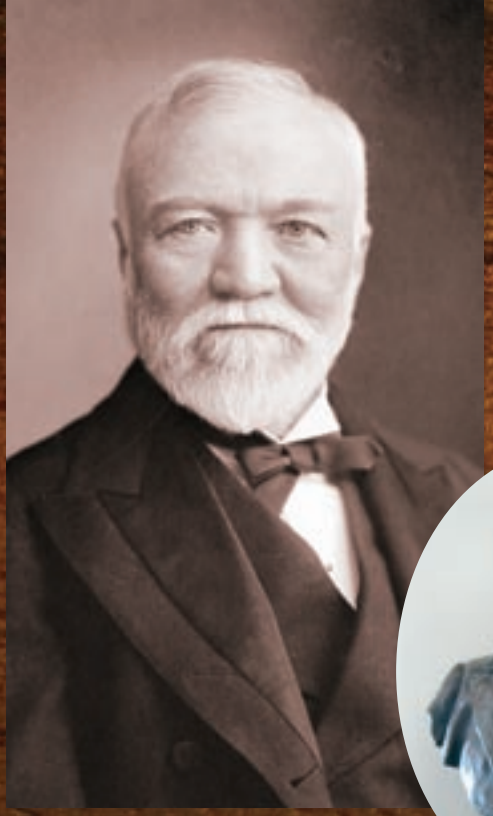
"The Carnegie Way" Connects the Past to the Present

Root Hall at Hamilton College.

As a Program Officer at Carnegie Corporation, I have worked for several years on the Advancing Literacy initiative, an effort to advance students' ability to "read to learn." This has been an interesting pursuit to follow in an institution whose creator, Andrew Carnegie, was committed to the idea of simplified spelling, which often involved dropping the vowels in words, an idea that I am thankful never caught on. Nevertheless, I felt I had a special bond with our founder for another reason involving my undergraduate years at Hamilton College in upstate New York.

The story begins with Elihu Root, a Hamilton trustee, whose family had many ties with the college. Anyone who attends Hamilton quickly learns that Root was a proverbial "big man on campus." There are signs of the Root family's legacy everywhere you go: there's a Root House, a Root Dorm and even a Root Glen.

When I arrived at Carnegie Corporation, the first time I entered the board room, the life-size bronze



Andrew Carnegie, President, Carnegie Corporation of New York 1911-1919 and the bust of him in Carnegie Corporation Board Room.

Elihu Root, President, Carnegie Corporation of New York 1919-1920 and the bust of him in Carnegie Corporation Board Room.

bust of Root atop a pedestal—flanking similar statuary representing Andrew Carnegie and Frederick Keppel, the Corporation's longest-serving president (1923–1941)—was hard to miss. Of course, I had to ask about the connection. I found out that he was the man who encouraged the establishment of the Corporation. He was a trusted advisor to Carnegie, maintained a long friendship with him, and eventually became the second president of the Corporation (1919–1920; Carnegie himself was the foundation's first president, serving from 1911 to 1919).

Flash forward nine years from my joining the Carnegie Corporation: to celebrate the 200th anniversary of Hamilton College and the centennial of the Corporation, which was founded in 1911, I have been doing some research in the Carnegie Corporation archives on the Carnegie/Root relationship. In the process, I came across a letter that made me laugh out loud. In 1902, the president of Hamilton College, M.W. Stryker, had asked Andrew Carnegie for a grant of $60,000 for a library and dormitory. Carnegie's reply proved that he was no pushover and that the "Carnegie way" of due diligence and hard-nosed, strategic grantmaking was well established from the beginning. Carnegie wrote to Stryker:

I think the sure way to injure Hamilton would be to give the sums you name in a lump. Hamilton would not be Hamilton if you spent that amount of money rapidly.

Please tell me [why] you want $60,000 for a library when you only have 180 students? Why do you wish an additional modern dormitory to cost $50,000? Sieber Hall, Cambridge, only cost $100,000. It seems to me Hamilton is not in urgent need of anything; but we shall stop correspondence for the present. S[o]me day you will be able to fix your mind upon some great need, and you will find me disposed to give you $100,000 to supply it, but not a cent until I am thoroughly satisfied that the addition which this would make will be utilized and are urgently needed.

That wasn't the end of the story. A year later, Carnegie gave Hamilton College $100,000 worth of U.S. Steel bonds for student scholarships and to build the "Carnegie Hall" dormitory. Carnegie was delighted to make the award because it gave him "...great pleasure in thinking of the happiness you [Root] will have in being able thus to aid the Alma Mater of the Root family. The tree is known by its fruits, and that must be a good tree."

Six years after that, Carnegie gave Hamilton College an additional $200,000 (and a matching $50,000 grant came from John D. Rockefeller, for a total of $250,000) through Root, who had recently been elected a senator from New York, to establish the Elihu Root Peace Fund to honor Root for his "unique services" as secretary of state in the cause of international peace. For his part, Root wrote to Carnegie and argued that the award bear the name "The Carnegie Peace Fund," but as Root put it: "I have observed from time to time, that among other laudable

Scotch characteristics you possess that of knowing your own mind." To this day, the Elihu Root Peace Fund is still an integral component of Hamilton College life.*

As both Carnegie Corporation and Hamilton College approach landmarks in their history—the Corporation is nearing its centennial and Hamilton its bicentennial—I'm proud to be a Hamilton alumnus and a Corporation staff member. These two extraordinary institutions have played an important role in my life and I celebrate them both with gratitude and appreciation. ■

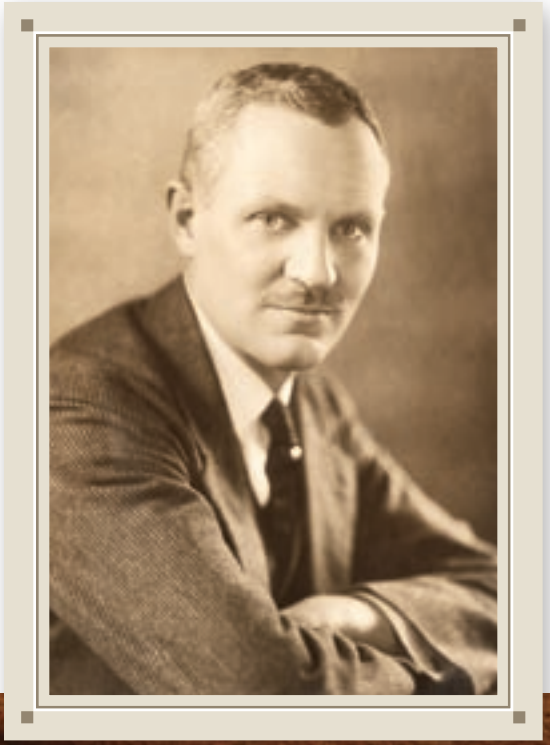
* *The New York Times,* April 10, 1909; http://bit.ly/9oqJUc

PHOTO COURTESY OF HAMILTON COLLEGE. NANCY FORD, PHOTOGRAPHER.

PHOTO COURTESY OF HAMILTON COLLEGE. KC UTHUS, PHOTOGRAPHER.

Historical marker (top) on the Hamilton College campus. Carnegie Dorm (middle) at Hamilton College. Elihu Root House (left), Hamilton College. Elihu Root purchased it in 1893 as a family summer residence. It now houses the Dean of Students, Registrar and Office of Residence Life.

COURTESY COLUMBIA UNIVERSITY ARCHIVES



Frederick Keppel, as Dean of Columbia College.

by PATRICIA ROSENFIELD

FREDERICK P. KEPPEL

A Grantmaking Vision Unfolds

Patricia Rosenfield.

