

A STUDY  
OF AMERICAN EDUCATIONAL FOUNDATIONS  
AND THEIR IMPORTANCE AS DEMOCRATIC  
INSTITUTIONS

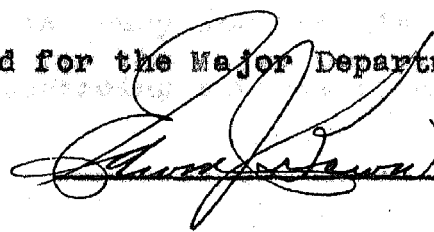
A THESIS  
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EDUCATION AND THE GRADUATE COUNCIL OF THE KANSAS STATE  
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THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF SCIENCE

By  
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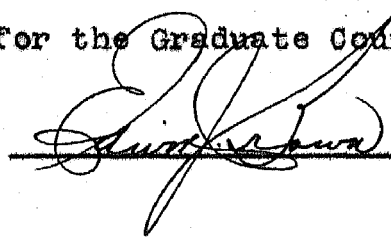
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CHAPTER I

Democratic Institutions and the American

Origin and Development of the

American Democracy

Democratic Institutions and the

American

Democratic Institutions and the

American

Acknowledgment is here made to Dr. Edwin

Plan of

J. Brown, Head of the Graduate Division of the

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## CHAPTER I

### INTRODUCTION

Democratic institutions. Social, economic, and political institutions, with varied and ever broadening purposes and objectives, have from the very inception of civilization contributed in a substantial manner to the socially significant problems of each day and age. Furthermore, each institution with its vital contribution to society has been guided and directed by an individual or individuals, who either wished to enhance personal prestige, or possessed an ardent and withal sincere desire to aid materially in the gradual development of the institution with which they were directly affiliated.

One may assume as a major premise, in making an intensive study of such institutions, a unilateral, evolutionary development, implying at least, in part, gradual and orderly changes, to a large extent, the same the world over, and proceeding in a normal manner from simple and confused arrangements and relationships to complex and well-coordinated adjustments.<sup>1</sup>

The writer is particularly interested in the exact manner in which truly democratic institutions have achieved recognition, and wishes to attempt a brief historical resume regarding the development of these typical agencies, as evinced and supported by democracy.

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<sup>1</sup>Harry Elmer Barnes, Sociology and Political Theory (New York: Alfred A. Knoff, 1924), p. 47.

Origin and development of democracy. Blazing a trail for new ideals and conceptions in the dim past, continuing its remarkable progress through centuries, when only a few faithful retainers offered their encouragement and support, and then emerging triumphantly in the seventeenth century to carry on anew the struggle for political freedom, democracy definitely established itself in the civilized world.

The social concept of democracy occupies an important and decidedly interesting position in the literature of the Old Testament. A definite conception of the true meaning of democracy developed with the evolution of the intrinsic idea of Jehovah, a universal God--interested in the welfare of all peoples, as evinced by the Hebrews.<sup>2</sup>

The Hebrew conception of the state contained several democratic elements, chief among them being the theory that the fundamental purpose of such an institution was to be the welfare of the people themselves. Accordingly, it may be truly said that undoubtedly the primary or fundamental ideas of democracy were originated by the Hebrews.<sup>3</sup>

In continuing a search for the races of people contributing directly to the theory of individual freedom, one discovers that

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<sup>2</sup> Emory S. Bogardus, A History of Social Thought (Los Angeles: Jesse Ray Miller Press, 1929), p. 64.

<sup>3</sup> Ibid., pp. 64-65.

the outstanding contributions of ancient Greece underlies all else. This splendid race of people placed a decided premium on personal and political freedom and individual initiative, and aided in a substantial manner the gradual development of the concept of public welfare, as noted, when a survey is made of those institutions which they handed to their conquerors, the Romans.<sup>4</sup>

Making only a brief summary of Roman ideals and material aids to the civilized world, the writer wishes to present Gubberley's<sup>5</sup> interpretation of that ancient culture, in which he states that Rome "imposed law and order" on an "unruly world" and bringing those ancient civilizations into a single unit, thus provided the needed basis for the later successful entrance of Christianity.

However, the Roman Empire did not thoroughly emphasize a whole hearted recognition of democratic principles, although presenting partial fulfillment of the same. Cook<sup>6</sup> states, emphatically, that "in ancient Rome the old aristocratic republic was gradually changed into a democracy, and it then passed speedily into an imperial despotism."

Christianity appeared definitely as a social and moral agency during the closing years of the downfall of the Roman Em-

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<sup>4</sup> Ellwood P. Gubberley, Public Education in the United States (Boston: Houghton Mifflin Company, 1934), p. 2.

<sup>5</sup> Ibid.

<sup>6</sup> William W. Cook, American Institutions and Their Preservation (New York: William W. Cook, Publisher, 1927), p. 4.



pire, and formed the connection and the "preserving force" between the old civilization and the new.<sup>7</sup>

The social thought of the Christians was probably a direct outgrowth of the social viewpoints of the democratic Hebrews. Outstanding, throughout their creeds, runs the dominant societary principle of love for humanity and service to mankind.<sup>8</sup>

Accordingly, Christianity laid the basis for education of the masses, a purely democratic concept and ideal, and established a new ethical force of prime importance in the world. It required ten centuries, replete with arduous struggles, on the part of disciples of this great movement to partially civilize, educate and restore order among those savage, barbarian tribes from Northern Europe, in order that the remnants of the old civilizations might be brought to aid in the development of a new culture.<sup>9</sup>

Bryce<sup>10</sup> contributes the statement that the ancient world "having attempted many experiments in free government, were more or less wearied by their failure into an utter acceptance of monarchy."

Republican political institutions practically disappeared from the face of the earth during the medieval period, and extend-

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<sup>7</sup> Cubberley, loc. cit., p. 2.

<sup>8</sup> Bogardus, op. cit., p. 122 ff.

<sup>9</sup> Cubberley, op. cit., p. 3.

<sup>10</sup> James Bryce, Modern Democracies (Vol. I, New York: The Macmillan Company, 1921), p. 18-27.

ing well into the era known to history as the Middle Ages, and it was not until the sixteenth century that a concerted effort was made to gain political freedom.<sup>11</sup>

Every student of history is more or less familiar with the historical accounts of social, political, and religious unrest throughout western Europe during the period of the renaissance and the reformation, and possesses, in part, an adequate conception of the economic causes of such disturbances. The persecutory influences of both the church and the state were sufficient to undermine all attempts at adequate social adjustments. As a direct result, those most resourceful and hardy individuals and sects sought an adequate means of escape from such constricting influences.

Discoveries in the new world, beginning late in the fifteenth century, heralded the future establishment of havens of refuge for the oppressed of Europe, and proved to be the fore-runners of the creation of a new and distinctly unique civilization, founded on the rights and general welfare of its citizens.

American democracy. The fundamental institution, upon which the American form of government rests, is the constitution of the United States, and that document is,

the first written constitution in the history of the world that has protected the principal rights and liberties of man, against the encroachments of the legislative, judicial, and executive departments of government, or of all three combined.<sup>12</sup>

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<sup>11</sup> Cook, op. cit., p. 1-2.

<sup>12</sup> Cook, op. cit., p. 15.

However, long before the enactment of the federal constitution, the Pilgrims prior to their landing at Plymouth in November, 1620, conceived, drew up and signed a democratic compact of government which is accounted the earliest written constitution in history.

The representative form of government was, in the main, virtually discredited throughout Europe and the remainder of the world at the time of the Revolutionary War, although there remained slight vestiges of the same in Switzerland.

In America, following the crucial test presented by the Revolution, democracy discovered an admirable location for its inherent institutions, although there remained numerous belligerent interests, that threatened continually to destroy the concepts of social equality, individual initiative, and liberty.

During that early period, in the history of our nation, the whole world apparently looked to America as a leader in ascertaining and demonstrating whether or not a nation established in a new area, surrounded by unfriendly nations, and impeded at every turn by the lack of a then well organized form of government, was capable of governing itself with a democratic system of government.<sup>13</sup>

The result of that great experiment in democracy, dating back to the year 1787, when the government of the United States was theoretically formulated, lies before us today. Its democratic institutions, created and inherited, in the form of social, economic, and political agencies based upon the needs of the

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<sup>13</sup> Ibid., p. 18.

people, are vital agents in protecting and insuring individual and group rights and privileges.

In attempting an evaluation of current democratic institutions, the writer believes that such a criterion may be achieved, in part, by a careful study of the principles of democracy as presented and advocated by authoritative "pioneer" thinkers and writers. However, the writer does not lay claim to the distinction of being able to select, from such observations, definite standards to be used in judgment of such institutions, realizing throughout, that an ever-changing civilization is in need of a likewise changing interpretation of dynamic concepts.

Democratic theories and principles. "Democracy", as conceived by Harry Elmer Barnes,<sup>14</sup> requires a well developed common will and a highly organized and intelligent public opinion." Later, in his discussion, he makes the assertion that social and economic inequalities persist and help to defeat the substance as well as the form of democracy.

John Dewey,<sup>15</sup> leading American philosopher and educator, defines democracy in the following statement, and in so doing, emphasizes the process of socialized experiences. "A democracy is more than a form of government; it is primarily a mode of associated living, of conjoint communicated experience."

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<sup>14</sup> Barnes, op. cit., p. 85.

<sup>15</sup> John Dewey, Democracy and Education (New York: The Macmillan Company, 1916), p. 101.

James Bryce,<sup>16</sup> commenting on present day republics, in his treatise, Modern Democracies, contributes the fact that, "Democracy assumes not merely intelligence, but an intelligence elevated by honor, purified by sympathy, stimulated by a sense of duty." He then traces its inherent institutions from a political viewpoint, and comments at length upon the fact that a democracy is tested by "the leaders whom it chooses, and it prospers by the power of discernment which directs its choice."

Cooley<sup>17</sup> believes a democracy to be an "ambitious and desirable attempt to extend to great national modern states the application of the primary ideals of loyalty, truth, service, kindness, lawfulness, freedom, and justice", and includes these ideals in the formulation of institutions peculiar to a democratic nation.

In extending the ideas regarding democracy to include institutions dealing with significant problems, the writer wishes to acknowledge the statement credited to J. Franklin Messenger,<sup>18</sup> regarding education, in which he states that "the American ideal is democracy, and the major concern of democracy is education."

The study, which follows, is based upon a desire to dis-

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<sup>16</sup> Bryce, op. cit., p. 606 f.

<sup>17</sup> Charles Horton Cooley, Social Organization (New York: Charles Scribner's Sons, 1909), pp. 23-57.

<sup>18</sup> J. Franklin Messenger, An Interpretative History of Education (New York: Thomas Y. Crowell Company, 1931), p. 366.

cover, in a definite manner, the nature of the contributions that have been made by one of the most recently organized institutions to make its appearance in a democratic nation, such as the United States. The writer refers directly to the educational foundation in this nation.

## I. THE PROBLEM

Statement of the problem. It is the purpose of this study (1) to investigate the origin, and to seek for the major cultural contributions made by various races to democratic institutions from the beginning of civilization; (2) to make a survey of the economic policy of the United States during the period of national expansion as it affected the growth and development of typical American institutions; (3) to trace the gradual development of philanthropy in America and its institutionalized concepts of aid to education; (4) to attempt to evaluate the modern educational foundation, and to sense and appraise, in part, the spirit that pervaded this benevolent gesture; and, (5) to summarize and, if possible, draw valid conclusions regarding such an institution.

Importance of the study. A discriminating survey of the philanthropic objectives advocated by donors, who have so generously endowed foundations in this nation, should adequately provide a more tolerant understanding of such institutions.

It appears that throughout the history of philanthropy, which had its beginning among the earliest civilized nations, var-

iously adverse criticisms were directed at exceedingly benevolent contributors to worthwhile endeavors. Whether or not the above mentioned criticisms were based on authentic and well founded accusations, suggesting, in part, that the philanthropist had used illegitimate methods in securing his wealth or that he had availed himself of very inadequate judgment in dispensing his gifts, is in reality not the most important question to be considered here.

To acquire a definite and substantial knowledge of educational foundations and the exact ways in which they have proven to be of service to educational research and the endowment of institutions of higher learning, should prove to be of value and interest to the student of education as he pursues his study of institutional agencies that have contributed to the advancement of education and society.

Plan of treatment. The writer proposes to substantiate this study of philanthropic endeavors with statements provided by research students, who have contributed previous studies of a like nature; with the opinions and attitudes suggested by donors and officials of foundations; with accounts of the economic and industrial trends in the expansion and development of our nation, that contributed significantly to the amassing of great fortunes, later to be turned to philanthropic endowments; and with the development of public opinion concerning benevolences as evinced by outstanding educational and social leaders.

## II. PREVIOUS STUDIES

Surveys of philanthropy. Jesse B. Sears<sup>19</sup> has contributed the outstanding treatise on philanthropic enterprises in American higher education with a discussion of benevolent practices beginning with the colonial period (1776) and continuing to 1918.

The major portion of the work deals with the outstanding benefactions contributed to colleges and universities in America from the earliest inception of such institutions.

In Chapter V, Sears describes great educational foundations and their advent into the educational life of the nation. Each of the leading foundations is briefly, yet comprehensively, discussed, and excerpts from the charters of the major endowment plans are quoted in explanation of important clauses contained therein.

Eduard C. Lindeman<sup>20</sup> has contributed a treatise entitled Wealth and Culture which was published in 1936. The study includes a survey of one hundred foundations and community trusts and their operations during the decade 1921-1930.

Lindeman<sup>21</sup> carefully defines the term "culture" and proceeds to portray his own conception of prevalent economic ailments which he considers to be due to faulty distribution of wealth and income.

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<sup>19</sup> Jesse B. Sears, Philanthropy in the History of American Higher Education (Department of the Interior, Washington, D. C., Bureau of Education, Bulletin No. 26, 1922), 111 pp.

<sup>20</sup> Eduard C. Lindeman, Wealth and Culture (New York: Harcourt, Brace and Company, 1936), 135 pp.

<sup>21</sup> Ibid., p. 6.



The ways in which immense fortunes have been acquired in the United States are briefly discussed, and then Lindeman traces the gradual development of the most important endowments and trusts, concluding his dissertation with a resume of the status of the trustees, who at the present time control the destinies of the major foundations.

The writer has discovered additional source material included in Chapter XXVIII of Cubberley's,<sup>22</sup> State School Administration, a textbook that has proven to be especially valuable in clarifying the salient features common to each foundation.

Several of the remaining references used, in certain respects, probably represent, in part, the viewpoint of individuals who have been either directly or indirectly affiliated with educational foundations, and who possibly may present at least a slightly biased attitude.

It is the belief of the writer that the three above mentioned studies actually present a thoroughly tolerant and unbiased viewpoint concerning philanthropy of this type.

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<sup>22</sup> Ellwood P. Cubberley, State School Administration (Boston: Houghton Mifflin Company, 1927), pp. 734-766.

## CHAPTER II

### ECONOMIC POLICY OF THE UNITED STATES DURING THE PERIOD OF NATIONAL EXPANSION

Extension of the frontier. Individual initiative, coupled with an indomitable desire to establish homes in an uncharted wilderness, inspired the first groups of pioneers in America into pushing westward from the coastal regions, past the falls line, and onward into the interior of a vast, unexplored continent. Stirred by a sustained urge to conquer new areas that demanded recognition and fulfillment, and which reconstructed and shaped itself into the undeniable form of restless, nervous energy demanding an immediate outlet, these first truly American pioneers began the conquest of the West.

The writer believes that a true conception of the economic, social, and political advancement of our nation, in a vital, dynamic manner can be most adequately secured by the student of education in tracing the gradual advance of the American frontier.

American institutions have been forced to adapt themselves to the changes personified by "an expanding people", imbued with a desire to reconstruct democratic agencies and institutions to meet the demands of an ever changing civilization. Of particular in-

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<sup>1</sup> Frederick Jackson Turner, The Frontier in American History (New York: Henry Holt and Company, 1920), p. 2.

terest to the writer is the historical depiction of economic development, as accurately portrayed by contemporary historians, with its pervading spirit of acquisition and personal material advancement. The resume of national expansion that follows is primarily inserted to give the essence of substance and reality to American institutions that went hand in hand with the creation of a new nation; later contributing substantially to the maintenance and continued advancement of the United States.

Turner<sup>2</sup> has stated succinctly that "the most important effect of the frontier has been the promotion of democracy." From the very moment that the mountains rose between the first adventuring frontiersmen and the coastal regions, where the last definite contacts with mother countries still existed in the conservative, aristocratic settlements, clinging tenaciously to the Western European culture, there was definitely conceived a new order of democracy.

French Huguenots, settling in the Carolinas in the Cumberland Hills Region; Scotch and Scotch-Irish, spreading southward from their original locations in New Jersey, along the parallel river valleys of the Alleghenies, and thence into the Kentucky and Tennessee territories; the Palatine Dutch venturing westward to acquire permanent possession of the Mohawk Valley in western New York; these groups with the English formed the major contributors to the advance-

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<sup>2</sup> Ibid., p. 30.

ment of the frontier<sup>5</sup> that was to prove outstanding as the prime agent in the continued expansion of freedom, the advancement of democracy to the Pacific Coast, and the gradual, and continued development of democratic institutions.

Pushing ever westward, the advance of the frontier continued, led by the crusading frontiersmen, who charted and blazed new areas for that dominant American institution, the home, that was soon to appear in the primitive wilderness, later to be followed by the settlement, presaging the definite advance of a new civilization.

Into the Ohio Valley and the Northwest Territory, pioneers marched boldly, and the first traces of a new culture, predominantly agrarian, during the last quarter of the eighteenth century and the first half of the nineteenth, followed in their wake. Territorial governments were formed, and strong, self-reliant, backwoodsmen asserted their rights and privileges. Institutions, peculiar to a representative type of democracy, in the form of the town meeting, religious toleration, public education, and the right of habeas corpus, which were inherited from the original thirteen colonies along the Atlantic seaboard, were combined with suffrage, a new born sense of freedom and equality, and a desire for self-government, to definitely establish democratic principles in this newly acquired region.

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<sup>5</sup> Ellwood P. Cubberley, Public Education in the United States (Boston: Houghton Mifflin Company, 1934), pp. 12-13.

Similar explorations and organizations had been well established in Kentucky and Tennessee, during the period of the Revolution, and gradually the United States began to take form.

By the middle of the nineteenth century, expansion had continued to the Mississippi River and beyond this great stream to the very edge of the Indian Territory, then under the protection of the federal government. Here, the trappers, traders, and the ever-seeking frontiersman stopped long enough to secure the minimum amount of financial assistance, in order to properly outfit their expeditions, and again continued their advance, either along the old Santa Fe Trail to the southward leading to Spanish trading centers, and ultimately in many cases to the California gold fields, or by way of the Oregon route to the northwest.

The beginning of industrial expansion. The intervention of the Civil War, beginning in 1861, served to offset, temporarily, the importance of the westward movement and ushered in a new and unprecedented era of economic and industrial development. From an economic point of view the conflict "destroyed the feudalistic plantation system of agriculture in the south and established the supremacy of Northern capitalism."<sup>4</sup>

Prior to the war of secession, the laissez faire conception, as applied to commerce and trade, had been accorded the most enthusiastic support, not alone by the eastern mercantilists engaged in

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<sup>4</sup> Edward C. Lindeman, Wealth and Culture (New York: Harcourt, Brace and Company, 1936), p. 7.

shipping, but also by the settlers in the west, who represented the very epitome of "rugged individualism", and who definitely resented interference on the part of the federal government, wherein economic privileges were held in partial subjection.

Adams<sup>5</sup> has stated that the inherent "philosophy" on which the Constitution is founded "embraces the laissez faire concept of economics", and this same determinant theory was enthusiastically proclaimed by those western statesmen and pioneers, who wished not only to exclude governmental control from commerce and industry, but likewise contended for the same principle, that it might be applied to social and political viewpoints, originating for the first time along the frontier.

The struggle between the North and the South served to demonstrate to "Northern leaders in banking and industry" the exact manner in which they could reap fabulous personal profits, through "financing the federal government and furnishing supplies to its armies." By the time the bitterly intense military struggle was ended, Northern industrialists "had accumulated huge masses of capital and were ready to march resolutely forward to the conquest of the continent--to the exploitation of the most marvelous natural endowment ever bestowed by fortune on any nation."<sup>6</sup>

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<sup>5</sup> Arthur B. Adams, National Economic Security (Norman: University of Oklahoma Press, 1936), p. 102.

<sup>6</sup> Charles A. and Mary R. Beard, Rise of American Civilization (New York: The Macmillan Company, 1930), p. 166.

Beard<sup>7</sup> has aptly described this period in the economic development of America when he says that, "history was repeating old patterns in a new and more majestic setting."

Exploitation of the laissez faire system of economy. When one attempts to trace historical changes that have put in an appearance since the inception of civilized culture, there comes a definite realization that in the evolution of every truly outstanding civilization in the past, numbering among them Egypt, Greece, Persia, Babylonia, Rome, and Venice, there have appeared "groups of rich and enterprising business men devoted to commerce, industry, and finance." Undoubtedly the exact sources of their amassed wealth varied and the manner in which they acquired vast fortunes differed, but in every ancient society "that continued its advance beyond a primitive stage of culture" they formed a concentrated group and "proceeded with deadly precision" to exploit those people who actually "derived their sustenance from agriculture."<sup>8</sup>

Virtually the same conditions existed in the United States just following the Civil War. Vast, undeveloped natural resources lay at the virtual disposal of the acquisitive, industrial leaders. With a beneficent government equally willing to aid in the exploitation and expansion of such resources, by donating land outright or selling it "for a song", with the laissez faire concept of indi-

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<sup>7</sup>Ibid.

<sup>8</sup>Ibid., p. 167.

vidual initiative and enterprise guiding the decisions of the majority, with vast numbers of available laborers willing to be employed at low wages, and with a substantial domestic market available, American capitalists surveyed the scene with satisfaction and began their advance.

Bogart<sup>9</sup> has adequately portrayed the real status of affairs during this dynamic and portentous period in American history, by stating that "the prizes for successful achievement were enormous, with no hampering traditions and few restrictive laws."

Throughout "the 1870's and the 1880's the accepted principle of American business was free competition",<sup>10</sup> continuing the theory that had originated during the colonial period. This attitude is definitely exemplified when one considers the history of the American railroads "during the years of unbridled national expansion between the Civil War and the 1890's. It was, indeed, both "magnificent and scandalous",<sup>11</sup> and with the oil exploitations, during this same era, the record of abused privileges is without a parallel in industrial history.

The federal government contributed magnanimously to the economic exploitation of the public domain, by presenting vast areas of land to the major railroad companies during the two decades following the Civil War.

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<sup>9</sup> Ernest Ludlow Bogart, Economic History of the American People (New York: Longmans, Green and Company, 1931), p. 576.

<sup>10</sup> Frederick Lewis Allen, The Lords of Creation (New York: Harper and Brother, 1935), p. 4.

<sup>11</sup> Ibid., p. 43.



However, the process of exploitation was not confined to the railway and petroleum industries, where in the former, Jay Gould, William H. Vanderbilt, Collis P. Huntington, James J. Hill, and Edward Harriman reigned supreme over transportation interests, and in the latter, where John D. Rockefeller remained firmly entrenched as leader of the oil domain. Andrew Carnegie definitely aligned himself with the barons of industry by his phenomenal advancement of his steel manufacturing concern, and Jay Cook, with J. P. Morgan became recognized leaders of finance. In the mineral empire of the west, William A. Clark was the recognized mining leader, and in the person of Philip D. Armour, the beef and pork industry elevated a master organizer and financier. Beard<sup>12</sup> graphically describes the advancement of industry and commerce as guided and directed by the above mentioned leaders, and then advances his conception of them by stating that "above the multitude who worked in the sphere of business towered a few figures as imposing in their day as the barons of Magna Carta, rulers of England in the days of King John."

"The early acquirers" were not "sentimentalists" in any sense of the word. They clung determinedly to personal possessions, fought bitterly against the nations attempt "to redistribute wealth by means of a federal income tax", waged stern and uncompromising struggles with the labor unions, and to a large

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<sup>12</sup> Beard, op. cit., pp. 172-173.

extent controlled instruments of government. As extreme individualists, they were in complete control of commerce, and industry, and trade, but had ruthlessly forsaken the old ideal of liberty to surge onward towards "the new goal of acquisition."<sup>13</sup>

With the final disappearance of the free lands, during the last decade of the nineteenth century, there was "no longer even a partial avenue of escape for the less-well-to-do and the discontented." As business interests became more and more firmly integrated, there was less opportunity for the ambitious individual to essay a promising commercial or industrial career. "Powerful", uncompromising "group interests combined", and as a result, the individual located on an "inferior economic" level was "virtually helpless" as competition developed with the leaders. Organized wealth in numerous cases availed itself of the opportunity of resorting to "wholesale methods" of corruption and bribery, and "not a few thoughtful men", during this period of expansion, "began to despair for the permanence of traditional democracy."<sup>14</sup>

The new leaders were "organizers of men and materials, and they wrought marvels in large scale production. In four great provinces", bound together by exacting ties that brooked no failures,—"manufacturing, extractive industries, transportation and

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<sup>13</sup> Lindeman, loc. cit.

<sup>14</sup> Merle Curti, The Social Ideas of American Educators (New York: Charles Scribner's Sons, 1935, Report of the Commission on the Social Studies, Part X), p. 205.

finance", the leaders of business enterprise marched onward.<sup>15</sup>

With the acquisition of new and virtually unheard of powers, industrial leaders turned to more powerful interests to subjugate and subdue, and bring under their dominion in the world of capital and commerce and trade. The oil industry is a typical example of aggressive, domineering exploitation, not only of natural resources, but opposing companies and individuals as well. The formation of giant combinations and corporations is replete with accounts of lawless methods, intrigue, and dominating, harsh, competition, with the economic destruction of rivals a major concern.<sup>16</sup>

Despite a very definite realization of such social, economic, and political maladjustments existing during the half-century, following the Civil War, attempts to properly check and destroy the illegal powers possessed by this group, proved utterly incapable of properly handling the existing situation.

The Sherman Anti-Trust Act, enacted in 1890, and possessing broad, sweeping powers was primarily intended to alter and properly adjust industrial and commercial inadequacies. The act "forbids all contracts and combinations in restraint of trade or commerce among the several states and with foreign nations." It also laid open to the inflictment of severe penalties all indi-

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<sup>15</sup> Beard, op. cit., pp. 175-176.

<sup>16</sup> Ibid., p. 177.

viduals guilty of the formation of monopolies or combinations.<sup>17</sup>

However, due to the failure of succeeding administrations to properly utilize this prerogative in checking the formation of major trusts and corporations found guilty of violation of the act, industrial development, on a large scale, was not seriously impaired. Influential pressure groups, from time to time, have proven sufficiently powerful to successfully evade many of the restrictions imposed by the act, and the powerful corporation is still very much in existence.

Popular public opinion regarding vast accumulations of wealth. Lindeman<sup>18</sup> believes that "in a society animated by production economics, it is to be expected that large accumulations of wealth will accrue." He continues by expressing the conception that such a condition is likely to be true, "particularly when economic processes are guided by the theory of laissez faire" and concludes his discussion by stating that "the American system is primarily one of production and not of distribution."

Bryce,<sup>19</sup> in recounting his viewpoint concerning the acquisitive spirit manifested by capitalists and the method of acquisition employed in building large fortunes, recognizes the fact that,

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<sup>17</sup> Charles A. Beard and William Beard, The American Leviathan (New York: The Macmillan Company, 1930), p. 463.

<sup>18</sup> Lindeman, op. cit., p. 8.

<sup>19</sup> James Bryce, Modern Democracies (New York: The Macmillan Company, 1921), p. 24.

.....while the economic aspect of every question came more insistently into view, and tinged men's opinions on public issues, so also business enterprises had a greater attraction for men of ability and energy, diverting into other careers, talents and ambitions which would in earlier days have been given to the service of the state.

Frederick Lewis Allen<sup>20</sup> indicates his viewpoint concerning the privilege of open competition and the desire to acquire material possessions, without interference by the government, by the use of the following statement. "The earliest Americans had fled from Europe to escape governmental pressure; and the pioneer had been perforce a rugged individualist." As a result, the belief had grown up that interference, on the part of the government in business, could actually be inferred as a form of outright tyranny, and that to resist the intrusion of governmental agencies into economic operations was to uphold and maintain American rights and liberties. Allen later adds that "the law of supply and demand offered all the regulation which an American would tolerate", during that pioneer stage in development. In completion, he suggests the story of American industrial relations "as being one of the blackest chapters in American history."

According to the viewpoint ardently expressed in 1934, by Harlan F. Stone, Supreme Court Justice, economic relationships during the seventy years, following the inception of the industrial revolution in the United States, were far from being honor-

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<sup>20</sup>Allen, op. cit., p. 87.

able and just. Justice Stone is quoted as follows:

I venture to assert that when the history of the financial era which has just drawn to a close comes to be written, most of its mistakes and its major faults will be ascribed to the failure to observe the fiduciary principle----. No thinking man can believe that an economy built upon a business foundation can permanently endure without some loyalty to that principle. The loss and suffering inflicted on individuals, the harm done to a social order founded upon business and dependent upon its integrity are incalculable.<sup>21</sup>

Viewpoints advanced by educators, regarding corporate control of industry, during the period of expansion, present conflicting opinions. Curti,<sup>22</sup> quoting from the report of John Eaton, Commissioner of Education, in 1877, reports that some thought that the extension of the high school would tend to aid the sons of the laboring classes in acquiring a "profitable and honorable" position in the "existing industrial system" and prevent them from later becoming agitators against private exploitation of industry. Later, in his discussion, Curti presents a statement taken from The Western Teacher, an educational journal, edited by S. Y. Gillan, during the same year, in which that editor offered the following condemnation of wealth. "Schools suffer from want of money, and slums continue a growing menace against the owners of swollen fortunes--stolen fortunes--who are the beneficiaries of special privileges."

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<sup>21</sup> Ibid., pp. 386-387.

<sup>22</sup> Curti, op. cit., pp. 220-229.

Train<sup>23</sup> professes the belief that our Puritan ancestors brought with them the Old Testament theory and philosophy of life to their new homes in the colonies, and that this philosophy, with the aid of economic causes brought about or made possible the accumulation of wealth. Early American millionaires were generally admired and respected, and served as emblems of the nation's greatness,—"a living proof that it was the land of opportunity." Slowly there came a definite change in public opinion regarding the acquisition of large sums of money, and suddenly it was discovered that the ownership of vast wealth had indeed become a symbol of unjust manipulation, of political, economic, and social favoritism--"a symbol of a people's bondage."