Editor's Note: *Patricia Rosenfield, Program Director, Carnegie Scholars, National Program, is currently working on a history of Carnegie Corporation of New York's international programs. Here, she writes about one of the architects of the Corporation's international grantmaking, Frederick Keppel, who served as president of Carnegie Corporation from 1923 to 1941.*

Andrew Carnegie, a dedicated advocate of international peace, believed that creating and sustaining global peace and stability could best be achieved through education, knowledge, and mutual understanding between nations and peoples. In the first half of the 20th century, perhaps the greatest champion of this idea at Carnegie Corporation of New York was the foundation's fifth president, Frederick P. Keppel. (Andrew Carnegie himself was the first president of the foundation, serving from 1911 to his death in 1919.) Keppel was deeply committed to the international work of the Corporation, which had been mandated by Carnegie.[1] With Board of Trustee encouragement, Keppel built out from the Corporation's initial U.S. and Canadian grantmaking to encompass the rest of the Commonwealth world and connect even beyond those settings. For Carnegie Corporation, Frederick Keppel untangled the skein of complexities and confusions in developing the international grants programs.

Keppel came to philanthropy after serving as the youngest dean of Columbia College, becoming third secretary in the War Department during World War I, and following the war, representing the American Red Cross and the American International Chamber of Commerce in Paris. He had planned to come back to New York in 1921 to take a senior position at Columbia University under the aegis of Nicholas Murray Butler, then president of the university. However, because Keppel had firmly rebuked biased admissions policies at Columbia when he had served as dean of Columbia College,[2], he was deemed inappropriate, given the policies of the time. He took a job with the Russell Sage Foundation to direct their regional plan initiative for New York City and was asked to join the Carnegie Corporation Board in 1922. At the time,

[1] *In creating Carnegie Corporation of New York in 1911 and endowing it with the bulk of his fortune, Andrew Carnegie determined that a portion of these funds would be used to benefit members of the British overseas Commonwealth. Currently, this area of the foundation's grantmaking focuses on selected countries of sub-Saharan Africa.*
[2] *At Columbia University, from 1910 to 1918, Keppel served successively as assistant secretary, secretary, and dean of the College.*

Henry Pritchett was acting president, eager to step down and resume full-time work as president of the Carnegie Foundation for the Advancement of Teaching[3]. Frederick Keppel was clearly thought to be just the right person to lead Carnegie Corporation in the exuberant years of the 1920s. He was elected president in December 1922. However, because of his commitments to finish the work at Russell Sage, he assumed the presidency nearly a year later, in October 1923.

He was quite comfortable, much like Andrew Carnegie, in picking up on a new idea and making it into a program. For example, reviewing successes in other countries, he saw the need to bring order to the field of adult education in the U.S., to build connections across multitudes of activities, and establish a professional association to help the field grow. The American Association of Adult Education, established through Keppel's insight and efforts in 1926, continues to thrive today. It has a new name, the American Association of Adult and Continuing Education, but it is the same entity. Under the mantle of the Adult Education grants came museum work, training in foreign languages, educating adult Americans about the world, art and music collections, all based on the conviction, backed up by science, that adults could learn, too. That was not widely believed in the mid-1920s. Keppel was willing to take the risk and make educating adults a field. It was perhaps the first of the field-building activities of the Corporation.

Much as he learned from experiences in other countries and could figure out how to adapt them in the U.S., Keppel also paid attention to the work of other foundations and figured out how to draw on the findings to build Corporation programs The Phelps Stokes Fund, for instance, had supported studies of education in East, West, and South Africa in the early 1920s. The Corporation was familiar with the author of those studies, Thomas Jesse Jones, who was also leading the Phelps Stokes efforts in the American South.. Keppel saw the resonance of what Jones was proposing, knew how it linked with what the Corporation was doing in the South and also how it might underpin a new Corporation-supported approach to education in the African colonies, the Jeanes[4] teacher. For better or for worse, and it was both, the Corporation proceeded to continue to make grants in this area, following the advice of Jones. However, Keppel, a believer in balance, not only funded this effort, which focused on educating Africans in their home villages, but also responded to colonial initiatives to establish higher-level education university preparatory schools ("colleges") by supporting some activities at Fourah Bay College in Sierra Leone, Achimota College in Ghana, and Gordon Memorial College in Sudan. His balanced approach to grantmaking was evident in the grants he proposed for South Africa, such as the Poor White Study[5], which reported on the poverty in the Afrikaans community, counterbalanced by sustaining support for the South African Institute of Race Relations. The government was pleased by the former and dismayed by the latter. He also balanced the Poor White Study with support for Lord Hailey's study of Africa in the 1930s, which was the then- most extensive review of conditions in the African colonies and provided important information from planning purposes especially later related to the decolonization movements following World War II. He perfected the use of consultants as adjunct staff for the Corporation, a necessity in those days when he and only a couple of staff assistants along with a treasurer and corporate secretary constituted the professional staff

Frederick Keppel, when he was President of Carnegie Corporation of New York.

[3] The Carnegie Foundation for the Advancement of Teaching, founded in 1905, is located in Stanford California, but in its early years shared both offices and officers with the Corporation.

[4] The Jeanes Foundation, funded by philanthropist Anna T. Jeanes in 1907, trained and taught teachers in the American South. Among its projects, the Jeanes Foundation provided funds to employ African-American supervisors of teachers who were dedicated to upgrading vocational training programs for teachers of black students.

[5] For further information, see "Carnegie Corporation in South Africa: A Difficult Past Leads to a Commitment to Change," Carnegie Results*, Winter 2004.*

of the Corporation. In that regard, after reviewing the results of the Rockefeller Foundation-funded commission on opportunities in Australia and New Zealand, Keppel sent James Russell, the distinguished former dean of Teachers College, to survey the situation for several months in the summer of 1928. Russell's visits to Australia and New Zealand resulted in more than thirty years of funding directly in those countries, then Dominions in the British Empire.

Maintaining close adherence to the mission of the Corporation mandated by Andrew Carnegie—to promote the advancement and diffusion of knowledge and understanding—and respecting the charter countries where the Corporation could work, namely, those of the then British Empire, Keppel nonetheless was able to extend the Corporation's influence through judicious grants made to a few well-placed international organizations. The Institute of Pacific Relations, backed by the Rockefeller Foundation, was one example. Keppel would, on occasion, attend meetings convened by this organization and one, in Japan, made a vivid impression on him, greatly enriching his understanding of the vital importance of the Pacific and the

Much as he learned from experiences in other countries and figured out how to adapt them in the U.S., Keppel also paid attention to the work of other foundations, drawing on their findings to help build Corporation programs.

The Keppel family, about 1922.

Pacific Rim countries for the United States. Here, too, he balanced the Corporation's emphasis on work in the British Colonies and Dominions with new connections across the Pacific rather than only across the Atlantic.

Keppel didn't just rely on the work or words of other foundations, consultants and visitors. In 1927, he made the first visit to Africa on behalf of the Corporation accompanied by Corporation secretary and trustee, James Bertram. He visited Canada, he visited the Caribbean, and he made an extensive trip, with his wife, to Australia and New Zealand, as well as many trips to England to ensure the British that the Corporation did not intend to step on their toes but, in fact, sought their advice and wanted to work with them. Indeed, to reduce sensitivities on the part of the British colonial office, he instituted a series of meetings at Chatham House, The Royal Institute of International Affairs, a site where Corporation staff members have continued to attend meet-

ings and to consult on broad international issues. Keppel believed in connecting people around the world and instituted what would become a travel grants program that endured for 40 years and enabled teachers, librarians, museum curators, university and school administrators, artists, government officials, and scholars from the British Dominions and Colonies to travel to the United States and Canada and, if warranted, to the United Kingdom and Europe. A limited number of travel grants supported visits by American who would have something to contribute, particularly in Africa; for example, John Dewey had a travel grant in 1934 to meet with educators in Africa and to study education issues in different settings. Travel grant recipients didn't have to produce a book or an article; instead, they needed to make the case that a trip funded under the program would help their work at home. Both men and women were supported. The trips lasted anywhere from about six weeks up to six months. They refreshed and enlarged the horizons for both visitors and hosts.