Throughout virtually every age or era, the individual, who because of hardihood, good business sense, or skill, had made the accumulation of personal endowments possible in the form of capital, was respected. His power and authority in business had been rightfully earned. But when wealth was made an "instrument of abuse or injustice", public opinion turned the full force of its righteous indignation upon the plutocrat and he was treated impolitely.<sup>24</sup>

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<sup>23</sup> Arthur Train, "The Billionaire Era", Forum, 72:617, November, 1924.

<sup>24</sup> Ibid.

Train<sup>25</sup> considers "public sentiment" to be "a highly volatile affair", and states that it is doubly difficult to determine the exact causes for the popularity of certain millionaires and the unpopularity of others. However, he cites as major reasons for such opinions, "the epoch in which they lived, and business methods employed", and concludes his study by stating that the "greatest factor was probably the personality of the individual millionaire."

Counts<sup>26</sup> believes that in view of the fact "that the great body of citizens regard the pursuit of wealth as a perfectly normal and legitimate occupation of man", to even partially expect a more definite criticism of this practice would be "irrational and Utopian."

The writer, in conclusion of this topic, wishes to state that the attitudes expressed above have been studied with a desire to secure the viewpoints advanced by contemporary writers and thinkers, with a later attempt being made to evaluate the same on the basis of future experience.

Growth of great fortunes. Anna Youngman,<sup>27</sup> discussing the

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<sup>25</sup> Ibid., p. 620.

<sup>26</sup> George S. Counts, The American Road to Culture (New York: The John Day Company, 1930), p. 37.

<sup>27</sup> Anna Youngman, The Economic Causes of Great Fortunes (New York: Banker's Publishing Company, 1909), p. 5, 100.



economic causes of great fortunes, in her book by the same title, stresses the result of the definite relationships made possible under a powerful corporate system in which the individual possessing sufficient capital might invest properly and secure highly satisfactory returns for his investments. Miss Youngman mentions the highly indiscriminate competition prevailing throughout the 70's, and states that it gave impetus to the acquisitive features involving the development of great amounts of wealth.

Seeking to ascertain the exact structure upon which great American fortunes rest, the writer has discovered that only two financial leaders, Morgan and Vanderbilt, built their fortunes upon the solid basis of family inheritances.<sup>28</sup> The others started life with only normal support, and contrived to assume control of vast sums of wealth, brought together as the result of good fortune in making investments, sound business judgment, the habit of thrift, and in the majority of cases by dominating exploitation of competitors and of natural resources.

Arthur Train<sup>29</sup> has stated that the rise of the multi-millionaire came in the United States in seventy years. In colonial days, there were no great fortunes in America. The first truly modern American fortunes were directly derived from

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<sup>28</sup> Beard, op. cit., p. 173.

<sup>29</sup> Arthur Train, op. cit., pp. 617-620.

the seed of economic opportunity and equality. They were founded chiefly on trade, and "they injured no one--not even the possessors--and excited pride rather than envy."

The utilization of natural resources and the development of many new industries enabled a large number of our citizens to secure large, surplus incomes. A large per cent of the surplus earnings were re-invested in new capital for the industries from which the earnings originated, or used for financing new industries. Thus Adams<sup>30</sup> advances his theory of the economic development of large fortunes.

Continuing his discussion of the accumulation of wealth he insists that "few of the larger fortunes were actually earned by the original accumulators solely as a result of their superior economic acuity." Certain fortuitous conditions or economic advantages probably aided greatly in building a sizable accumulation, although Adams readily admits that personal differences do account for a large share of the unequal ownership of property in this nation and abroad. In closing his interpretation of economic changes, he makes a definite, assertive statement that the writer considers convincing and important in completion of this topic. The quotation is as follows:

The concentration of the bulk of the productive wealth of the United States in the hands of a very small percentage of

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Adams, op. cit., p. 22.



### CHAPTER III

#### TRANSITION AND DEVELOPMENT OF PHILANTHROPIC THEORIES

The earliest concepts of philanthropy. Benevolent contributions, designed primarily to aid both the individual and society, have played an important role in the charitable movements encouraged by every civilization, since the beginning of history. In the written records of each dominant civilization to which we have been fortunate enough to gain access, there are to be found frequent allusions to gifts of all varieties, ranging from personal possessions, represented by land and money, to food and clothing. These contributions were made either to the individual citizen, who chanced to be in need of assistance in the form of the necessities of life, or to the endowment and continued maintenance of a distinctly social institution, such as the church or the school. From all appearances and to a large degree exhibiting the same general concepts or theories, in support of their gratuitous gestures, the individual donors bestowed their gifts either in behalf of their more unfortunate fellow men or in support of their social, economic, and religious viewpoints. It appears that in the greatest number of cases of which there are any authentic records, concerning actual charitable dispensations, the individual or individuals, who offered material assistance to a worthy cause,

were either imbued with a sincere desire to actually assist in the improvement and continued development of social institutions, or were stirred to action by the recognition of the fact that such assistance on their part would prove beneficial in maintaining personal social standing, that had from time to time been seriously questioned by their less fortunate fellow men.

In tracing the history of philanthropy, it is significant to note that the impulse of benevolence is found in primitive man, far back in history. Later, as time passes, its inclusion and emphasis by outstanding religious organizations is discovered.

Sears,<sup>1</sup> in discussing the gradual change of the accepted theory of the philanthropic bestowal of gifts, concludes his remarks with the following interpretation:

So long as charity remained intimately associated with the church it is not strange that the work it was doing should never have been called in question. The term "charity" meant Christian virtue and its economic significance was wholly overlooked. In praising a man's good intentions it was not thought important that society should hold him responsible for having wisdom in expressing them.

The above quotation is directly substantiated by Cubberley,<sup>2</sup> who states that charity was closely associated with the church from the period in history known as the Middle Ages, and

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<sup>1</sup> Jesse B. Sears, Philanthropy in the History of American Higher Education (Department of the Interior, Washington D. C., Bureau of Education, Bulletin No. 26, 1922), p. 1.

<sup>2</sup> Ellwood P. Cubberley, State School Administration (Boston: Houghton Mifflin Company, 1927), p. 734.

defends the contention that such a practice tended to shape legislation and to control the state.

However, long before the Middle Ages in world history, the benevolent impulse in the form of endowments was found in the civilizations of Greece, Rome, and Egypt. The philosophers, Aristotle, Plato, and Cicero expressed the conception that the desire to aid others could best be carried out by a careful study of conditions, an understanding of the problem to be solved, a certain amount of sympathetic guidance, and continuous, systematic cooperation.<sup>3</sup>

With the advent of the church, this same impulsive contribution of gifts in the form of religious donations and endowments was emphasized by all the great religions.<sup>4</sup>

Rosenwald<sup>5</sup> states that the Egyptians, Greeks, and Romans were especially desirous of donating major contributions to educational and religious institutions, and usually were responsible for permanent, substantial endowments.

Referring again to the Greeks, one discovers that Plato turned his grove of Academe into an academy, gave it with addi-

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<sup>3</sup> Clyde Furst, "Endowed Philanthropies and American Education" School and Society, 16:225, August, 1922.

<sup>4</sup> Ibid., p. 225.

<sup>5</sup> Julius Rosenwald, "The Trend Away From Perpetuities" Atlantic Monthly, 146:747, December, 1930.

tional personal property to his successors, and later, that school became the University of Athens, which was instrumental in fostering and developing Greek education.<sup>6</sup>

Benevolent assistance to social institutions was not uncommon among the Romans, and the thought expressed by Seneca, great Roman leader, in his treatise on Benefits where benevolence is made the most social of all virtues, is typical of the generosity manifested by the group.<sup>7</sup>

From the moment Christianity, definitely and comprehensively, appeared to direct and guide the destinies of civilization through the Dark Ages and thence onward to the development of a new culture, an all inclusive theory of philanthropy manifests itself. Assistance to the masses, in an attempt to provide for them the benefits of at least an elementary education, was a dominant theme expressed by those first outstanding Christian leaders. In direct conjunction with this theory ran a similar benevolent theme in which sharing was personified, and in which the individual was commanded to give and to share liberally with others material gifts from his personally acquired fortune. Under all existing circumstances it was blessed to give to one's fellow man.

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<sup>6</sup> Furst, loc. cit.

<sup>7</sup> Emory S. Bogardus, A History of Social Thought (Los Angeles: Jesse Ray Miller Press, 1929), p. 114

Throughout the Middle Ages, and continuing well into the eighteenth century, it is discovered that the steadily increasing power of the church was largely instrumental in enlisting the financial aid of the nobles and the landed gentry for the purpose of establishing great foundations or trusts, in the form of endowments for schools and monasteries, directed by church officials. Especially during the age of chivalry and the crusades, it was not uncommon to have great feudal nobles or lords contribute vast holdings in lands and personal wealth to the church, and then spend the remainder of their lives in acts of penitence in expiation of past sins. As a result, the church spread its power and authority over all of Western and Southern Europe and became a financial power as well as a religious and educational one.

According to Pritchett,<sup>8</sup> there was no question more rigorously debated, by the economists of the eighteenth century, than the dispute over the disposal of privately accumulated wealth in the form of continuing endowments and trusts. Turgot, the French economist, first raised the serious question as to the validity of purposes and uses of gifts. He enunciated the principle that the state had the right and privilege of adopting old foundations to better uses for modern causes, and

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<sup>8</sup>  
Henry S. Pritchett, "The Use and Abuse of Endowments"  
Atlantic Monthly, 144:517, October, 1929.



vigorously espoused his theory of relentless criticism of endowments in perpetuity. Adam Smith also propounded the same principle in his Wealth of Nations, published in 1776, and contended that for the most part the foundations and trusts of the period deprived the state of necessary funds and tied up resources that might well be put into circulation with good effect.

England represents an outstanding example of a nation in which the accumulation of vast personal holdings, under direct supervision of the church, became a common undertaking. During the earlier centuries in English history, the monasteries received such enormous grants of land and money that Edward I, upon ascending to the throne, undertook to partially limit their possessions, and his example was followed by his successors.<sup>9</sup>

While Edward's empowering statute of mortmain (1279) was primarily intended to halt the rapid advance of "ecclesiastical holdings" in land and was in the main intended to protect the feudal rights of secular nobles, it was in no manner the first or the last expression of alarm over the constricting possibilities of steadily increasing corporate wealth, even though used for the most worthy purposes.<sup>10</sup>

Shortly before Henry VIII secularized the monasteries, it

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<sup>9</sup> Julius Rosenwald, "Principles of Public Giving", Atlantic Monthly, 143:599, May, 1929.

<sup>10</sup> Charles Clayton Morrison, "Philanthropy in a Democracy", The Christian Century, 53:1055, August 5, 1936.

was estimated that one-third to one-half of the public wealth of England was held by philanthropic endowments which were religious. In France, Turgot, not long before the French Revolution, estimated that if the endowments of the philanthropies should continue, all real estate and every form of public wealth would be tied up in such endowments.<sup>11</sup>

The Reformation in England was concerned quite as much with getting at such religious repositories of wealth as it was with any theological considerations.<sup>12</sup>

The conflict waged on the continent of Europe and in England over the right of mortmain--"the privilege of the possession of property by religious, charitable or other philanthropic organizations", plainly exemplifies the struggle between church and state during the Middle Ages. Frederick Barbarossa, German king, as early as 1156, prohibited the placing of real estate at the disposal of the church. In 1215, the Magna Charta forbade a direct transfer of land to the church, by a tenant owner, without the consent of his master. Such a provision was successfully evaded by making conveyances to officers of the church.<sup>13</sup>

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<sup>11</sup> Furst, loc. cit., pp. 225-226.

<sup>12</sup> F. P. Keppel, "Opportunities and Dangers of Educational Foundations", School and Society, 22:799, December 26, 1925.

<sup>13</sup> Hamilton Holt, editor, "The Great Foundations", The Independent, 81:187, February 8, 1915.

The vast estates of the medieval monasteries were secured to a large degree from the benevolent responses of men and women who saw in the ecclesiastical power of that period the sole ideal of a civilization that was steadily advancing. How, later, it came about that religious orders during the Middle Ages possessed virtually half the soil of England, and possibly more than half the soil of other European nations, and the manner in which those conditions led to economic and social uprisings, often accompanied by "violence and confiscation", is well known to the student of history.<sup>14</sup>

Evidently any attempts that were made to dissolve such endowments in England, during the eighteenth century failed of achievement. Following a sweeping investigation of such trusts in 1837, a Parliamentary investigating committee listed in its report nearly 50,000 endowments with a total annual income of £ 1,200,000.<sup>15</sup>

During the same investigation, Gladstone, English political leader, as spokesman for the committee in addressing the House of Commons bitterly condemned endowed charities and spoke of them as doing a greater amount of evil than of good in the forms in which they were established and existed at that time.<sup>16</sup>

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<sup>14</sup> Edward J. Wheeler, "Founding a Philanthropic Trust", Current Literature, 48:359, April, 1910.

<sup>15</sup> Rosenwald, loc. cit.

<sup>16</sup> Ibid.

The writer, in making a study of benevolent contributions as evinced by actual practices in preceding civilizations, has been impressed by the revelation that from simple inceptions, comprising assistance to a member of the group, the art of charitable giving expanded broadly in what appears to have been an honest attempt to aid important social, religious, and educational agencies of society. During the Middle Ages and well into the eighteenth century philanthropy succumbed to secular mandates and narrowed in scope to include only those most important functions as sanctioned by the church in Western and Southern Europe.

However, when one pauses to consider the value actually derived by civilization, during that period in church control, with reference to educational, social, and cultural advantages, that without secular encouragement and guidance would have become extinct, it is not extremely difficult to condone such a program.

Early philanthropic ventures in the United States. Both Cubberley<sup>17</sup> and Sears<sup>18</sup> comment, at length, regarding the long series of gifts that were contributed to the early colonial colleges, by various donors, and state that the philanthropic impulses of this period brought donations ranging from live-

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<sup>17</sup> Cubberley, op. cit., p. 735 f.

<sup>18</sup> Sears, op. cit., p. 10 ff.

stock, food, and clothing to benevolences in the form of land and money. The early colonists were deeply interested in the endowment of institutions of learning, wherein their children might avail themselves of the privilege of making adequate preparation for the ministry. A number of the gifts, bestowed upon the fortunate colleges that were waging a bitter struggle to maintain their existence, came from individuals residing in the mother country of England and in many cases carried unusually severe stipulations to be met before the endowment was actually awarded. The influence of English contributors on several of the most important colonial colleges is apparent when one considers the names, William and Mary, Queen's (Rutger's), and King's (later Columbia University). Dartmouth College also owes much of its assistance to its most able benefactor, Lord Dartmouth of England, and Yale, Princeton, Brown, and Pennsylvania Universities were given material assistance by English patrons.

The table which appears on the following page presents data taken from the charters of the nine colonial colleges, and has been borrowed from a similar table constructed by Sears<sup>19</sup> which was included in his survey of early denominational colleges in America.

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<sup>19</sup> Ibid., p. 12.