But perhaps the most important and, in many ways, groundbreaking aspect of Keppel's vision of grantmaking was that he firmly believed it was not possible for an outside actor to make decisions about what was the most appropriate set of activities and individuals to support in another country. He sought agreement on the general priority themes of the Corporation—formal education, adult education, libraries, museums, art and music—but then he insisted that local committees or local institutions be established to serve as Corporation outposts. Rather than fund regional offices, Keppel saw the importance of bringing a variety of minds to bear through committees, where members could change from time to time, to review and assess and then recommend grants and individuals to the Corporation. In Australia and New Zealand, the local committees that reviewed grant possibilities as well as a travel grant applications were located in the Australian Council for Educational Research and the New Zealand Council for Education Research. Both established with Corporation support in the early 1930s, they are still thriving today. In South Africa, the local committee that reviewed all the grant possibilities

Perhaps the most groundbreaking aspect of Keppel's vision of grantmaking was his belief that it was not possible for outside actors to make decisions about the most appropriate activities to support in another country.

Frederick Keppel and two members of his office staff, 1941.

CORBIS

Dr. Alfred S. Lotka, President of the Population Association of America (left); Roland S. Morris, President of the American Philosophical Society (center), and Frederick Keppel (right) at a 1938 meeting of the Society. In 1941, Frederick Keppel retired from the presidency of Carnegie Corporation to become Vice-President of the Society.

was composed of British and Afrikaans educators. For the Colonies, a committee of experts in education as well as local leaders was established in London to review the plans of the Corporation. While Keppel would meet with a wide range of people when he traveled throughout African colonies, he rarely met with authentic representatives of the local populations. Although he recognized this limitation as serious—and it ran counter to his own beliefs—it is necessary to see this decision through the lens of the era in which Keppel was operating, which contributed to his feeling that he didn't want to rile the powers-that-be so the Corporation could make grants intended to help all segments of the population.

In addition to his other accomplishments, Keppel legacy at the Corporation includes instituting a series of practices and approaches that have persisted throughout the century-long history of the foundation. Among these are the role of surveys to produce solid evidence to plan grants programs; the use of consultants to help conduct those surveys along with site visits undertaken by staff members to enrich the information generated through the survey process; and, once the decision is made to work in another country, make an effort to establish a fairly representative local committee so that the decisions taken reflect local needs and interests within the given grants program area.

Keppel's habits of mind and the quality of thought led to his being asked by the University of Virginia to give the Page-Barbour lectures in 1930 where he set out his ideas about foundations. At that time, he'd only been president of Carnegie Corporation for seven years but he knew his stuff. He agreed to give the lectures for the following reasons, "First, frankly my own deep interest in the subject; sec-

ond, my faith in the essential importance of the foundation as a factor in American progress; third, in spite of this importance, the very general ignorance on the part of the public regarding foundations; fourth, the University and the State in which I am to speak, for in many ways the relationships of the foundation with the South has [sic] been particularly close." As indication that this was not to be a series of lectures praising Carnegie Corporation, he justified his comment on the South by saying, "It is my belief that the better economic conditions which are giving us a new South full of dynamic possibilities for the future are not in themselves the underlying cause for the change, but are a result of advances in education and the community health, both of which... are due in large measure to foundation activities, notably those of the General Education Board and the Rockefeller Foundation.... one of the largest 19th-century American foundation gifts, the Peabody Fund, was made by a Northerner for the benefit of the South, and one of the largest and most important of the 20th century gifts, the Duke Foundation, is also for the South, but given by a Southerner. The South is also the center of the present activities of the Rosenwald Fund... and of a number of small but influential organizations such as the Phelps Stokes, the Jeanes and the Slater funds."[6]

Keppel's lectures were published in 1930 in a book called, *The Foundation*, (reprinted nearly six decades later with an introduction by Ellen Lagemann in 1989). In these lectures, Keppel describes the history, policies, organization and procedures, and activities of foundations. Any foundation trustee, president or staff member today would find his descriptions familiar. Here is a sample of some of his writing in this field building book: "Foundation policies...How far are we justified in speaking of foundation policies at all? Answering for myself, it depends a good deal on one's state of mind at the moment... no foundation of which I have knowledge is particularly noted for consistency, but as one studies their works, certain general tendencies do seem to be discernible. Perhaps the most fundamental is the acceptance of responsibility for initiative on the part of trustees. The board that deals only with applications received are becoming fewer and fewer.... this initiative is usually expressed in what may be called 'backing an idea.' The idea sometimes grows out of the constructive policies of the foundation itself; sometimes it comes as a suggestion from the outside; most often I should say it is the outgrowth of informal discussion between those inside and those outside the foundation organization..."

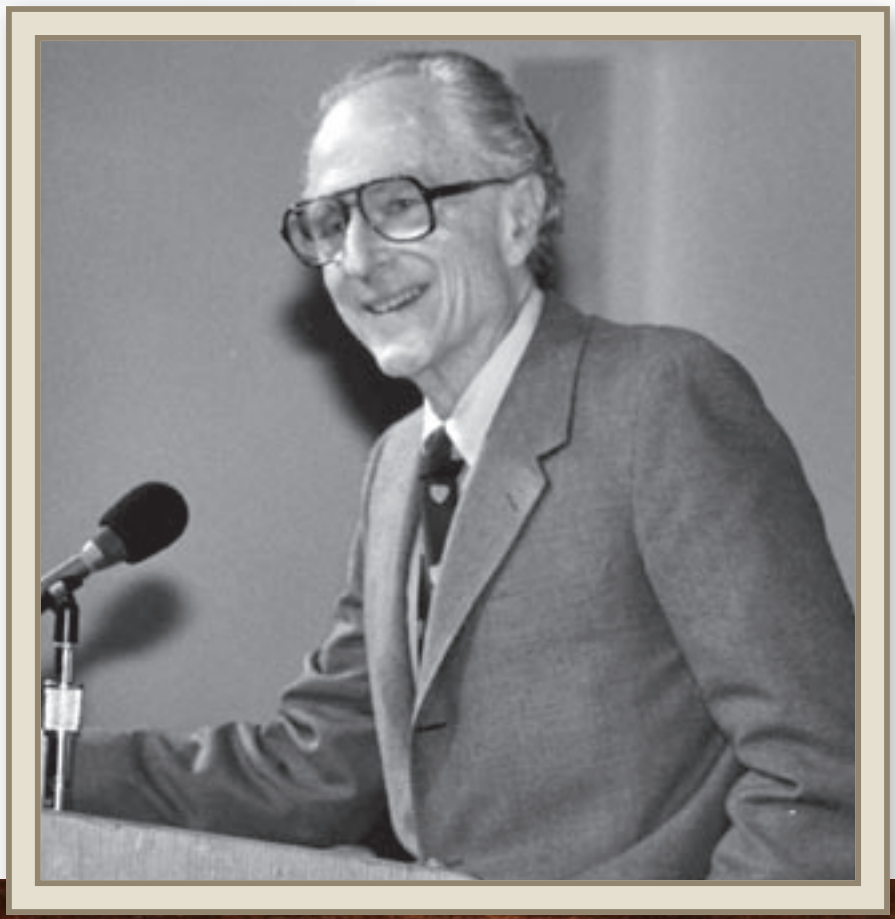
"About one policy," Keppel continues, "there seems to me there can be no difference of opinion among intelligent people, that of the fullest publicity—and I draw a distinction between publicity and advertising—as to finances and activities...In my judgment, public confidence in foundations in general may depend to a greater degree than is at present realized upon public knowledge of their operations...I hope I have given you some idea of the difficulties which daily face the philanthropoid, to use the pet name applied to those who give away the money of others. I hope also you will agree with me as to the desirability that a foundation should seek to steer a middle course, avoiding on the one side the rigidity and sometimes the autocracy which result from too narrowly defined a policy, and, on the other, the dangerous scattering its resources over 'the dry sands of humanity's constant need, without any permanent result in the progress of mankind.'"[7]

In closing this brief appreciation of Frederick Keppel, let me note that as a practitioner in philanthropy, and a longtime staff member of Carnegie Corporation, I knew it was a privilege to be asked to write about, in a free and unfettered fashion, an institution and activities that I deeply value. In the course of this effort, I have come to admire Frederick Keppel as well as to be deeply impressed by the depth and breadth of his work as president of Carnegie Corporation. ,His humanity and humor, qualities that made him such an effective spokesperson for the field and the Corporation must also be singled out along with his remarkable intellect, his astute capacity to set out a strategic path for the Corporation in both chartered and uncharted waters, and his interest in bringing so many different ideas and people into the Corporation's circle in order to build and strengthen the work of this foundation. The ideas that he promoted, the institutions he helped to create, and the connections he forged established Carnegie Corporation as a respected and active contributor to global philanthropy. Indeed, Frederick Keppel's visionary leadership of Carnegie Corporation is almost immeasurable in how much is has contributed to helping Andrew Carnegie's legacy to endure not only in the United States but around the world. ■

[6] *Keppel, Frederick, P.* The Foundation: Its Place in American Life*, Introduction, pp. v-viii, Page-Barbour Lectures, University of Virginia, The Macmillan Company, 1930. New York. Reproduced in 1953 by Carnegie Corporation of New York with permission of the Macmillan Company and of the Committee on Page-Barbour Lectures, University of Virginia. Introduction, pp. v-viii.*

[7] *Ibid.pp 38-58.*

Editor's Note: *David Hamburg was president of Carnegie Corporation of New York from 1982 to 1997, a time that he describes as being marked by "substantial and unusual activity." In the following essay—the first of two parts*—he provides some historical context for the Corporation's work during those years and how the various grants made during his presidency fit into a coherent picture. The essay does not cover all of the Corporation's important contributions in this period—for example its work in South Africa during the Apartheid struggles—but it does summarize the two main themes.*



Dr. David Hamburg, Carnegie Corporation President 1982-1997.

by David Hamburg

Carnegie Corporation *in the* 1980s *and* 1990s

I. Carnegie Corporation, 1982-Present: Preventing Mass Violence

The Cuban Missile Crisis in 1962 had a profound effect as the world came to recognize for the first time that nuclear war was a real possibility and that its devastation was almost beyond comprehension. This experience led me to establish a long-term collaboration with excellent scholars who studied the Cuban Missile Crisis, the earlier Berlin Crisis and others so that they could understand the elements of crisis management. How, if at all, could a nuclear confrontation be managed in such a way as to minimize the likelihood of nuclear war? In 1978, I thought the time had come to draw

* *Part II,* "Carnegie Corporation: 1982-1997: Research-Based Action for Constructive Child and Adolescent Development" *is available on the Corporation's website. Go to:* http://www.carnegie.org/hamburg2

these efforts together and connect them if possible with Soviet counterparts. I did this under the auspices of Pugwash, the organization earlier formed by Albert Einstein and Bertrand Russell, to mobilize the scientific community insofar as possible to search for ways to avoid nuclear war. We recognized the immense difficulty of implementing crisis management principles in practice, and therefore turned toward crisis *prevention*—leading to a running start for Carnegie Corporation in the early 1980s. The principles and practices were developed primarily by foundation grantees. No matter what the hostility between the two regimes, no matter how high the level of nuclear weapons, it was essential for each side to recognize in its own national interest that nuclear confrontations probably could never again be successfully managed and therefore, that they must stay back a few steps from the brink of nuclear catastrophe by working out rules and practices for minimizing the risk of another missile crisis like the nearly catastrophic Cuban episode. To do this, it was essential to involve highly respected policymakers who could not only add intellectually to the mix but could also translate such ideas into policy action. This scholar-practitioner group became collaborators and close friends and remain so to the present day. They came to feel then, as they have ever since, that it is essential to relate ideas about preventing mass violence with institutional innovations that can put these ideas to work, test their utility, and improve them in practice. The core of this group comprised Graham Allison, Alexander George, Sam Nunn, Richard Lugar, William Perry and myself—all of whom in due course became part of the Carnegie Corporation "family."

The experience with the Cuban Missile Crisis activities led Carnegie Corporation to shape a kind of art form: U.S.-Soviet joint study groups consisting of distinguished scholars and scientists, meeting twice a year, once in the United States and once in the Soviet Union, with members of the group or young scholars going back and forth between

We recognized the immense difficulty of implementing crisis management principles in practice, and therefore turned toward crisis ***prevention****—leading to a running start for Carnegie Corporation in the early 1980s.*

Rodney W. Nichols, then-President and CEO of the New York Academy of Sciences, (left); David Hamburg (2nd from left); Boutros Boutros-Ghali, then-Secretary-General of the United Nations (2nd from right) and former President Jimmy Carter (right); pictured during a workshop at the Carter Center in Atlanta, GA, in 1992.

David Hamburg (left) and Ashton Carter (right), a long-time U.S. defense and security expert, who currently serves as Undersecretary of Defense for Acquisition, Technology and Logistics in the U.S. Defense Department, pictured at a National Security Task Force meeting in November 1992.

David Hamburg (center) and others pictured at a meeting of science advisors to the government held at the Seven Springs Center (Rockefeller University) in Mt. Kisco, NY, February 1991.

meetings to maintain communication and prepare for subsequent sessions. These study groups were convened around several topics: arms control; crisis prevention; basic conflict resolution; and Third World flashpoints that might trigger massive conflict. These groups helped to produce participants who had outstanding specialized knowledge on various relevant topics and this process, in turn, assisted in the development of direct contacts with Presidents Reagan and Gorbachev early in their terms of office. Roald Sagdeev in the Soviet Union and Jack Matlock in the United States were especially helpful.

The National Academy of Sciences, a great institution, along with several of our finest universities, were particularly useful in this regard. On the Soviet side, the major contact was their Academy of Sciences, not free of politics but having more autonomy and intellectual distinction than any other institution of Soviet society.

Working with the Aspen Institute, Carnegie Corporation initiated regular programs from the early 1980s onward to the present day. In a collaborative formulation, former Senator Dick Clark and I created the Aspen Institute Congressional Program, and Michael Mandelbaum, a renowned author on international affairs, were key grantees. These programs involved leading members of Congress and distinguished independent experts. The congressional participants came from both houses and both parties including heads of the most relevant committees. Later, these programs added distinguished European parliamentarians, and still later, members of the Russian Duma, as well as U.S. and Russian military leaders. Many members of Congress and European parliamentarians made contributions to reducing the nuclear danger and winding down the Cold War, both on their own and through their contacts with various presidents and other high executive officials.

Overall, Carnegie Corporation's program during 1982-97 fostered a dynamic interplay between the scientific and scholarly community on the one hand with policymakers and their advisers on the other. Strong professional linkages evolved, but the foundation assiduously avoided advocating specific policy positions, let alone lobbying for budgetary actions. It was explicit from the beginning that the intent was to build a strong factual base for the long term upon which policymakers could establish a framework for wiser decisions than they might have been able to do otherwise.

These scientific-policy groups were helpful in the first two years of Gorbachev's term in office, the crucially formative time in which he was changing Soviet policies and moving toward a likeminded Ronald Reagan. Those at the center of the program on avoiding nuclear war were able to foster communication between White House and Kremlin, maintaining a low-key and highly professional stance.

As the Cold War moved toward its close, with a minimum of violence as compared with the terrible proxy wars of earlier decades, the world had good reason to celebrate, yet new dangers were quickly emerging. With the coup against Gorbachev in 1991,

David Hamburg (left) and noted economist Robert Solow at a 1990 meeting of the Carnegie Commission on Preventing Deadly Conflict.

and the pressures for breaking up the Soviet Union into multiple independent states, each with a plethora of internal and external conflicts and all with virtually no experience in democratic governance, many problems could be envisioned. One of the worst was what came to be called "loose nukes." The Soviet nuclear weapons and bomb-making materials were spread all over the vast territory of the Soviet Union. There were reasons to believe that these dangerous items would not be well guarded or safely controlled and that the equally widely dispersed Soviet nuclear scientists and engineers might be lured to dangerous countries and terrorist groups, creating a surge of proliferation and thus increasing the nuclear danger.