TABLE I  
DATA CONCERNING NINE COLONIAL COLLEGES

Date of founding	History of name	Reason for name	Originator of school movement	First income of school		
				Source	Amount	Form
1635	"A school or college" Harvard College, 1638	Gift from John Harvard	General Court of Mass. Bay	General Court: John Harvard	£ 400 £ 400: library	Grant Bequest
1692	College of William and Mary	For King and Queen of England	Jas. Blair and four other of chief clergy of Va.	Blair's subscriptions in England; English Government	£ 2,500	Subscription
1701	Collegiate College of Conn. Yale College, 1718	Suggested in petition for charter gift from Elihu Yale	Ministers in New Haven Colony	General Court of Conn.	£ 120 in country pay	Grant
1746	College of New Jersey: Princeton University, 1896	Located at Princeton on condition of a grant	Presbyterian clergy and laymen	Residents of Princeton	£ 1,000 and 210 acres of land	Grant
1754	King's College: Columbia College, 1787		Probably by Trinity Church	New York Legislature, by lottery	£ 3,343	Grant

\*Table I continued on following page.

TABLE I (Continued).

DATA CONCERNING NINE COLONIAL  
COLLEGES

Date of founding	History of name	Reason for name	Originator of school movement	First income of school		
				Source	Amount	Form
1755	College of Philadelphia: University of Pennsylvania, 1791		Benjamin Franklin	The trustees and other charitable persons		Subscription
1764	Rhode Island College: Brown University, 1804	In honor of gift from Nicholas Brown	Morgan Edwards and Baptist Association of Philadelphia	Collected in England and Ireland by Morgan Edwards	\$4,500	Subscription
1766	Queen's College: Rutgers College, 1825	In honor of royal consort, Charlotte: Colonel Henry Rutgers's support	Theo. J. Frelinghuysen			
1769	Dartmouth College	Lord Dartmouth	Rev. Eleazer Wheelock	Subscription in England	\$ 10,000	Subscription

Read table thus: In 1635 a school or college, later in 1638 to be known as Harvard College as a result of a gift from John Harvard, was founded. The General Court of Massachusetts Bay was the originator of the movement for the school. The school's first source of income was derived from a £ 400 grant from the General Court and a like financial bequest on the part of John Harvard, plus his library. Read in like manner for succeeding foundation dates.

Religious and political forces were largely instrumental in the support and maintenance of institutions of higher learning throughout the colonial era. Gifts were usually small and for the most part contributed to the promotion and endowment of a course of study for the continued training of theological students. In numerous instances books of a religious nature were common contributions by donors who were manifestly interested in the advancement and promulgation of the Gospel.

In direct conjunction with the interest shown in higher education came the advance of semi-private philanthropic agencies, as described by Cubberley,<sup>20</sup> in which he lists the introduction of "the Sunday School movement, the growth of city school societies, the Lancastrian societies, and the advent of the Infant School societies", that aided directly in awakening a national consciousness of the need for elementary and intermediate training.

Land grants, to the respective states, by the federal government, to be used for the construction of suitable educational institutions, started as early as 1802 when the state of Ohio was given a government land grant. Such beneficence and interest on the part of the federal government soon stimulated a new interest in education. Each state that was admitted after

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<sup>20</sup> Ellwood P. Cubberley, Public Education in the United States (Boston: Houghton Mifflin Company, 1934), p. 121 f.



Ohio, with the exception of Texas, Maine, and West Virginia, received the sixteenth section of each township for the maintenance and support of common schools and two townships for the "endowment of a state university." This system brought an added endowment agency into effect and was heavily counted on as a material aid in assisting needy colleges and state universities.<sup>21</sup>

Definitely aided and encouraged by the munificence of individuals both in the colonies and abroad, by religious orders and educational societies, and finally by the federal government, educational institutions gradually began an upward advance following the colonial period. Philanthropic agencies in part began to seek worthy objectives for their benevolences. Immediately following such action, a desire to promote and advance cultural and educational facilities in the United States was plainly manifested for the first time in the history of our nation.

Strange bequests. Throughout history there have appeared individuals who were extremely desirous of contributing to the endowment of specific educational, religious, or social institutions, and who apparently were so vitally interested in assisting such enterprises, peculiar to their own day and age, that they did not take into consideration the possibility of an ever changing civilization invalidating their chosen objectives within the

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<sup>21</sup>Ibid., p. 178.

short period of a lifetime. The writer has discovered, during his study of philanthropic endeavors, several interesting accounts concerning exact stipulations that were included in the wills of individuals seeking to assist their economically less fortunate fellow men in which the donors were so definitely committed to their dogmatic conceptions of cultural and social advancement, that they completely ignored obvious social changes. As a direct result, their contributions have since become "frozen wealth" legally constrained from tendering aid to future and decidedly worthwhile enterprises of a similar nature, by stipulations placed in individual wills, in part, signifying a bold assertion of confidence in personal insight and evaluation that has since proven to be distinctly misleading.

Far back in ancient history, the Chaldean and the Egyptian kings left wealth to colleges of priests, who were sternly commanded to tend their tombs for all times and to provide food for the departed spirits. However, such stipulations were not considered unusual with the two races and the practice continued for many centuries. <sup>22</sup>

During the endowments investigation in England, a little over a century ago, it was discovered that a certain discriminative philanthropist, during the first decade of the preceding

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<sup>22</sup>Rosenwald, op. cit., p. 747.

century, had contributed a substantial sum to the conduction of services in the French tongue in the Walloon Chapel of Canterbury Cathedral, although the congregation had known no French for a hundred years.<sup>23</sup>

Among the above mentioned group was found an endowment expressly created by Henry Smith (1626), for the avowed purpose of paying the ransom of Christians held in bondage by the rapacious pirates who frequented the famed Barbary Coast in Northern Africa. However, such piracies had ceased many years before, the last application for such aid coming in 1723, and the provisions of the endowment made it impossible to make use of the money for other purposes.<sup>24</sup>

From the above observations it would seem that endowments were frequently established more for the purpose of perpetuating the name of the donor or for the achievement of a certain whim, than for any social benefits that might possibly be derived from such action. Many such obsolete bequests date back into the early days of our own colonial era when our first financial leaders fashioned their "posthumous charities" in the virtual spirit of the times, confident that conditions as they then existed would continue in much the same vein.<sup>25</sup>

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<sup>23</sup> Abraham Epstein, "Do the Rich Give to Charity", The American Mercury, 22:28, May, 1931.

<sup>24</sup> Ibid.

<sup>25</sup> James Monahan, "Stagnant Billions", Cosmopolitan, 101:42, October, 1936.

Probably the classic example of such bestowals is the sum of money dedicated to his posterity by Benjamin Franklin. In his will that learned individual set up two loan funds of £ 1,000 each, dedicated to the assistance of young "artificers" under the age of twenty-five and based upon the assumption that there would always be needy apprentices laboring in Philadelphia and Boston. Amounts from the two funds were to be loaned to any needy journeyman and in addition the surplus of both funds, over and above apprenticeship needs, was to be invested. At the end of one hundred years, one endowment was to provide for the construction of aqueducts, sidewalks, and public buildings for the city of Boston, the other to provide the city of Philadelphia with a pure water supply by pumping the waters of Wissihicken Creek into that city. Both cities were forced to provide for their needs without waiting for the money contributed by Franklin's will, and the class of workers whom he hoped to benefit gradually became non-existent.

During the latter portion of the eighteenth century, Stephen Girard, a French sailor and trader, who had established head quarters in Philadelphia, accumulated one of the first great American fortunes. Being a public-spirited individual and interested in the advancement of educational opportunities, he bequeathed \$2,000,000 and several hundred acres of land along the banks of the Schuylkill River in Philadelphia for the endowment

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<sup>26</sup> Rosenwald, op. cit., pp. 600-601.

<sup>27</sup> Paul U. Kellogg, editor, "Spending for Tomorrow", Survey, 62:254, May 15, 1929.

of a college for "male, white and legitimate orphans." Girard designated the exact site to be occupied by the college and went so far as to draw specifications for each building, the rooms, corridors, exits, and entrances, and to designate the number of doors and windows, and the width of the walks. Also, included in his will were copies of a required curriculum, qualifications for faculty members, and the method of administration to be followed.<sup>28</sup>

The institution was hardly opened before the faculty began to complain that the dormitories were uninhabitable, with many needed changes in the lighting and ventilating systems. Poor acoustical effects also presented a rather forbidding atmosphere.<sup>29</sup>

While engaged in digging on the foundation of another building, workmen struck one of the richest anthracite coal deposits in America. During the next sixty-five years, 98,000,000 tons of fine coal were taken from the vein. Wealth poured in and by 1877, the directors of the college were forced to declare seventy-five per cent of the income from the estate unnecessary for the operation of the school. In 1927, almost a century later, the residuary fund amounted to over \$80,000,000. With this rapid increase in available funds came a likewise sharp decrease in numbers of those individuals qualified to be admitted to the institution.

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<sup>28</sup> Monahan, op. cit., p. 117, 118.

<sup>29</sup> Ibid.

Today this institution bearing its founder's name is forced to seek for eligible students.<sup>30</sup>

Another similar endowment, comparable in that there was built up a vast accumulation of unexpected wealth, is the one conferred upon his fellow workers by Captain Thomas Randall, a retired sea captain who died in 1803. The captain, wishing to assist superannuated seamen, employed on sailing vessels, after a long period of deliberation with his attorneys, one of them being Alexander Hamilton, made a decision to provide a home for aged and decrepit sea veterans. Possessing a twenty-one acre farm on Manhattan Island and approximately \$7,000 in cash, Randall purchased a site on Staten Island, christened the location Sailors Snug Harbor and constructed a dwelling, presenting by the way of endowment, his Manhattan estate. By 1805, the captain's holdings were valued at \$15,000, and today with the Manhattan acreage covered by office buildings and department stores, it possesses a valuation of \$30,000,000, with an annual income of \$1,500,000. Attempts, on the part of the heirs, to have the will changed have proven futile, with the possible exception of securing the permission of the courts to extend the provisions to include sailors formerly employed on modern steamships. The annual revenue from the estate far exceeds the demands of the beneficiaries and the

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<sup>30</sup> Ibid.

membership fails to show a steady increase.<sup>31</sup>

In closing this brief discussion of strange benevolences, it is well to present an account of another beneficent gesture in which the donor undoubtedly possessed a desire to assist mankind. Back in the year 1849, when covered wagons were a familiar sight along the western trail, the mayor of St. Louis, Bryan Mullanphy, left a trust fund to assist western gold seekers, "who had lost a mule, eaten up their last ounce of food, or experienced some other form of ill-luck." Covered wagons no longer run the trail, but the trust fund increases annually and today is valued at more than a million dollars. Heirs seeking to obtain the money were informed that the city would administer the fund for the purpose adjudged most nearly that for which the donor had intended it, and as a result the courts of the city have turned the fund to assisting present day migrants, who become stranded in St. Louis.<sup>32</sup>

References to other endowments have been discovered that are at once strange and ludicrous when viewed from contemporary concepts of what worthwhile philanthropic enterprises should add to social and cultural advancement. Lacking in ability to prophesy the future, they at least have contained elements of real social value for specific endeavors peculiar to their own age.

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<sup>31</sup>James C. Young, "The Dead Hand in Philanthropy", Current History, 23:839, March, 1926.

<sup>32</sup>William Seaver Woods, editor, "Safeguarding Dead Donors of Charity", The Literary Digest, 106:19, August 30, 1930.

In several cases, the lack of a substantial amount of money to be invested in benevolent agencies, necessarily excluded the possibility of seeking a broad, general social, religious, or educational field in which to work, and necessitated the extreme narrowing of the project to one of a specific nature. Personal prejudice, as a directing motive in a majority of the cases proved sufficient to eliminate a tolerant, objective attitude that might possibly have been responsible for a later constructive program.

Transition of philanthropic trends. Today, the trend in regards to benevolent disposal of gifts is towards a more specific dispensation of funds, rather than making the program an all inclusive one.

With virtually the same theory being present during the colonial period, when grants in aid were primarily intended for religious training, the trend in philanthropy as the Industrial Revolution developed in the United States, beginning during the 1830's, swung toward assistance to the general field of educational advancement, to health education, or to social welfare programs, with a great many gifts bestowed outright, with no entangling stipulations, in the form of art collections and libraries in which cultural and aesthetic evaluations were intended.

Modern industrialism has gradually replaced the simple, agrarian interests of our ancestors, and with this change has come the advancement of new social and cultural problems. Economic unrest in major industries laid bare the urgent need for assistance,



and this plea has been answered, in part, by charitable benevolent institutions.

In the field of education, in particular, philanthropy has seen fit to contribute in a substantial manner, and each year millions of American dollars find their way into the welcoming treasuries of institutions of higher learning. Scientific, educational, and medical research have been aided immensely, and the entire field of education has been advanced by efforts made possible through the investments of benevolent endowments.

Part IV, presents a survey and study of a definitely organized institution, the educational foundation, that has contributed in a significant manner to the general field of education. The fore-runner of this institution, the Peabody Education Fund, created in 1867, graphically portrayed the need for continued aid to social and educational agencies, and the response since the turn of the century in the United States, has proven productive beyond all expectations.

## CHAPTER IV

### MODERN EDUCATIONAL FOUNDATIONS

Origin and rise of the foundation. Benevolent endowments, primarily intended to contribute material assistance to educational endeavors, are in no sense a modern creation. Philanthropic dispensations, with educational advancement as a definite objective paramount from the date of bestowal, have occupied distinctive positions in the field of education since, the very inception of the recognition of the needs of education. Realization of such needs developed at an early date in the history of mankind as dominant leaders courageously faced the problem of bringing enlightenment and social advancement to the masses, in order that they might lift themselves from a chaotic, unintelligible life of ignorance and seek for future advancement.

Hand in hand with the advance, in many instances showing the way, in others contributing financial assistance to recognized educators in order that they might better aid those with whom they were associated, went organized educational agencies providing the needed impetus for continued progress. In numerous cases individual donors granted funds outright to what they considered to be worthwhile enterprises, with no specific stipulations involved in the use of the money; in others endowments or trusts, intended to benefit mankind throughout long periods

of time, were founded. Those same trusts delegated definite instructions to be explicitly followed by the institution or institutions fortunate enough to be granted aid under this plea.

Prior to the twentieth century foundations, or trust funds were principally established for the express purpose of carrying out a particular desire as evinced by an individual or individuals. Since the turn of the century, and with the advent of the truly modern educational foundation the individual responsible for the section creating such an agency has adjusted himself to a rapidly changing civilization and has in the majority of cases avowedly stated that the express purpose of such an agency was to promote the general welfare of mankind. Even then with such broad, magnanimous proposals it would be well to remember that the aims and aspirations of the donor were profoundly manifested although partially disguised by such utterances. Exceptions to specific conditioning existed in small numbers during the nineteenth century, especially in the United States, but a comparison of foundation grants during the preceding century and the present one will indicate striking differences between benevolent trends that remain significant.

Whether or not specific provisions indicate a virtually individualistic concept, that may at times border on the intolerant and thoroughly biased viewpoint, is a theory that has been repeatedly discussed. On the other hand the broad all inclusive type of benevolence remains distinctly vague and at times diffi-

cult to construe and evaluate properly.

As a distinctly new form of educational philanthropy, without any previously comparable agency, the foundation stands alone. Sears<sup>1</sup> admits that the only possible precedent to the foundations was the various church education boards that were instrumental in advocating the granting of scholarships to worthy students with which they were enabled to continue theological training, and the contribution of financial aid to colleges for both specific and general purposes. However, the foundation has not been limited by church creeds or doctrines, and has openly bestowed gifts upon every type of "educational enterprise in the country, whether private, state, or church."