Several individuals, prominently including William Perry, Ashton Carter, Graham Allison and myself, working closely with Senators Sam Nunn and Richard Lugar, formulated what came to be called the Nunn-Lugar Cooperative Security Program. It provided for maximum possible security of nuclear weapons and materials and major new opportunities for the relevant scientists and engineers. Nunn and Lugar brilliantly translated this into a legislative and budgetary program that became a very important way of reducing the nuclear danger, including keeping such weapons out of the hands of terrorists. In succeeding years, the program also became a useful vehicle of diplomatic communication between the United States and Russia. It included the complete elimination of the large nuclear stockpiles from Ukraine, Belarus and Kazakhstan. All of the American participants, grantees and statesmen have publicly recognized the value of Carnegie Corporation's support.

In the post-Cold War era, it soon became apparent that there was great danger of intrastate conflicts and civil wars, provoked by power-seeking or fanatical leaders in the name of some ethnic, religious, or hyper-nationalist cause. This was strikingly apparent in the region of the former Soviet Union and Yugoslavia. These dangers were expressed clearly by Nunn, Lugar, Cyrus Vance, Perez de Cuellar, George Shultz, John Whitehead and myself. Whitehead and Nunn were later Carnegie Corporation Trustees. Corporation grantees stimulated aware-

ness of this danger. Despite serious efforts, the opportunity for preventive diplomacy was missed because it could only have been effective had there been close coordination of American and European strengths—largely lacking at that time. This failure was quickly followed by the outbreak of war over Bosnia. Once again, Cyrus Vance entered the picture, constructively representing the UN; he joined with David Owen, former Foreign Minister of the UK, representing the European Union. With the most painstaking diplomatic work over many months, they formulated a plan that was briefly accepted by all three parties (Serbia, Croatia and Bosnia) but in the absence of serious international cooperation, the agreement collapsed. Two years later, after much more killing, far more forced displacement of people and immense additional human suffering, action was finally taken leading to what was called the Dayton accord.

From this painful lesson, Carnegie Corporation decided, in the early 1990s, to create a Carnegie Commission on Preventing Deadly Conflict with Cyrus Vance and myself as co-chairs. This five-year enterprise generated a major report of the full Commission plus seventy other serious, analytical, forward-looking publications organized by the Commission and by the regular grant-making programs with special attention from Carnegie Corporation's David Speedie and Deana Arsenian. Books, monographs and professional papers were among the products of this effort, getting around the contours of the complex subject of the prevention of deadly conflict. The main report had an early and continuing impact on the United Nations, primarily because it was understood well and pursued creatively by Secretary-General Kofi Annan. It also had a strong effect on the government of Sweden, which developed its own action plan and also involved me in related work being carried out by members of the European Union, where Javier Solana took a strong and thoughtful interest, determined to bring the EU into these prevention efforts. There were many ongoing studies, publications and international meetings, all of which helped to enhance understanding and stimulate new ideas for preventive practices.

During the past five years, I have continued to pursue an intensive set of activities rooted in my efforts over several decades, including during my tenure as President of Carnegie Corporation, to help prevent genocide and other mass violence. This work includes: 1) writing, editing and dissemination of my 2008 book, *Preventing Genocide: Practical Steps toward Early Detection and Effective Action* (Paradigm Publishers) and an updated edition in 2010; 2) the creation of an unprecedented unit on prevention of genocide at the United Nations; 3) steps toward a parallel unit on prevention of genocide at the European Union; 4) the preparation of several educational documentaries based on the book; and 5) the creation of a collection of filmed interviews with world leaders and eminent scholars on pioneering approaches to prevention of mass violence now collected in a group entitled "Pioneers in the Prevention of Mass Violence" that is available along with the documentaries electronically to colleges, universities and policy centers throughout the world at http://lib.stanford.edu/pg.

All this has been a pervasive effort to stimulate world-wide interest, understanding and growing competence in preventing mass violence, reflecting the spirit of Andrew Carnegie and his concern with promoting international peace. ■

ASSOCIATED PRESS

David Hamburg (left) serving as Chair of the Advisory Group on conflict Prevention and Ibrahim Gambari (right), Undersecretary-General for Political Affairs at the UN headquarters in September 2006, unveiling a report on conflict prevention.

Part II of David Hamburg's essay, "Carnegie Corporation: 1982-1997: Research-Based Action for Constructive Child and Adolescent Development" *is available on the Corporation's website. Go to:* http://www.carnegie.org/hamburg2

Committed To The Future, Honoring The Past:
Some Thoughts About Our Centennial

Vartan Gregorian—continued from inside front cover

of the National Academies, scholars, top scientists, and, among international Trustees, a former secretary-general of the United Nations, a foreign minister, and a minister of finance. Since 1911, some 135 individuals have served as Trustees of Carnegie Corporation, providing us not only with their time, expertise, and perspective but also helping to sustain the spirit and mission of Andrew Carnegie.

While we have had a great pool of individuals from across the U.S. and from other nations, as well, serving as Corporation Trustees, it is instructive to note that, through the entire span of its one hundred years, the Corporation has had only twelve presidents, a remarkable indicator of stability and continuity. All the Corporation's presidents joined this foundation because they felt deeply compelled by its mission and by the vision of Andrew Carnegie. Mr. Carnegie was the first president of the Corporation, but the background and accomplishments of those who followed after him—from Mr. Carnegie's immediate successor, Nobel Peace Prize winner and U.S. Secretary of State Elihu Root, to my great predecessor, Dr. David Hamburg, the physician, scientist, and educator—those who led this foundation were extraordinary leaders who brought with them talents in the fields of education, public service, science, the humanities, the social sciences, industry, policymaking, and more.

In that regard, I'd like to highlight another point: since its early days, many of those who have dedicated themselves to the work of the foundation, including its first and current presidents and many of its Trustees, were themselves immigrants or have immigrant roots. A long-standing interest in the conditions affecting immigrants to the U.S. and their ability to flourish as American citizens can be seen in Corporation initiatives that range from the 1921 "Americanization Studies," which were undertaken to help advance the assimilation of immigrants, to today's efforts, which focus a portion of our grantmaking on immigrant civic integration as a means of increasing civic participation and strengthening U.S. democracy.

In that connection, let me point out the fact that the grantmaking we do in this area, as well as all others, is rooted in the power of ideas and not just the amount of funding we are able to provide. I, for one, believe that money has too often been used as an excuse for a lack of ideas or for inaction, allowing people to claim that the inability to carry through with a project or reach a goal is because of a paucity of funds rather than a lack of political will, sustained effort, initiative, creativity, or thoughtfulness: namely, a lack of vision. Vision—having a true insight into how to advance a cause or improve the human condition—is not based on the amount of money available to make ideas into reality. That is why, often, the hallmark of our grants is their potential to have real impact, to create real and lasting change, not how large they are. In fact, many of our grants are not large at all, and that's something else to be proud of. I've seen the impact of small grants in terms of scholarships, for instance, both domestically and in developing nations, as well as in enabling vital research to be carried out, or supporting international meetings for government or military officials who, just by getting to know and trust one another, can have a beneficial effect on global peace and security, to name just a few areas where a small amount of money goes the proverbial long way.

Whether Corporation grants are large or small, one thing is sure: they are not parochial. Long before the term "global" became part of the everyday vernacular, Andrew Carnegie envisaged a world in which the best efforts and instincts of men and women to help their fellow human beings, aided by "scientific philanthropy"—strategic, well-thought-out investments in meeting challenges and solving problems—would reach across oceans and continents. Mr. Carnegie understood that conflicts do not stop at specific borders, nor do diseases for that matter, or poverty or tyranny or injustice. But on the other hand, knowledge and wisdom also have the ability to transcend the barriers that humanity has erected upon the single planet we all share and sometimes gradually, sometimes with the awe-inspiring power of enlightenment, help to bring those barriers down. It was for those reasons that Andrew Carnegie charged the Corporation with "advancing and diffusing knowledge and understanding" for the betterment of the people of the United States as well as in certain other parts of the world by focusing a portion of the Corporation's grantmaking on the British Dominions and Colonies, now the Commonwealth.* In this and other aspects of his philanthropy, if the old adage about imitation being the sincerest form of flattery is indeed true, then both Andrew Carnegie and his contemporary, John D. Rockefeller, should be very proud of themselves because it was their concept of philanthropy that set the bar for many of the philanthropists who have followed after them.

Indeed, it was Andrew Carnegie who wrote what almost every modern-day philanthropist has cited as their "how-to" manual for giving: *The Gospel of Wealth*, in which Mr. Carnegie famously stated that "The man who dies thus rich dies disgraced." But what we must remember about *The Gospel of Wealth* is that while it was a mandate for philanthropy, in Mr. Carnegie's eyes at least, in the United States, the ultimate object of that philanthropy was to strengthen our democracy. His important but lesser-known work, *Triumphant Democracy*, not only pays homage to this form of government but explains why democracy alone has the potential to provide the best quality of life for all its citizens. In the opening lines of the book, Andrew Carnegie writes that he is dedicating this work "To the beloved republic, under whose equal laws I am made the peer of any man." Thus does the heart, the soul, and the ideals that formed Andrew Carnegie's philosophy of giving come full circle: he was born a poor boy, became a rich and educated man in a new country that provided him with unlimited opportunity, and in turn, he believed—deeply and unquestionably—that with wealth comes responsibility and hence, it was his obligation to give back what had been given to him. And he fulfilled that obligation; in fact, through the work of the many organizations he created, Andrew Carnegie continues to do so even today by helping to strengthen our nation, educate its citizens, contribute to knowledge, support efforts to honor the autonomy and liberty of the individual, and advance our ability to remain self-reliant because he believed that the success of our society and our democracy is a model for a better, brighter world for men and women everywhere. Carnegie Corporation of New York could not be prouder of the part we have played in sustaining that mission throughout our first one hundred years. It is with renewed dedication, energy, and commitment that we move forward into the next chapter of the ongoing story that will be written by the next century of our work. ■

* *Currently, this area of our grantmaking focuses on selected countries in sub-Saharan Africa.*

Recent**Events**

EVEROD NELSON

Geraldine Mannion.

Advocating for Democracy

The publication *NonProfit Times* has named Geraldine (Geri) Mannion, director of Carnegie Corporation's U.S. Democracy and Special Opportunities Fund, "One of the Nation's Most Influential Nonprofit Executives." Mannion's achievements in the field of immigrant civic integration have earned her a spot on the Top 50 list, which appeared in the August 1, 2010 edition.

The honorees were selected for the impact of their current work as well as for innovations aimed at helping the sector evolve further. "Focusing on broad engagement, Mannion has been a tireless advocate for deepening the nation's civic dialogue and for nonprofit capacity building. With 30 years in the sector, she has worked with major funders and knows what will work. That doesn't mean she won't take a few chances with Carnegie's money," wrote the *NonProfit Times*.

Carnegie Corporation president Vartan Gregorian praised "Geri Mannion's dedication to her work, her passion about the missions of the organizations she supports, her deep and abiding belief in the vitality of democracy and her fierce determination to help the grantees she partners with to achieve their goals... In fact, her energy and enthusiasm seem to increase day by day."

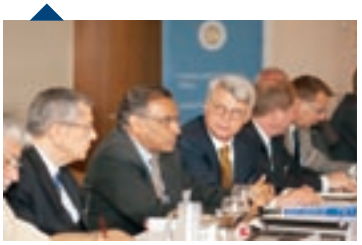
Turning Lessons into Opportunities

In May 2010 the American Academy of Arts and Sciences hosted a workshop and discussion at Carnegie Corporation on "Challenges to the NPT (Non-Proliferation of Nuclear Weapons Treaty) Review Conference: Lessons from the Past; Opportunities for the Future." The purpose of the event was to discuss the lessons learned from past Review Conferences and the challenges and prospects for the current Conference.

The discussion was led by the two project co-chairs, Steven Miller and Scott Sagan, who were joined by Ambassador Mohamed Shaker, Egyptian Council on Foreign Relations and President of the 1985 Review Conference, and Jayantha Dhanapala, former UN Under-Secretary-General for Disarmament and President of the NPT Review and Extension Conference of 1995. Past president of the NPT RevCon, Ambassador Sergio Duarte of Brazil who is currently the UN's High Representative for Disarmament Affairs attended as did Ambassador Libran N. Cabactulan of the Philippines, the presiding President of the 2010 NPT Review Conference.

The meeting was part of the American Academy's ongoing project on the Global Nuclear Future, which brings together leaders from the policy and technical communities, industry and government to explore how the emerging spread of nuclear power can best be managed and protected in light of the hurdles facing the nonproliferation regime. This project is funded in part by Carnegie Corporation.

AMERICAN ACADEMY OF ARTS AND SCIENCES



Left: Ambassador Mohamed Shaker, Ambassador Jayantha Dhanapala, and Professor Scott Sagan.
Right: Carl Robichaud, Professor Steven Miller, and Ambassador Libran Cabactula.

MAKERERE UNIVERSITY

(Left) Jane Alisemera, Chair of the Uganda Women Parliamentary Association, Venansius Baryamureeba, Makerere University Vice Chancellor and Catherine Kanabahita present an award to Maria Musoke. (Right) Dr. Josephine Nambooze, Uganda's first female physician.

Celebrating Uganda's Female Professors

In March 2010, Uganda's Makerere University celebrated the unprecedented success of 11 outstanding women in higher education. "We recognize the great achievement these women have made in breaking the glass ceiling of the male-dominated club of professors, the highest level of academic achievement," said Catherine Kanabahita, the deputy registrar and head of Makerere's Gender Mainstreaming Division. "Makerere University has 7 female professors compared to their 55 male counterparts in the same institution. We need to celebrate this achievement and reward them."

The honorees are considered role models who inspire the next generation of academic leaders. They received gender equality awards at a ceremony that was also a scholarship fundraiser to support access to higher education for female students from disadvantaged socio-economic backgrounds. The Female Scholarship Initiative, established by the Gender Mainstreaming Division in 2001 with support from Carnegie Corporation, has supported 691 girls, 600 of whom have graduated. However, this number constitutes only eight percent of eligible beneficiaries who have not had access to higher education due to poverty.

The awardees from Makerere University were:
– Lillian Tibatemwa-Ekirikubinza, Agricultural deputy vice-chancellor of Academic Affairs
– Joyce Kikafunda, Department of Food Science and Technology
– Harriet Mayanja, Department of Internal Medicine
– Grace Bantebya Kyomuhendo, Department of Women and Gender Studies
– Ruth Mukama, Institute of Languages
– Josephine Nambooze, Public Health
– Maria Musoke, Makerere University Library
– Florence Mirembe, Department of Obstetrics and Gynecology, College of Health Sciences

Former Makerere professors also received awards:
– Victoria Mwaka (retired), Department of Geography
– Joy Constance Kwesiga, vice-chancellor of Kabale University
– Mary Okwakol, vice-chancellor, Busitema University

DOUGLAS ROBERTSON

Carnegie Corporation president Vartan Gregorian.

Edinburgh Honors Gregorian

Scotland's University of Edinburgh presented an honorary doctorate to president Vartan Gregorian at its Summer 2010 graduation ceremony. In awarding the degree, the University Laureator, Vice-Principal Young P. Dawkins, praised Gregorian for his social consciousness and humanitarian work, calling him "one of the most influential thinkers of this era in relation to philanthropy and the impact of education."

Gregorian's earlier work on behalf of the New York Public Library was also given emphasis during the presentation. "When he was appointed President of the New York Public Library in 1981, this world famous institution was on the verge of bankruptcy," Dawkins said. "In total, he raised an incredible $327 million. It was written that he had seen the re-emergence of the New York Public Library as the intellectual, scholarly, and cultural repository of New York and the nation."