Also when a study is made of the period in American history during the nineteenth century when state universities were first developing along with privately endowed universities, it is discovered that the church college and the church boards were definitely antagonistic to such institutions supposedly because of their lack of religious training. To a certain degree the state, the philanthropic leader, and the church were competitors in education, and at first openly resented any attempt at advancement on the part of rivals. The bitter sense of rivalry has continued throughout the years, but has gradually

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<sup>1</sup>  
 Jesse B. Sears, Philanthropy in the History of American Higher Education (Department of the Interior, Washington D. C., Bureau of Education, Bulletin No. 26, 1922), p. 81, 108.

been replaced by a friendly attitude. As compared with such action the foundations have not entered the field of education as rivals but have cooperated "with forces already at work" in an attempt to supplement and aid those same agencies.<sup>2</sup>

A leading American research student, following an investigation of outstanding foundations in the United States, contributes the concept that such institutions remain as distinct symbols of individualism, based upon that paramount American conception of individual initiative and the right to inject into our civilization personal interpretation of needs to be considered. According to this same writer the rise of the foundation signified the origin of an elementary "social consciousness" on the part of the individuals, who acquired vast fortunes, or the beginning of a feeling of guilt. With a great surplus of wealth not needed for reinvestment the financier and the capitalist turned to philanthropic enterprises to utilize idle funds.<sup>3</sup>

The endowed foundation is essentially an agency of the present century. A great deal of the credit for this type of an institution is directly attributable to the pioneering efforts of Andrew Carnegie, and the greatest impetus to the development of endowments of this nature belong to the two Roocke-

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<sup>2</sup> Ibid.

<sup>3</sup> Eduard C. Lindeman, Wealth and Culture (New York: Harcourt, Brace and Company, 1936), pp. 4-5.

fellers. However, there were important fore-runners or prototypes during the nineteenth century, that undoubtedly influenced the molders and organizers of the modern foundations.<sup>4</sup>

The earliest established recognized foundation in the United States was the Magdalen Society of Philadelphia, originating in the year 1800, with its prime objective the maintenance of a suitable home for wayward women. The total endowment amounted to only a few thousand dollars, but it was considered a potentially substantial gift for that respective period. In 1920 the name was changed to the White-Williams Foundation with assets totaling \$250,000.<sup>5</sup>

Stephen F. Girard's endowment, in 1831, of the institution that bears his name at Philadelphia; the gift of \$50,000, contributed by Abbott Lawrence, in 1847, to a scientific school bearing his name; and the investment of a similar amount by Joshua Bates in the Boston public library in 1852, are symbolic of the benevolent spirit of philanthropy in the United States during the early part of the nineteenth century. Although they are not to be considered in the same category with the great foundations of today, in part, they contributed to the particular needs of their day and age and marked the advancement of organized aid to educa-

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<sup>4</sup> Edwin L. Shuman, "Broad Scope of American Philanthropy", Current History, 33:703, February, 1931.

<sup>5</sup> News item in the New York Times, Sunday, December 14, 1924.

tional institutions, and the gradual awakening of an educational consciousness on the part of philanthropists.<sup>6</sup>

The first truly outstanding educational foundation was conceived in 1867 when George Peabody, a citizen of Massachusetts, formulated plans for the establishment of a trust fund, which, in addition to a later donation in 1869, comprised a total of \$3,500,000. The dominating motive influencing the benevolent actions of Mr. Peabody was a desire on the part of the founder of the fund to aid in the promotion of education in the ravaged South. With economic and social conditions in a chaotic, disorganized state of affairs, following the Civil War, there existed a definite need for concerted assistance in the rebuilding of a devastated area. Peabody, noting the condition of the people, sought to alleviate their educational inadequacies and to prepare the way for future advancement along the lines of education. The establishment of the fund during this period of gloomy discouragement in the South proved to be an admittedly cheering influence of lasting benefit to the southern people.<sup>7</sup>

Conditions provided by the trust were so "elastic and liberal" that the appointed trustees were able to use the available funds in a number of ways to assist the people of the South

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<sup>6</sup> Charles F. Thwing, "Gifts to Education", The Outlook, 72:222, September 27, 1902.

<sup>7</sup> Ellwood P. Cubberley, Public Education in the United States, (Boston: Houghton Mifflin Company, 1919), p. 439.

in organizing educational projects and opportunities that had previously been unknown. Public school systems in the cities and larger towns, state school systems, rural school districts, and model demonstration schools and normal schools were accorded significant and sustained assistance by the Peabody Fund, and the reconstruction of Southern educational institutions was materially hastened by the contributions of a northern capitalist. Eight years later, following the organization of the fund, the trustees caused the erection of a normal training institution at Nashville to provide a more adequate agency for the development of teacher training in the South. Scholarships were granted to promising instructors and the South was given a hitherto unknown opportunity to avail itself of a ranking educational institution.<sup>8</sup>

With the advancement and continued development of the normal schools in the South a certainty, the Peabody Fund Trustees culminated the program endorsed by the founder of that outstanding educational movement, being given the right of complete disbursement in thirty years, and in 1903 distributed the remainder of the fund. A sum amounting to \$1,500,000 was contributed to the endowment of the George Peabody College for Teachers at Nashville, Tennessee. The college was essentially intended for the promotion of more advanced teacher training, and today possesses a

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<sup>8</sup> Ibid., pp. 440-441.



high ranking as a pedagogical training school. Following other grants to a few institutions of higher learning, the remainder of the trust fund, to the extent of \$350,000 was given to a similar fund established by John F. Slater.<sup>9</sup>

Peabody, who had contributed gifts of a minor type to Harvard, Yale, Salem, and Danvers, prior to the establishment of his trust fund, is quoted as stating that "there is a greater happiness than mere accumulation of wealth", and he concluded his statement with the remark that the greatest enjoyment can be "derived from giving it for good and humane purposes." His interpretation of a significant purpose to be administered, in the form of education, proved beneficial to a major area of the United States, in which a justifiable need existed.<sup>10</sup>

In acknowledgment of the work of the Peabody Fund, Shuman has contributed the statement that the "educational work in the Southern and South-western states" by this organization, "became a model" for national philanthropic enterprises dealing directly with education and its contemporary phases.<sup>11</sup>

The second great educational foundation to be established in the United States was created on March 4, 1882, in the form

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<sup>9</sup>  
Ibid.

<sup>10</sup> Daniel C. Gilman, "Five Great Gifts", The Outlook, 86:652, July 27, 1907.

<sup>11</sup> Shuman, loc. cit.

of a \$1,000,000 bequest by John F. Slater. The founder suggested a broad, inclusive objective to be pursued in the following statement: "the uplifting of the lately emancipated population of the Southern states, and their posterity, by conferring on them the blessings of Christian education." With the entrustment of this fund to capable, authoritative trustees went broad, unrestricted and especially tolerant powers that gave to those same individuals the privilege of meeting the needs of an ever changing civilization, in which the colored race was forced to adapt itself.<sup>12</sup>

Slater, a textile manufacturer "of Connecticut and Rhode Island", proved to be exceedingly liberal in his viewpoint concerning the proper dispensation of his trust fund. Trustees and their agents were empowered with the privileges of carrying out a tolerant, unbiased survey of educational needs in the South. Industrial and normal schools were supplied liberally for utilization by the negro race, grants in aid for the partial support of elementary and county training schools were contributed, and salaries of trained professional instructors were fully paid. Definite and substantial results produced by the Slater Fund are apparent in the educational history of virtually all of the southern states. Gifts of this nature, sponsored by Northern

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<sup>12</sup>Sears, op. cit., pp. 82-83.

capitalists, and tactfully employed by their agents, were largely instrumental in the eradication of a large amount of sectional hatred, and made a determined bid toward the establishment of peaceful relationships between the North and the South.<sup>13</sup>

The fund established by Peabody and incorporating the essence of service to humanity in the form of the presentation of educational opportunities was closely duplicated by Slater. Gilman<sup>14</sup> has stated that Slater frankly acknowledged that the desire and impulse for such a benevolence was prompted by the action of Peabody.

With the Slater and Peabody Funds leading the way philanthropy in education, especially the type in which higher educational institutions were given substantial support, became a vital agency in the encouragement and advancement of colleges and universities.

One other fund, although it did not occupy itself with institutions of education on the college level, deserves mention because of its definite affiliations with the concept of education. The Baron de Hirsch Fund, organized in 1890 by the individual whose name it bears, was originally intended to Americanize and assimilate Jewish immigrants, and to give to them the

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<sup>13</sup> Cubberley, loc. cit.

<sup>14</sup> Gilman, loc. cit.

advantages of an educational background. The total amount given to this fund by the Baron de Hirsch has been variously estimated at a sum ranging from \$2,400,000 to \$4,000,000. Definitely instrumental in shaping the lives of numerous Jewish immigrants, the fund occupies an important and highly creditable position in the field of American philanthropy.<sup>15</sup>

The values to be derived from the support of educational foundations had made themselves apparent. Endowments primarily intended to aid in the creation of cultural opportunities through the advancement of education for all races, regardless of color or creed had definitely established themselves in the nineteenth century and were to be revitalized and reshaped along more constructive lines in the century to follow.

Endowment of colleges and universities (1861-1925).

Beginning with the benevolent assistance granted to colonial colleges and universities by wealthy individuals, the spirit of philanthropy has dominated the field of higher education since the establishment of Harvard in 1635. During the first half of the nineteenth century the endowments established by Girard and Lawrence, formerly mentioned in this study, were of particular importance in heralding the employment of private

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<sup>15</sup> Ellwood P. Cubberley, State School Administration (Boston: Houghton Mifflin Company, 1927), p. 749.

fortunes as endowment agencies in education. Beginning with the first year of the Civil War and continuing to the middle of the third decade of the present century, a number of privately endowed colleges and universities were created.

Beard<sup>16</sup> has summed up in two sentences the complete essence of the all pervading and contagious concept of philanthropy that gripped and held the imaginations and ideals of financiers and capitalists during the last four decades of the nineteenth century, and then continued throughout the first quarter of the present one. His statements follow:

A nation thoroughly absorbed in mass production of material goods at the same time displayed a spirit of charity, generosity, and benevolence astounding in its fruits. From the topmost pinnacles of society, the plutocracy showered millions on universities, hospitals, churches, foundations, and other institutions not conducted for immediate gain.

During that period of great industrial expansion, including the era starting just following the Civil War and continuing until the close of the century, the steady and sustained growth of benevolent assistance to higher education is distinctly manifested. Figure I shows the gradual advance, following a sharp decline in 1875, over the preceding period beginning in 1872 in total amounts of philanthropic bestowals on institutions of higher learning, beginning in 1875 and continuing at

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<sup>16</sup> Charles A. and Mary R. Beard, The Rise of American Civilization (New York: The Macmillan Company, 1930), p. 737.

five year periods to and including 1900. The material presented here was compiled from annual reports of the Commissioner of Education by Sears.<sup>17</sup>

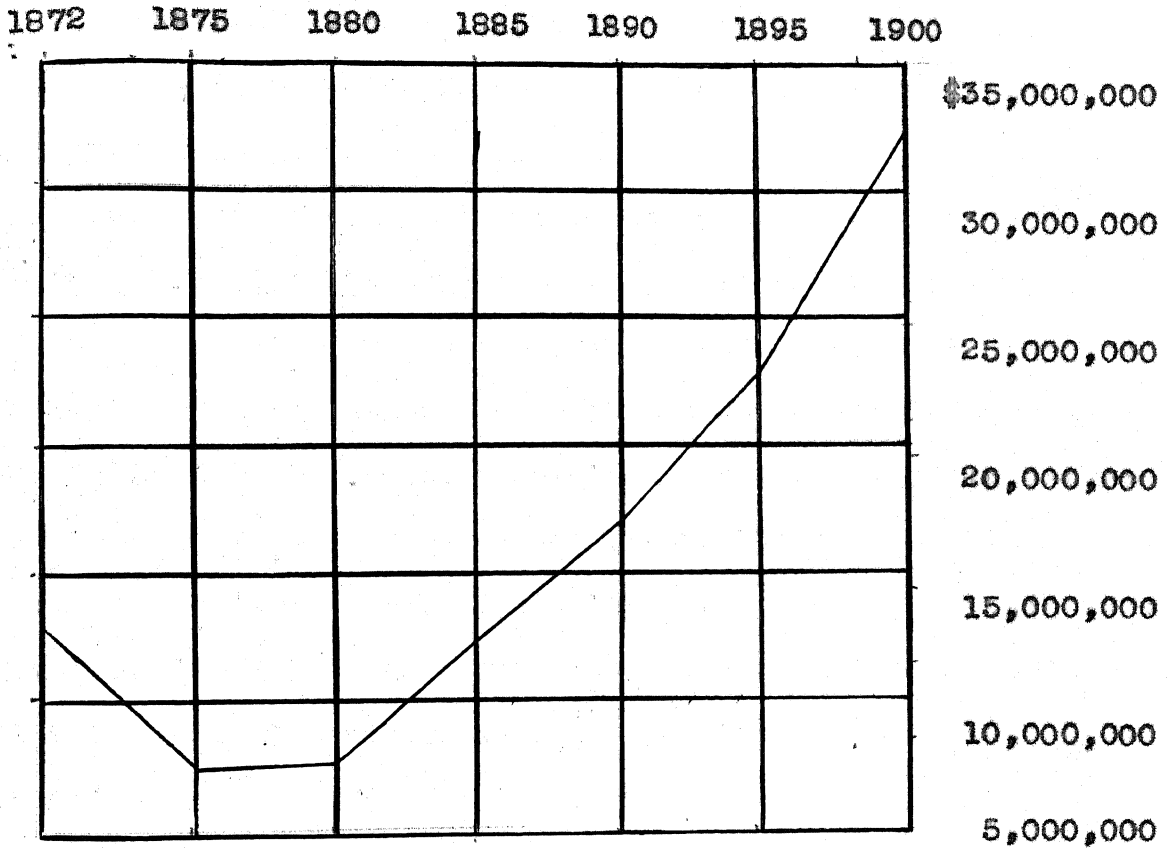


FIGURE I

Benevolent expenditures in the form of philanthropic contributions to institutions of higher learning in the United States each fifth year, beginning in 1871 and continuing to 1900.

<sup>17</sup> Sears, op. cit., p. 55.

In 1861, Mathew Vassar dedicated \$408,000 to the endowment of a college that was to bear his name, with the express purpose of creating an institution wherein the education of young women was to be promoted. The school, however, was not officially opened until the close of the Civil War.<sup>18</sup>

That same year in 1865, Ezra Cornell contributed a founding gift of \$500,000 for the construction of Cornell University to be located at Ithaca, New York. The school was under close supervision of state legislative officials and received serious opposition from other schools within the state.<sup>19</sup>

With the advent of the establishment of Johns Hopkins University in Baltimore, by that eminent railroad president of the same name, in which freedom of thought and expression were openly suggested there was incorporated the most substantially endowed institution of higher learning up to that date. Chartered in 1867, its doors opening in 1876 for the entrance of eligible students the university received \$7,000,000 from its founder.<sup>20</sup>

The endowment of Wellesley College<sup>21</sup> by Henry Durant in

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<sup>18</sup> Ibid., p. 67.

<sup>19</sup> Cubberley, op. cit., p. 737.

<sup>20</sup> Hugo Munsterberg, The Americans (New York: McClure, Phillips and Company, 1904), p. 419.

<sup>21</sup> Cubberley, loc. cit.

1870, which was intended to provide opportunities for education to young women, aided materially in increasing the advantages proffered to women in education and carried the movement inaugurated by Henry Vassar almost a decade before to a new level of observance.