THE ASPEN INSTITUTE

Andrew Carnegie's Legacy: an Aspen Conversation

In summer 2010, the Aspen Institute's McCloskey Speaker Series featured a conversation between Carnegie Corporation president Vartan Gregorian and Elliot Gerson, executive VP of the Institute. The topics covered included the critical distinction between philanthropy and charity as well as what Andrew Carnegie had hoped to accomplish when he created the Corporation and other philanthropic organizations almost 100 years ago. Today 26 institutions bear Carnegie's name. The Aspen institute is dedicated to fostering values-based leadership, encouraging individuals to reflect on the ideals and ideas that define a good society, and to providing a neutral and balanced venue for discussing and acting on critical issues. You can watch a video of this conversation at http://www.aspeninstitute.org/video/mccloskey-speaker-series-conversation-vartan-gregorian

2010 Carnegie Fellows Investigate for ABC News

Five students from top journalism schools across the country spent the summer honing their reporting skills in the ABC investigative unit led by Brian Ross. Their stories center on state legislatures from Alaska to New Jersey, where they looked into cozy relationships between lawmakers and lobbyists, tracing back events that have raised serious ethical and legal questions. The 10-week Carnegie Fellow program, now in its sixth year, provides paid internships for outstanding journalism students, many of whom go on to promising careers in the field.

(Front) Kevin Morris, Syracuse; Daniel Lieberman, Columbia; Alyssa Newcomb, Arizona State; Liz Day, Columbia; Nadia Sussman, City University of NY. (Back) Greg Macek, Senior Vice President Kerry Smith and Angela Hill (a 2008 Fellow) from ABC News.

Makerere University's First Reunion

Established in 1922, Makerere University in Uganda has produced over 150,000 alumni across many disciplines and countries. Currently, about 10,000 students complete their studies there every year. Yet despite the University's swelling ranks of alumni, the institution had never reached out to its graduates. Recognizing the critical importance of alumni to Makerere's future, with the support of Carnegie Corporation, the Norwegian Government and other funding partners, the university launched a campaign to engage alumni around the world in the activities of their alma mater.

In late 2009, these efforts led to a grand reunion on the main campus in Kampala attended by close to 1000 alums, including leaders in every sector from all over the continent. An honorary Doctor of Philosophy degree was awarded to Tanzania's former president H. E. Benjamin Mkapa (class of 1962) for his contributions toward the democratic development of his country. The university's Vice-Chancellor has since created an Alumni Fund as a vehicle for graduates to give back in support of Makerere's future growth and development.

Learning to Teach

The NewSchools Venture Fund conducted a workshop for education reformers and funders at Carnegie Corporation in March 2010, to share insights on human capital—the people side of education reform. The Corporation and other funders are searching for new and better ways to measure the effectiveness of individual teachers, based primarily on their impact on student achievement. A series of such meetings is being held to facilitate collaboration among the many groups dedicated to assuring more of the country's students graduate high school prepared for college and careers.

VIRGINIA MALLON

Education leaders from across the nation meet to discuss school reform.

MAKERERE UNIVERSITY ALUMNI RELATIONS

Hon. Amama Mbabazi, Minister of Security; Chancellor, Professor Mondo Kagonyera; Anne Mkapa; His Excellency B. Mkapa, Former President of Tanzania; Prime Minister of Uganda, Professor Apollo Nsibambi; Vice Chancellor, Professor V. Baryamureeba.

OGORILE MOTSWANE

Winning photo, "Sky High." First-prize winner Ogorile Motswane with Dean of Humanities Tawana Kupe.

Arts come Alive in South Africa

In April 2010, the Wits Arts and Literature Experience, known to its devotees as WALE, put Johannesburg, South Africa's impressive cultural scene vividly on display. Each year, WALE provides a platform for the artistic, creative, literary and intellectual achievements of the University of the Witwatersrand's alumni, staff and students with a varied program of art, drama, theatre, music, poetry, photography, academic and creative writing and more.

The Wits School of Arts' Carnegie Transformation Photography competition was part of the 2010 event. All Wits students were invited to submit their visual interpretation of the theme, "Transformation at Wits," portraying the university through their own unique visual interpretation. The winners were announced on the first night of WALE and work was displayed during the four-day event.

HR Decision Makers Meet Up

The senior human resource leaders of the following foundations (Hewlett, Gates, Howard Hughes Medical Institute, Ford, Rockefeller, Packard, Robert Wood Johnson, Pew, Kellogg, Moore and MacArthur) joined Ellen Bloom, Carnegie Corporation Vice President, Chief Administrative Officer and Corporate Secretary, at the offices of the Corporation in May 2010 for their biannual meeting. The group was formed over a decade ago to provide a regular forum for HR leaders to share best practices and work on issues that affect all participant organizations. Among the topics covered were learning and development strategies for program staff, regulatory and compliance issues in light of the recent health care reform measures, emergency preparedness protocols, change management methodologies and a review of the current economic environment and its repercussions.

Stopping the Spread of Nukes

In July 2010 Carnegie Corporation, The John D. and Catherine T. MacArthur Foundation and The Nuclear Threat Initiative hosted a screening of the documentary *Nuclear Tipping Point* followed by a conversation with Senator Sam Nunn and Public Television host Charlie Rose at the Paley Center for Media in New York City. The film was produced by the Nuclear Security Project to help build support for the urgent actions needed to reduce nuclear dangers.

Begun in 2007, the Nuclear Security Project aims to galvanize global support and action toward a world free of nuclear weapons. Former Secretary of State George P. Shultz, former Defense Secretary William J. Perry, former Secretary of State Henry A. Kissinger and former Senator Sam Nunn joined together to reframe the global debate on nuclear issues. The organization's goals include securing of weapons and materials, halting production of plutonium and highly enriched uranium for nuclear weapons, bringing the Comprehensive Test Ban Treaty into effect and redoubling efforts to resolve conflicts, among other strategies. To find out more about the Project or to obtain a free DVD of the film, go to NuclearTippingPoint.org.

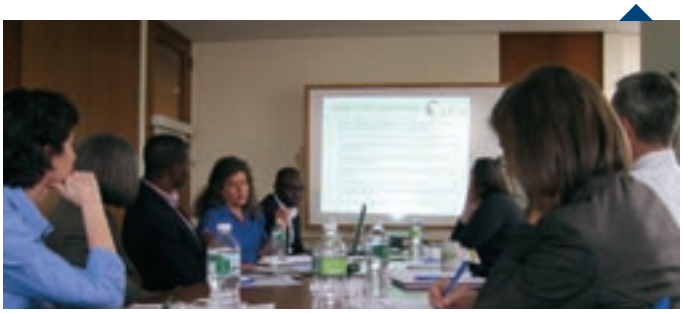
Strengthening Africa's Research Community

In March 2010, representatives of the Carnegie Corporation-funded Consortium for Advanced Research Training in Africa (CARTA) gave a presentation at the foundation's office in New York City. CARTA aims to build a vibrant African academy able to lead world-class multidisciplinary research and positively impact public and population health.

By creating viable multidisciplinary research hubs at African universities the initiative will create networks of locally trained, internationally recognized scholars, enhancing the capacity of African universities to lead globally competitive research and training programs. CARTA brings together nine academic and four research institutions from West, East, Central, and Southern Africa along with selected northern partners to work together on the ultimate goal of retaining of skilled researchers within the region. ■

VIRGINIA MALLON

Human resource executives from leading foundations gathered at Carnegie Corporation headquarters.



Representatives of CARTA, a research consortium in Africa, meet with Corporation Staff.

A Letter to Andrew Carnegie

by Theodore C. Sorensen

Theodore C. Sorensen, former Special Counsel and Adviser to President John F. Kennedy and a widely published author on the presidency and foreign affairs, practiced international law for more than 36 years as a Senior Partner, and now of Counsel, at the prominent U.S. law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Theodore "Ted" Sorensen

On February 25, 2010, Mr. Sorensen was honored with the highest national award in the humanities as selected by the National Endowment for the Humanities, which he received at the White House from President Obama. He is the author of the 1965 international best seller Kennedy, *eight other books on the presidency, politics or foreign policy and numerous articles on those subjects in* Foreign Affairs, The New York Times *and other publications. Mr. Sorensen's memoir,* Counselor: A Life at the Edge of History, *was published on May 6, 2008 by HarperCollins and quickly became a bestseller.*

Dear Mr. Carnegie:

Your life and work had enormous influence on mine. You may think that most unlikely, inasmuch as you died in 1919, having reached the peak of your influence and fame in the late 19th century, and I was not born until 1928 in the state of Nebraska, far from the eastern regions of this country where you made your fame and fortune.