In the South, Paul Tulane seeking for the advancement of education among the native residents of Louisiana, brought about the founding of Tulane University in 1884 and endowed the school by bequeathing \$1,000,000 to the institution.<sup>22</sup> Today, Tulane is outstanding in the South with its very fine medical school a feature of its gradual growth.

In the Middle West one of the leading universities in the United States, the University of Chicago, was established in 1891 by an endowment fund of \$1,000,000, assigned with no restricting stipulations included, by John D. Rockefeller. Since the chartering of this university the Rockefellers have donated approximately \$50,000,000 to be expended in educational research and administration by school officials.<sup>23</sup>

In 1887, Leland and Jane Stanford created an endowment fund for the purpose of chartering an educational institution to be situated at Palo Alto, California. The university

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<sup>22</sup> Ibid.

<sup>23</sup> William Seaver Woods, editor, "The New Gospel of Wealth", Literary Digest, 103:23, November 30, 1929.



charter was instituted on a tolerant, democratic basis and excluded all mention of sectarianism and racial qualifications. In 1901, the entire Stanford estate valued at \$30,000,000 was granted outright to be used in accordance with the best interests of the institution.<sup>24</sup>

With the rapid advancement of privately endowed colleges and universities in the United States, the need for similar progress and the general raising of standards became decidedly apparent to state universities. Needless to say, the rise of major institutions of higher learning by manner of individual gifts tended to raise the standards of education throughout the nation, and figured largely in the national awakening and recognition of a need for reconstruction of educational objectives, especially on the university level.

Andrew Carnegie, pioneering spirit in the establishment of a theory of philanthropy and the organizer of the modern educational foundation concept, provided an endowment fund of \$1,000,000 in January, 1896, to provide for a center of learning in the city of Pittsburg, Pennsylvania. That same enactment laid the basis for the Carnegie Institute of Technology, later to become one of the nations leading technical training schools and to receive future financial assistance from Mr. Carnegie

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<sup>24</sup>Thwing, loc. cit.

amounting to \$28,000,000.<sup>25</sup>

In concluding this summary of educational endowments, brief mention should be made of an outstanding fund created in 1925 by the late James B. Duke, multi-millionaire tobacco magnate. In the charter, Duke prescribed that 32 per cent of his endowment, amounting to \$40,000,000, would be granted to Trinity College in North Carolina, the name of the school since being changed to that of Duke University. In addition 5 per cent was to be given to Davidson College (Presbyterian) near Charlotte, North Carolina; a like amount to Furman University (Baptist) at Greenville, South Carolina; and, 4 per cent to Johnson C. Smith University (Negro) at Charlotte, North Carolina. The remainder was to be utilized in maintaining hospitals and churches in North and South Carolina.<sup>26</sup>

The close of the nineteenth century brought revenues from the total endowment of privately founded colleges and universities of the United States to an amount equal to those secured from funds of public origin by state universities. A glance at the names of officiating trustees of institutions of higher learning in 1900 would bring recognition of the fact that the group listed could be favorably compared with those

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<sup>25</sup>

A Manual of the Public Benefactions of Andrew Carnegie (Washington: The Carnegie Endowment For International Peace, 1919), pp. 6, 9.

<sup>26</sup>

Louis Graves, "Benevolent Water Power", Worlds Work, 30:40, March, 1931.

of many corporation directories. "Supplementing the great outpouring of public funds for education" there came great gifts to colleges and universities by individuals who had become economically independent during the last three decades of the century.<sup>27</sup>

The endowment of the George Peabody College for Teachers has already been mentioned in this chapter, but there are numerous other gifts to higher education contributed during the present century that are of importance. They cannot be classified in the same category with funds presented for founding purposes, yet in a sense they brought to the institution selected for such a gift the encouragement for the foundation of continued research.

George Eastman has bestowed approximately \$30,000,000 on Rochester University to be used in extensive research programs, and Gordon McKay presented \$20,000,000 to Harvard University to be used for applied science without any conditioning clause attached.<sup>28</sup>

Of importance also are the \$2,500,000 contributed to Chicago University in 1918 by Mr. LaVerne W. Noyes, inventor and manufacturer of windmills; the \$1,000,000 given by William H. Eustis in 1923 to the University of Minnesota to build a

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<sup>27</sup>

Beard, op. cit., pp. 469-470.

<sup>28</sup> William Seaver Woods, editor, loc. cit.

hospital for cripples; and George F. Baker's \$6,000,000 gift to the Harvard School of Business.<sup>29</sup>

The above mentioned gifts are only a few of the various and sundry bestowals made in behalf of higher education. But along with major endowments they thoroughly typify the spirit of philanthropy so clearly manifested in the United States. During no other periods in history has there been such an outright bestowal of funds without any of the entangling, conflicting, religious dogmas or creeds of individual donors intervening.

Of the 907 colleges and universities in our nation, 526 are given support through the media of voluntary gifts and private endowments. This in part will present a fair conception of the present status of benevolent assistance in education on the university and college level.<sup>30</sup>

Growth and development of the foundations. It is indeed interesting to note that during the whole of the nineteenth century only five persons of wealth established foundations for philanthropic purposes.

Lindeman<sup>31</sup> has compiled a list of the years during which time foundations have been formulated in the United States.

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<sup>29</sup> Benjamin Catchings, "Outstanding Public Benefactions in Recent Years", Current History, 28:248-249, May, 1928.

<sup>30</sup> Arnaud C. Marts, "No More Large Gifts?", School and Society, 40:862, December 29, 1934.

<sup>31</sup> Lindeman, op. cit., p. 14.

In verification of his study, Wealth and Culture, in which the decade 1921-1930 is surveyed for the growth and development of foundations and trusts, he contends that the decade mentioned saw the birth of forty-nine such institutions. Table II presents the year of organization of both types of endowments in which one hundred such organizations have been studied. He does not include, however, the first truly great foundation the Peabody Education Fund.

It is extremely difficult to determine the exact number of foundations existing in the United States at the present time. One authority states that there were 309 foundations and forty community trusts in operation during the 1920's.<sup>32</sup> An authoritative survey conducted by experts, discovered 350 foundations in existence in 1931 and the comment is made that the number has increased during the past six years.<sup>33</sup>

The modern educational foundation of the twentieth century is one of the most important of the organized philanthropic agencies. Without the restrictions of the community chest and to a large degree more flexible, it stands to meet readily the urgent needs of education. The foundation in the United States today is an "independent, chartered organization" with a stated

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<sup>32</sup> Ibid., p. 13.

<sup>33</sup> The President's Research Committee, Recent Social Trends (New York: McGraw, Hill Book Company, 1933), p. 1203.

TABLE II

YEAR OF ORGANIZATION OF  
100 FOUNDATIONS AND COMMUNITY TRUSTS WHICH HAVE BEEN ANALYZED

Year	No. Foundations Organized	No. Community Trusts Organized	Total Organized
1800	1	..	1
1831	1	..	1
1870	1	..	1
1882	2	..	2
1890	1	..	1
1900	..	..	..
1901	1	..	1
1902	1	..	1
1903	1	..	1
1904	1	..	1
1905	1	..	1
1906	1	..	1
1907	3	..	3
1908	..	..	..
1909	2	..	2
1910	1	..	1
1911	4	..	4
1912	..	..	..
1913	1	..	1
1914	1	1	2
1915	..	5	5
1916	..	3	3
1917	4	..	4
1918	4	2	6
1919	4	..	4
1920	1	3	4
1921	3	1	4
1922	4	1	5
1923	4	..	4
1924	5	1	6
1925	6	2	8
1926	1	..	1
1927	10	1	11
1928	4	..	4
1929	4	..	4
1930	2	..	2
	Total 80	Total 20	100

Read Table thus: In 1800 there was one foundation organized, there were no community trusts. Read in like manner for succeeding years.

objective to aid and promote some "educational, religious, cultural, or scientific objective." They are tax exempt and are for the most part responsible to government control and regulation.<sup>34</sup>

It is the intention in this study to summarize briefly and concisely the objectives and aims of the major foundations, and not to attempt a lengthy resume that would include virtually every agency of the type that is worthy of mention.

Leading foundations. The Carnegie Institute of Washington, organized in 1902 by Andrew Carnegie, the steel king, is the first of the leading foundations of the present century. In an attempt to encourage scientific research the donor bequeathed \$10,000,000 on the date of organization,<sup>35</sup> and contributed further increases in endowment in 1907 and 1911 amounting to \$12,000,000.

Other foundations for which Carnegie is directly responsible are (1) The Carnegie Institute of Pittsburg, 1896, previously mentioned in this study under "endowments to institutions of higher education"; (2) The Carnegie Foundation for the Advancement of Teaching, 1906, with an endowment of \$10,000,000; (3) The Carnegie Endowment for International Peace, 1910, endowed for \$10,000,000; (4) The Carnegie Corporation of New York, estab-

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<sup>34</sup> Ibid., pp. 1202-1203.

<sup>35</sup> The Russell Sage Foundation, Bulletins of the Russell Sage Foundation Library (New York: Russell Sage Foundation, 1917), Bulletin No. II, June, 1915, p. 1.

lished in 1911 to which Mr. Carnegie gave a total of \$125,000,000 as a founding sum to be used in the "advancement and diffusion of knowledge and understanding among the people of the United States." Aid was to be granted mainly to technical schools, institutions of higher learning, libraries, and scientific research.<sup>36</sup>

Henry S. Pritchett,<sup>37</sup> acting president of the Carnegie Corporation in 1922, in the annual report submitted by the concern during that same year, has stated that the exact nature of the task confronting the Corporation is educational in every respect. In continuing his discussion of justifiable practices to be followed, Pritchett contributes the remark that the position held by corporation trustees is an extremely difficult one in ascertaining the exact nature of worthy projects to be followed, in a definitely changing and increasingly complicated civilization. The fact that the founder of the institution was apparently aware of continued readjustment has proved highly beneficial in allowing officials the privilege of using their best judgment in allocation of the funds in charge.

Carnegie's basic doctrine held that the owner of vast wealth should conceive the idea that his fortune could be best

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<sup>36</sup> A Manual of the Public Benefactions of Andrew Carnegie, op. cit., p. 129, 183, 201, and 202.

<sup>37</sup> The Carnegie Corporation of New York, Annual Report (New York: Harper and Brothers, 1935), p. 38.



utilized by contributing it to the advancement of the welfare of mankind. According to his version, surplus trust funds should be held for the service of the community, and the most worthwhile dispensation of such funds was in the form of libraries, art collections, and public institutions that contributed to educational and cultural advancement.<sup>38</sup>

In direct substantiation of such a program, it was discovered when Carnegie died in 1919 that he had given away nine-tenths of his vast fortune to what he considered to be worthy institutions.<sup>39</sup> The total sum amounting to \$350,000,000 was expended in the form of 8,000 pipe organs, 3,000 libraries, and appropriations to 500 colleges and universities. Eight major foundations bear his name and their work in educational and scientific endeavor is highly significant.<sup>40</sup>

In point of total expenditures, to foundations ranging in purpose from purely educational administration through scientific research and into the field of international health problems, the financial contributions made by the two Rockefeller is without an equal in history. The virtual dictator of the petroleum industry and his son have bestowed sums amounting to

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<sup>38</sup> Andrew Carnegie, "The Use of Surplus Wealth", Colliers, 52:19, October, 1913.

<sup>39</sup> Frederick Lewis Allen, The Lords of Creation (New York: Harper and Brothers, 1935), p. 38.

<sup>40</sup> Shuman, loc. cit.

approximately \$600,000,000 on social and educational institutions. Five outstanding foundations, originating with the Rockefeller Institute for Medical Research in 1901, and finishing with the International Education Board in 1923, have been created by the Rockefellers.<sup>41</sup>

The General Education Board was organized by John D. Rockefeller in 1903, with an endowment fund of \$1,000,000, which was increased by additional gifts of \$10,000,000 in 1905, \$32,000,000 in 1907, and \$10,000,000 in 1909. Mr. Rockefeller explicitly states the following purpose of the foundation: "That the object of the said corporation shall be the promotion of education within the United States of America, without distinction of race, sex, or creed."<sup>42</sup>

The Rockefeller Foundation incorporated under the laws of the state of New York in 1914, was primarily organized<sup>43</sup> "to promote the well being of mankind throughout the world", and influence in the form of research, scholarships, and health work has been felt in practically every nation in the world. In a determined attempt to carry on the fight against disease and to bring more adequate health conditions to the world at large, through intelligent, educative methods, the foundation

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<sup>41</sup>Ibid., p. 704.

<sup>42</sup>Sears, op. cit., pp. 83-84.

<sup>43</sup>Cubberley, op. cit., p. 745.

has contributed the services of trained experts and financial assistance approximating \$170,000,000.

The Laura Spellman Rockefeller Memorial dedicated to the memory of his wife, by the elder Rockefeller in 1920, since combined with the Rockefeller Foundation, with its intention of improving the condition of women and children; and the International Education Board, 1923, manifesting a desire to improve educational facilities abroad, are two other funds established by the Rockefeller millions.<sup>44</sup>

William H. Allen,<sup>45</sup> in commenting concerning the gifts contributed by Rockefeller, states that the oil capitalist believed that donors who contributed large sums to philanthropy were under obligation to give their funds in a manner that would insure the greatest "possible returns to humanity." In substantiating such a theory a leading news commentator quotes Mr. Rockefeller as stating the following: "The sole motive underlying the various foundations which I have established has been the desire to devote a portion of my fortune to the service of my fellow men."<sup>46</sup>

The Rockefeller foundations are rendering a definite

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<sup>44</sup>Shuman, loc. cit.

<sup>45</sup>William H. Allen, "Mr. Rockefeller's Greatest Gifts", Survey, 22:256, June 4, 1910.

<sup>46</sup>William Seaver Wood, editor, "Philanthropy on the Defensive", The Literary Digest, February 20, 1915.

service to mankind with out an attempt to direct openly the exact policies to be adopted and followed. Individual leaders in the field of education, medical research, and health have been called to responsible positions and their knowledge and experience have proven to be of invaluable assistance to the welfare of mankind in a program that has gradually broadened and changed to meet existing readjustments.

In conjunction with the imperative need for social and educational reorganization in the South, as advanced and promoted by the Peabody and Slater Funds, three new foundations began in a substantial manner to carry on work of a similar nature in the same area during the first two decades of the present century. In 1908, Miss Anna T. Jeannes decided to bestow \$1,000,000 as a fund in the interests of improvement of educational opportunities for the colored race. This decision came following her offer of the same amount to Swarthmore College, with a provision demanding that the institution abandon collegiate football, which was frankly refused by college officials. The Jeannes Fund has been instrumental in continuing the work of its predecessors, and with the Phelps-Stokes Fund, amounting to a similar amount and created in 1911, by Miss Caroline Phelps-Stokes, has proven to be a potent factor in contributing institutions of learning for the benefit of the colored race. Both funds have also made major contributions to the maintenance and

more sanitary observance of housing standards in the South.<sup>47</sup>

With the two above mentioned funds the Julius Rosenwald Fund, established in 1917 in Chicago by Mr. Rosenwald, has clearly exemplified its outstanding objective concerning the establishment of noteworthy assistance to negro education in the South. Since its inception the fund has directly contributed to the construction and maintenance of rural schools, furnishing standard equipment and instruction, and asking as a lone stipulation the raising of a similar amount of money by Negro beneficiaries. The fund has contributed \$13,000,000 to the cause which it espouses in the form of educational, health, and citizenship rights for the colored race.<sup>48</sup>

Cubberley,<sup>49</sup> in commenting on the work of the Rosenwald Fund, has stated that "on June 10th, 1930 the five thousandth Rosenwald rural school was completed." Up to the close of 1930 the fund had assisted in the construction of "5075 rural schools for negroes in 830 counties in fourteen states."

Rosenwald has stated that fortunes made in this day and age should be utilized in the "support of such educational, benevolent, or humanitarian enterprises as will benefit contem-

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<sup>47</sup>Henry E. Evans, A Handbook of Educational Associations and Foundations in the United States (Department of the Interior, Washington D. C., Bureau of Education, No. 16, 1926), pp. 64,70.

<sup>48</sup>Jacob Billikopf, "Lands Rosenwald for Aid to Negroes", New York Times, January 17, 1932.

<sup>49</sup>Cubberley, op. cit., p. 683.

poraries." And he also insists that the "generation which has contributed to the making of a millionaire should be the one to profit by his generosity.<sup>50</sup>

In concluding this summary of important foundations, it is intended to present ten additional funds that are today rendering vital service in the United States. Should there be a desire to secure a complete list the reader is referred to Lindeman's, Wealth and Culture, pages 55 and 56, in which one hundred foundations and community trusts are listed.

The group as surveyed are (1) The Russell Sage Foundation, incorporated in 1907 with an endowment of \$15,000,000 and intended to improve the social and living conditions in the United States, with special emphasis on educational research; (2) The Millbank Memorial Fund established in 1905 by Elizabeth M. Anderson, to which \$10,000,000 were given to be used in the advancement of the physical, mental, and moral health of humanity; (3) The Milton S. Hershey Fund, consisting of \$60,000,000, dedicated in 1909 to provide educational opportunity for orphans; (4) The John Simon Guggenheim Memorial Foundation conceived in 1925 by Simon Guggenheim, former senator from Colorado, to promote scientific research and to improve education in the United States, by contributing its \$3,000,000 endowment to fellowships;

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<sup>50</sup> Julius Rosenwald, "The Burden of Wealth", The Saturday Evening Post, 201:12, January 5, 1929.

- (5) The Julliard Musical Foundation named after its founder, Augustus D. Julliard in 1920, aids worthy music students;<sup>51</sup>
- (6) The Commonwealth Fund, an endowment established in New York City by Mrs. Stephen B. Harkness in 1918, to promote child welfare throughout the United States; (7) The Children's Foundation of Michigan created by the late Senator James Couzens, in the form of a \$10,000,000 trust fund, to be used for the welfare of children in the state of Michigan and elsewhere in the world;
- (8) The H. C. Frick Educational Committee, organized by the Pittsburg capitalist in 1909 to aid in the improvement of public education in the United States; (9) The Falk Foundation established by Maurice Falk, another Pittsburg financier, in 1930, to promote social, educational, and cultural advantages of mankind;<sup>52</sup> and (10) The James B. Duke Foundation, previously mentioned, instigating a new philanthropic agency in Southern educational circles.

The above group represents the typical philanthropic spirit that is decidedly present today. In direct support of fundamental social and educational institutions there has not been an apparent desire to seek for unusual dispensations. Probably one of the most dramatic phases of the work carried

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<sup>51</sup> Cubberley, op. cit., 739, 751, 752, 753.

<sup>52</sup> William Seaver Woods, editor, "And the Greatest of These", Literary Digest, 104:23, January 4, 1930.

on by American philanthropy has been that of scientific research relating to the fields of biology and medicine in which at the present time fourteen foundations are experimenting. Against the plague of hookworm, yellow fever, malaria, and other contagious diseases the "firing line" stretches from "China to Africa and from Italy to the South Sea."<sup>53</sup>

Philanthropic expenditures for education during the 1920's has been surveyed and graphically represented by Lindeman<sup>54</sup> in his study of foundations and community trusts. Figure II, taken from Lindeman's study, shows in part the fluctuation of expenditures throughout that period, and gradual rise to the peak in 1930 when economic conditions brought about a sharp decline in the earning power of countless millions.

Educational foundations are expressive of the demands of an enlightened citizenry in that their contributions have in reality sought to alleviate mental, moral, and physical suffering.

Modern concepts concerning philanthropy and endowment foundations.

The common faith in the boundless generosity of American philanthropy remains unshaken even in these trying and skeptical days. There appears to be a redoubled faith in the noble myth of the inherent munificence of American philanthropy.<sup>55</sup>

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<sup>53</sup> Shuman, op. cit., p. 706.

<sup>54</sup> Lindeman, op. cit., p. 24.

<sup>55</sup> Abraham Epstein, "Do the Rich Give to Charity", The American Mercury, 22:22, May, 1931.



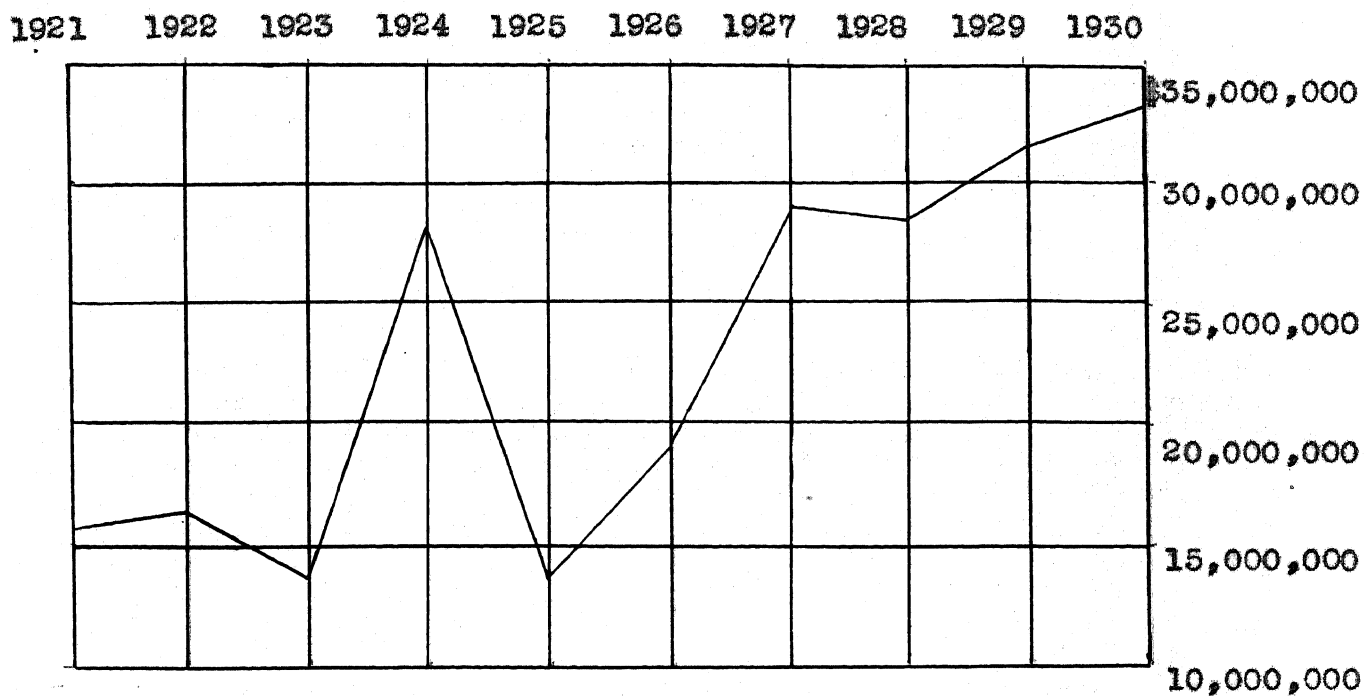


FIGURE II

Indicating expenditures of 100 foundations and community trusts on behalf of EDUCATION for each of the ten years beginning with 1921 and ending with 1930.

The above quotation taken from an article published in 1931, in part, shows the prevalent attitude concerning benevolent contributions, and in general the national concept of such dispensations.

F. P. Keppel<sup>56</sup> contributes his viewpoint concerning the need for intelligent philanthropy in the following remarks:

The committee on program for the foundations and trusts must be gifted with prophetic vision. In more recent years there has been a decrease in amounts given by foundations to colleges for general purposes, instead there has become a decided trend to contribute to specific projects.

A foundation official, Clyde Furst,<sup>57</sup> presents his theory of modern endowments when he furnishes the following concept:

The educational foundation is an instrument of democracy, which finds for its work in each country agencies growing out of the national civilization and adapted to the national environment. The extensive use of private fortunes for philanthropic purposes is characteristically American. The foundations represent a distinctive effort by our people to deal with problems peculiar to our civilization by means of a representative organization completely responsible to public opinion.

A similar concept concerning philanthropy is held and evinced by Edward T. Devine.<sup>58</sup> Writing in the Survey magazine, Mr. Devine is outspoken in stating that philanthropy is the "safeguard of democracy" because it develops popular intelli-

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<sup>56</sup> F. P. Keppel, "Opportunities and Dangers of Educational Foundations", School and Society, 22:793,799, December, 1925.

<sup>57</sup> Clyde Furst, "The Place of the Educational Foundation in American Education", School and Society, 16:364, March, 1918.

<sup>58</sup> Edward T. Devine, "Philanthropy the Safeguard of Democracy", The Survey, 22:220, May 8, 1909.

gence, aids in protection against "degeneracy", and aids in a complete development of the individual.

In 1922, Glenn Frank,<sup>59</sup> in a comment on the need for a more enlightened dispensation of gifts stated that there existed a definite need for philanthropic assistance to medicine and the motivation of a nation wide health program. He also insisted that the rich man's greatest opportunity for service was within his own business where industrial relationships could be definitely aided by the proper application of surplus profits.

Really efficient philanthropy implies dealing with actual causes of social maladjustments rather than making application to symptomatic disturbances. Decisions and judgments need to be based on a definite knowledge of existing conditions. Educational foundations in attempting to assist worthy enterprises have been immeasurably aided by the advice of trained individuals from major educational institutions in this nation. Along with major endowment funds for administration and maintenance costs of the colleges and universities great educational foundations have been quick to sense the need of application of funds for intensive research work, and much of the support accorded has been directed toward such projects.<sup>60</sup>

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<sup>59</sup> Glenn Frank, "What I Should Not Do With Five Million Dollars," The Century Magazine, 104:638-639.

<sup>60</sup> Clyde Furst, "The Educational Utility of the Great Foundations", Educational Review, 62:99-100, June, 1921.

Pritchett<sup>61</sup> believes that in a great many cases the results of giving to a really good cause results in "social toxins" which cause enough harm to offset the benefit derived from the original gift. He insists that there is a definite and responsible need for wise decisions in making bequests and decries the extreme cost resulting from hasty decisions.

According to Devine,<sup>62</sup> foundations are fine institutions if well organized and properly administered but the need is not for foundations but for "social reconstruction" of immediate needs.

Probably the motives behind each philanthropic bestowal on the part of individuals and by foundations are based upon a desire to relieve human suffering and want, and a virtually mystical devotion to education and what it will accomplish for the individual. Personal factors, such as social approval and familiarity with social needs are undoubtedly strong and decidedly potent factors in the final bestowal.

Foundations are organized philanthropic institutions designed to promulgate enterprises that provide for the creation of social, educational, religious, cultural, and healthful advantages of mankind. They are reservoirs of an undue accumulation of wealth, and it is well to note the largest number of such agencies came into existence during those periods when individual and

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<sup>61</sup> Dr. Frank Crane, editor, "The Difficult Art of Giving", Current Opinion, 74:465, April, 1923.

<sup>62</sup> Edward T. Devine, "Their Abundance", The Survey, 43:368, January 3, 1920.

corporation incomes were so vast that they were not needed for reinvestment purposes. As natural outgrowths of our economic system the foundation has the psychological effect of justifying and perpetuating such a system and those who administer it. In support of existing institutions there has been no apparent attempt to inwardly influence the manner of procedure or to attempt to influence public opinion in a reactionary manner.<sup>63</sup>

Numerous warnings concerning the dangers of the powerful influence exerted by foundations upon institutions of higher learning and upon privileges denied those agencies endowed by the great corporations have been discovered, but in the majority of cases reference to foundation charters have dissolved doubts of such harmful propensity. There are cases where donors sought to inflict severe stipulations upon the beneficiaries but for the most part the great educational foundations have granted the utmost freedom to agencies which they have heavily endowed.

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<sup>63</sup>Edward C. Lindeman, "Foundations", New Republic, 89:213-214, December 16, 1936.

## CHAPTER V

### SUMMARY AND CONCLUSIONS

#### INTRODUCTION AND PLAN OF THE STUDY

Institutions of a democratic nature, possessing either a social, economic, or political basis, have proven to be extremely valuable agencies in contributing to a material solution of the problems encountered in every civilization since the beginning of time. From rudimentary inceptions there has come a gradual transition and development to meet ever changing conditions.

In searching for the origin of the concept of democracy it is discovered in its essential elements in the socialized teachings of the Hebrew prophets. The welfare of the group and of the individual were given special consideration by this ancient race.

Later, Greece with its intrinsic belief in political equality and the right of individual expression contributed significantly to the advance of democratic concepts in world civilization. Following closely upon the examples of Grecian freedom, and usurping much of the same culture to utilize as their own, the Romans established a nation based upon law and order. Although they were not heavy contributors to true democracy they paved the way for the future ascendancy of Christianity, wherein mass education was of paramount importance along with a dominating

theory of love for one's fellow man. Through ten discouraging centuries Christianity carried the banner of democracy and alone signalized the retention of democratic institutions midst an otherwise pagan and barbaric world, to which such concepts were entirely foreign.

With the advent of social unrest in Europe during the sixteenth and seventeenth centuries and a final movement to overthrow oppression, staunch Puritans sailed westward seeking freedom in a new land. The movement resulted in the establishment of a new nation conceived in liberty and equality for all mankind. As a direct consequence the gradual growth of truly democratic institutions in the United States has placed this nation in an enviable position as an outstanding democracy.

One of the institutions that may be definitely classified as an American agency, typical of our nation, is the educational foundation, and with this type of organization as a basis for study the present survey has conducted its research.

It has been the purpose of this study to attempt to evaluate the worth of the foundation as a democratic institution by making a study of its origin and development in the United States, the theories of philanthropy that have been advanced in defense of such an endowment, and the nature of the contributions made by this philanthropic agency.

Previous studies of objective philanthropy by Sears, Lindeman, and Cubberley contributed in a beneficial manner to a de-

aidedly more accurate conception of the actual value of foundations and trust funds. Each has presented an unbiased, yet critical appraisal and evaluation of these most recent philanthropic institutions.

ECONOMIC POLICY OF THE UNITED STATES DURING THE PERIOD  
OF NATIONAL EXPANSION

In tracing the gradual evolution of democratic institutions peculiar to this nation, during the period of industrial expansion, an attempt was made to actually portray the existing economic policy that was in operation during that era, and the effect that it had on the accumulation of vast fortunes, which were later to be turned to philanthropic endeavors in educational, social, and religious fields.

The history of American industrial expansion is the history of the frontier, and with the advancement of the pioneer went the agencies peculiar to a democracy. Everywhere along the outer edge of civilization the frontier spirit promoted and instilled in the settlers a newly gained sense of freedom and equality that had been lacking in their mother countries. The intermingling races, migrating to America from European lands, solidified and built the foundations of a truly democratic nation.