But parallels and points of agreement abound. Like my grandparents on both sides, you and your parents came to this country with few resources, whether skills, riches or contacts, like so many of the immigrants who built America and laid the foundation of its greatness and prosperity. (Where would this country be today had it not been for its immigrants, including those who arrived in the 19th and 20th centuries with no funds, no command of the English language and very little by way of education and job skills? No one believes that a meaningful, manageable sovereign nation could thrive under a system that welcomes all comers without regulation, selection or criteria; but neither would any thoughtful person favor the opposite, a country so isolated, chauvinistic and paranoid that it permitted no newcomers at all, legal or illegal.)

As a boy, I spent most Saturdays at the Carnegie Library in my hometown of Lincoln, Nebraska, as did my four siblings. We borrowed every book we could, initially for our reading pleasure, later for research as members of the Lincoln High School debate teams on which all five Sorensen children participated over time, and from which we acquired a substantial portion of the writing, reading and research skills that we all used in our subsequent careers. The main library in Lincoln was built in 1899 with your grant of $87,000, one of the largest of nearly 70 Carnegie library grants scattered throughout the towns and villages of Nebraska.

Like my former boss and mentor, President John F. Kennedy, I have long believed that libraries at every level—community and university and national—have been among the most important institutions of education in our country, as they have since the dawn of civilization in others. They provide literature and learning to all who seek them. Countless Americans gained access to the great books of the world only through the hundreds of excellent libraries that dot this country, thanks to your recognizing both their importance and their inevitably high cost. It is because of you that so many of us have received those benefits—and the benefits of major museums, colleges and other institutions of learning, and we still do. (Those other great institutions of learning include, of course, Carnegie-Mellon University.)

Education, as you recognized from your own youthful immigrant experience, has always been the great leveler in this country. That is what enabled both my parents, who were born to immigrant families of very modest means, to fulfill the American dream, by leading full lives of active community contribution and participation, and by producing five educated, dedicated children who made our own contributions. Again, many thanks.

But the one cause that interested you most (as it interested me and John F. Kennedy most) was the goal of world peace. Like my parents, you believed not only in the pursuit of peace through international law and international organizations, but in the potential abolition of war itself. You understood full well the folly, brutalities and agonies of war based as it is so often on irrational prejudices, pride, hatred and greed. However hard, practical and unsentimental your manner and attitudes as a successful man of business, you were also a visionary who rejected no scholar, statesman, nation or effort, large or small, intent on moving mankind away from war.

To that end, you gave your name and much of your fortune to a host of philanthropic orga-

The original Carnegie Library in Lincoln, Nebraska, built in 1902.

COURTESY LINCOLN CITY LIBRARIES

COURTESY LINCOLN CITY LIBRARIES

Bennett Martin Public Library (headquarters of Lincoln City Libraries), which opened in 1962 on the site of the original Carnegie building.

Sorensen siblings reading *Life* magazine. Left to right: Ted, Ruth, Robert (center), Phil and Tom.

nizations committed to those same goals of betterment of man that your parents and mine taught us to pursue.

Those justly celebrated organizations and institutions include Carnegie Corporation of New York, the Carnegie Endowment for International Peace in Washington and the Carnegie Council on Ethics and Foreign Policy, also in New York. As a private international lawyer from 1966 to 2010 who worked with the United Nations and a variety of American and foreign corporations and government agencies, my interest in peace and foreign affairs had been heightened by my participation in our nation's most harrowing experience, surviving the 13 dark and dangerous days of the 1962 Cuban Missile Crisis—surviving without the United States firing a shot, or losing more than one man, thanks to the cool, courageous and cautious leadership of my boss, President John F. Kennedy. Also in that capacity of practitioner of international law, I came to admire, drew upon and occasionally worked with and addressed all of those organizations, including even the Carnegie Endowment Center in Moscow. Granted the vision of their founder and initiator, it is not surprising that the boards of directors for all those institutions selected outstanding chiefs whom it has been my privilege to know and work with, including Carnegie Corporation presidents like John Gardner, David Hamburg and Vartan Gregorian, and Carnegie Endowment presidents like Tom Hughes, Mort Abramowitz and Jessica Tuchman Mathews, with all of whom I have been friends and served on a variety of boards and committees.

In short, although you were extraordinarily successful in several different areas of business—including steel, railroads and finance—you did not, like so many business stars over the years—accumulate money merely to make more money. Instead, you continued to build a vast fortune in order to give it away, not simply for parks or politics or benefit to your own family and friends, but to truly make this a better world. You thereby revolutionized philanthropy through your selfless generosity to all kinds of causes in many parts of our nation and world.

So, you, Mr. Carnegie, despite the wealth that elevated your financial status far above that of almost all Americans, shared many of the basic traditional beliefs of most Americans, as demonstrated by your principal philanthropies. A good test of a man's core beliefs is the list of key objectives to which he leaves his money. Yours were education, libraries, science and peace; all were downgraded and largely ignored by our national leadership during the eight dark years that opened America's 21st century ("The Dark Eight"), particularly, world peace, international law and international organizations. Today this country is returning to the path of light that your philanthropic organizations kept alive. America cares about its standing in the world and in world history, and is now proving that by leaving behind the ignorance and isolation of The Dark Eight and restoring its esteem in the eyes of the world. Thank you for making that possible, through the organizations with leaders who—like the Irish and other European monks who preserved ancient manuscripts and artifacts during the Dark Ages of many centuries ago—helped keep alive the importance of ancient values, thanks to your generosity. ■

Sincerely yours,

Ted Sorensen
Special Counsel and advisor to President John F. Kennedy

Author of Counselor: A Life at the Edge of History *(2008; HarperCollins)*

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Carnegie Corporation of New York is a philanthropic foundation created by Andrew Carnegie in 1911 to promote the advancement and diffusion of knowledge and understanding among the people of the United States. Subsequently, its charter was amended to permit the use of funds for the same purposes in certain countries that are or have been members of the British overseas Commonwealth. The goal of the *Carnegie Reporter* is to be a hub of ideas and a forum for dialogue about the work of foundations.

Symbolizing a Century of KNOWLEDGE *and* UNDERSTANDING

The magnitude of artistic inspiration in the forms and moods of nature is infinite. The possibility of realizing it in sculpture has endless approaches. —PAUL MANSHIP

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Approaching its centennial, Carnegie Corporation undertook a search for a symbol to communicate its many aspirations and accomplishments. As often happens, the answer was here all along: the winged horse Pegasus, commissioned by the Corporation from sculptor Paul Manship in 1927. The original design, adapted for the centennial and added to the new logo featuring Andrew Carnegie's signature, will appear on all communications during the celebration.

Standing for inspiration and creativity, Pegasus was originally chosen by the Corporation as the image for a medal honoring individual achievement. The sculpture depicts the moment when, according to the Greek myth, Pegasus strikes his hoof on the ground and creates the fountain of the Muses. Around the border is the foundation's mission, "Carnegie Corporation for the advancement and diffusion of knowledge and understanding."

The medal's creator, Paul Manship, was born in 1885 in St. Paul, Minnesota, and pursued art from an early age—choosing sculpture when, as a teenager, he discovered he was color blind. In 1905 he came to New York to study at the Art Students League, then won the prestigious Prix de Rome, a scholarship for three years of study at the American Academy in Rome. While there he became fascinated with Greek antiquities and classicism. Manship returned to the United States in 1912, launching a career that lasted fifty years. Among his over 700 works are the Prometheus Fountain in Rockefeller Center and the gates to the entrances of the Bronx Zoo and the Central Park Zoo. Manship died in New York in 1966.