The Civil War intervened to halt the westward movement, at least momentarily, and following the conflict a period of unparalleled industrialization and exploitation made its appearance in



a rapidly expanding nation. Beginning during the war, Northern financiers and capitalists, utilizing questionable business tactics, reaped fabulous fortunes from business ventures in real estate, railway interests, mining ventures, oil, steel, and the beef and pork industries. Powerful group interests vigorously manifested themselves during the last three decades of the nineteenth century and the first two decades of the twentieth, and political chicanery was not unknown during this era in attempts to gain control of industrial concerns and to create giant monopolies.

With a laissez faire concept of economy predominantly manifested in the form of rugged individualism and individual initiative the exploitation of industry continued. Governmental interference proved inadequate to successfully cope with the powerful trusts and monopolies and unlicensed competition between rival industrial leaders virtually eliminated the smaller and decidedly weaker industrial concern.

Public opinion concerning the accumulation of vast fortunes gradually changed from one of admiration and respect to an almost vindictive enmity toward the possessor of great wealth.

Due to certain fortunate circumstances, coupled with investments that proved especially fortuitous and that were aided by special economic advantages, the major portion of the wealth of the nation found its way into the hands of a select group of individual capitalists and financiers. Personal differences also

accounted for a large share of the ownership of property. However, less fortunate individuals were admittedly eliminated by the major industrial concerns to make way for their own advancement, and such monopolistic tendencies threatened the basis of democratic liberties.

#### TRANSITION AND DEVELOPMENT OF PHILANTHROPIC THEORIES

The gradual change and development of popular theories, regarding charitable and benevolent contributions in the form of financial assistance, has come following centuries of ever changing social and economic aspects of philanthropy. From an intimate affiliation and relationship with the church, continuing throughout the Middle Ages and well into the nineteenth century, there has been created a definite trend toward more substantial connections with educational research, social welfare projects, and the endowment of institutions of higher learning.

Prior to the sponsorship of benevolent endeavors by the church the Greeks, Romans, and Egyptians were known to have supported religious and educational shrines by contributing substantial financial assistance to such agencies.

With the rapid development of ecclesiastical holdings during the Middle Ages, as a result of religious trusts and endowments, a large portion of the public wealth in western European nations was placed under secular control. Repeated attempts by kingly mandate to free such holdings were bitterly opposed by

the powerful sectarian orders, and it was not until the nineteenth century that any appreciable return was made. European economists were unusually severe in their condemnation of such practices, during the eighteenth century, and the majority of the group favored a return to individual ownership as controlled by the state.

From elementary inceptions philanthropic assistance in the form of benevolent gifts broadened into a decidedly enlarged theory of gratuitous dispensations to worthy fields of social advancement.

In the United States the endowments of institutions of higher learning, by individuals and religious groups, during the colonial period, established a precedent that has continued in an extensive manner throughout our educational history. Later, shortly following the opening of the nineteenth century, the federal government made extensive grants of land for the establishment of state universities, and this action proved to be an important factor in the continued advancement of educational institutions of higher learning.

Many instances of strange bequests to various social, educational, and religious agencies, that have since become obsolete because of changing social conditions, were discovered during the study. Designed to fulfill a desire or whim of the donor they soon outlived their usefulness.

Modern philanthropy has turned to a more intelligent and

highly discriminative concept of the exact nature of creditable projects to be sponsored, and specific applications are gradually replacing the broad, all-inclusive program. Leading in the assistance to educational advancement is the foundation, which was created for an express purpose, that of promoting the welfare of mankind by presenting additional assistance to the field of education.

#### MODERN EDUCATIONAL FOUNDATIONS

With the inception of the foundation there appeared an agency definitely bound to a program of educational promotion. Never before in the history of mankind has there been an institution established which so definitely and courageously espoused the theory of educational philanthropy. In no manner under the domination of a religious creed or dogma, and in the majority of cases not controlled by the founder for specific bestowal of funds, the educational foundation has contributed in a substantial manner to virtually every phase of education.

Entering the field of education, not as a rival to agencies then in operation, but designed primarily to supplement and aid institutions concerned with the welfare of educational advancement, the foundation has definitely assisted in the reorganization of educational facilities. Not only have administration and maintenance programs of institutions of learning been given substantial assistance, but also definite and sustained aid has

been granted to research and intensive study of pertinent problems of a social nature. Clear and unbiased surveys of the needs of institutions of higher learning has produced a saner, and more intelligent program which may be followed advantageously. In the fields of medicine, health education, law, and engineering educational foundations have led the way toward greatly improved standards, and colleges and universities, heavily endowed by foundation gifts, have been enabled to carry out a more adequate program for the benefit of its students.

With its prototype appearing during the middle of the nineteenth century in the South in the forms of the Peabody and Slater Funds, given special impetus by the foundation grants of Andrew Carnegie, and rising to full ascendancy under the direction of the Rockefellers, the foundation eclipsed all former financial attempts to aid educational institutions.

Those individuals, who had amassed great fortunes during the era of industrial expansion, turned surplus funds, not needed for reinvestment purposes, into philanthropic channels. As a result not only were religious and charitable institutions aided and strengthened, but educational agencies in the form of institutions of higher learning were endowed and supported more than ever before in the history of our nation.

As a symbol of individualism and individual initiative the foundation is essentially a product of our American civilization.

Numerous statements concerning the dangers to be derived from the continued maintenance of educational foundations, and their purported tendencies to influence public opinion in support of revolutionary practices and ideals, are apparently delivered by biased individuals, who have failed to note numerous salient features included in the corporation charters of the various foundations. Chartered and incorporated by the state in which they exist, the foundations are subject to public control and appraisal. Granting that many bequests have been conferred upon projects and non-appreciative institutions, which have failed to meet the needs of an ever reorganizing society, it is well to remember that the worthwhile gifts to humanity bestowed by these same educational institutions have far offset those of an unjudicious nature. However, it should be definitely realized that the members of a democratic type of government can hardly be expected to obediently accept each newly formed institution without the semblance of a doubt in regards to its fitness to be classified as an essential part of a true democracy. The ever questioning attitude expressed above, in part, shows an intelligent attempt to discover and evaluate such an institution before its final acceptance.

Modern critics of philanthropy are demanding a wiser, saner, more intelligent disposal of vast endowment funds and are receiving attention from foundation officials.

As a truly democratic institution the educational founda-

tion has contributed in a significant manner to the needs and interests of education. As a typical American institution, in part, an outright example of philanthropic generosity, the foundation has sensed the vital needs of civilization in a manner not to be denied.

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Cooley, Charles Horton, Social Organization. New York: Charles Scribner's Sons, 1909. 426 pp.

An American sociologist presents his theory and concepts of social institutions and the manner in which each contributes to civilization and culture.

Counts, George S., The American Road To Culture. New York: The John Day Company, 1930. 194 pp.

The American educational program is evaluated in this interesting interpretation of our present needs in education.

Cubberley, Ellwood P., Public Education in the United States. Boston: Houghton Mifflin Company, 1934. 782 pp.

The inception, transition, and developmental history of education in this nation is splendidly portrayed by this volume, in conjunction with a companion book of readings.

\_\_\_\_\_, State School Administration. Boston: Houghton Mifflin Company, 1927. pp. 734-760.

In Chapter XXVIII, Cubberley presents an adequate study of philanthropy since its inception in the United States. He deals briefly with early philanthropic movements during the colonial period as discussed by eminent economists, and completes the chapter with a survey of educational foundations and the service which they have rendered.

Dewey, John, Democracy and Education. New York: The Macmillan Company, 1916. 434 pp.

Dewey presents his theory of education based on a democratic concept of achievement.

Goodale, Frances A., The Literature of Philanthropy. New York: Harper and Brothers, 1893. 205 pp.

A collection of essays and papers that deal primarily with social service work as collected by a society known as the Women of New York.

Hacker, Louis M., The United States Since 1865. New York: F. S. Crofts and Company, 1933. 775 pp.

An economic, industrial, and social survey of the period of exploitation and expansion in America.

Lindeman, Eduard C., Wealth and Culture. New York: Harcourt, Brace and Company, 1936. 133 pp.

The author lists 100 foundations and community trusts and analyzes their contributions to American society. Recent trends in foundation interests are included in this very interesting and readable treatise.

Messenger, J. Franklin, An Interpretative History of Education. New York: Thomas Y. Crowell Company, 1931. 387 pp.

Educational history from its rudimentary beginnings to present day standards is described in this volume.

Munsterberg, Hugo, The Americans. New York: McClure, Phillips and Company, 1904. 619 pp.

An able interpretation of American culture, the theory of philanthropy in our nation and institutions peculiar to America.

Noyes, Alexander Dana, Forty Years of American Finance (1865-1907). New York: G. P. Putnam's Sons, 1909. 418 pp.

American high finance, with the rise of capitalistic power, is thoroughly treated.

Turner, Frederick Jackson, The Frontier in American History. New York: Henry Holt and Company, 1920. 375 pp.

A graphic study and depiction of the contributions of the frontier to American civilization.

Veblen, Thorstein, The Theory of the Leisure Class. New York: The Macmillan Company, 1905. 400 pp.

A critical evaluation of our economic theory and policies during the nineteenth century by a leading economist.

Youngman, Anna, The Economic Causes of Great Fortunes. New York: Banker's Publishing Company, 1909. 185 pp.

Those economic factors contributing to the accumulation of vast wealth, and the reaction of public opinion regarding the same are surveyed in this volume.

## B. PERIODICAL ARTICLES

Abbott, Lyman, "Gifts and Needs", Outlook, 64:949-50, April 28, 1900.

A concise differentiation between philanthropic dispensations in the form of gifts and similar bestowals based upon the actual need of individuals and institutions.

\_\_\_\_\_, "The Gifts of 1911", Outlook, 100:61, January 13, 1912.

The benevolent contributions to education and to the general welfare of the people of the United States, for the year 1911, are listed here.

\_\_\_\_\_, "A Great Endowment", Outlook, 94:557-58, March 12, 1910.

An appraisal of the actual value of the Rockefeller Foundation and the exact nature of its work.

Allen, William H., "Mr. Rockefeller's Greatest Gift", The Survey, 22:256-58, May 15, 1909.

Mr. Rockefeller's philosophy of wealth and dispensation of the same is briefly reviewed in this article.

\_\_\_\_\_, "Enough Money To Uplift the World", World's Work, 18:11616-18, May, 1909.

American philanthropic impulses have contributed billions of dollars to the needs of society. The author believes the amount to be sufficient to offer material aid to all of society.

\_\_\_\_\_, "Efficiency in Making Bequests", Atlantic Monthly, 99:328-35, March, 1907.

A study of the methods employed in making benevolent bestowals of funds, with an added admonition for an intelligent survey of the suggested needs.

Adler, Felix, "Bequests for Philanthropy", Survey, 26:561-62, June 8, 1911.

Suggestions providing for a more worthwhile method of contributing to the needs of society are included in this commentator's study of philanthropy.

Aydelotte, Frank, "Educational Foundations With Special Reference to International Fellowships", School and Society, 22:798-803, December 26, 1925.

A critical survey of the contributions of educational foundations to the development of fellowships with a tentative formulation of standards to be followed in the future.

Bellamy, Francis Rufus, "Frozen Philanthropy", Outlook, 151:334, February 27, 1929.

Philanthropy, garbed in modern concepts, condemns dogmatic contributions that fail to consider an ever changing civilization.

Bent, Silas, "If I Had All That Money", Century, 114:547-55, September, 1927.

The author decries the lack of foresight manifested by benevolent donors and summarizes typical examples of the same.

Blaine, Mrs. Emmons, "Can Citizenship Be Fulfilled by Philanthropy?", Survey, 24:542-47, July 2, 1910.

An attempt to evaluate philanthropic gifts in the light of standards befitting a citizen.

Bosanquet, Helen, "The Outsider", Survey, 34:361-62, January 2, 1915.

A brief survey of methods employed in efficient philanthropy.

Bruere, Robert W., "Business and Philanthropy", Harpers, 133:81-87, June, 1916.

The need for organized benevolences in industry is definitely sensed in this interesting article.

Butler, Nicholas Murray, "The Carnegie Foundation As An Educational Factor", Educational Review, 38:399-405, November, 1909.

The Foundations educational policy, in regards to retirement pensions for teachers, is surveyed by a leading educator.

Buttrick, Wallace, "The General Education Board", School and Society, 16:231-38, April 26, 1922.

A summary of the general objectives of the General Education Board and its promotion of education throughout the Southern States.

Cannon, Cornelia J., "Philanthropic Doubts", Atlantic Monthly, 128:289-300, September, 1921.

A major indictment of modern philanthropy and a direct questioning of expressed motives regarding benevolent gifts.

Capen, Samuel P., "The American Council on Education", School and Society, 16:225-49, April 26, 1922.

A discussion of the organization and purpose of the council which acts in the official capacity of the central governing body of national associations dealing with higher education, and including a list of appropriations given by educational foundations.

Carnegie, Andrew, "The Use of Surplus Wealth", Colliers, 52:19, October 4, 1913.

The theory of philanthropy as manifested by one of America's wealthiest industrial leaders.

\_\_\_\_\_, "A Millionaire's Money--What Should He Do With It?", Ladies Home Journal, 33:23-24, December, 1916.

Carnegie discusses the proper manner to be employed in the distribution of funds not needed for financial support.

Catchings, Benjamin, "Outstanding Public Benefactions in Recent Years", Current History, 28:246-49, May, 1928.

The author lists major contributors to education, religion, and charity, beginning with the Carnegie endowments.

Cattell, J. McKeen, editor, "Philanthropic Gifts in 1928", School and Society, 29:94-95, January 19, 1929.

Contributions to social, religious, and educational enterprises are listed.

\_\_\_\_\_, editor, "The Murry and Leonie Guggenheim Foundation", School and Society, 29:833, June 29, 1929.

The foundation objectives and the spirit of the benevolence are supplied in this article.

\_\_\_\_\_, editor, "The Rockefeller Foundation", School and Society, 29:53-54, January 12, 1929.

Rockefeller Foundations assistance to the welfare of mankind in 1928 are objectively described.

Clark, Jane Perry, "Philanthropy", Survey, 52:611, September 15, 1924.

A statement of the essential concepts of philanthropy.

Crane, Dr. Frank, "The Difficult Art of Giving", Current Opinion, 74:465-66, April, 1923.

A brief summary of major difficulties encountered in an attempt to properly evaluate worthy philanthropic enterprises.

Curry, J. L. M., "The Peabody Education Fund", The Educational Review, 13:226-31, March, 1897.

The author briefly narrates the organization and primary stages of development of this outstanding endowment plan.

Devine, Edward T., editor, "The Rockefeller Foundation Charter", Survey, 25:486-88, December 24, 1910.

A description of the manner in which the foundation was originally organized under objectives listed in its charter.

\_\_\_\_\_, editor, "The Rockefeller Foundation", Survey, 24:983-84, March 26, 1910.

A vigorous criticism of the foundations work.

\_\_\_\_\_, "The Uniform Trust For Public Uses", Survey, 45:694, February 12, 1921.

A discussion of trusts with a plea for a total disregard of prejudices.

\_\_\_\_\_, "Their Abundance", Survey, 43:368, January 3, 1920.

A summary of current economic ailments that bring about the need for philanthropic agencies.



\_\_\_\_\_, "Philanthropy and Business", Survey, 32:263-65, June 6, 1914.

The need for social planning in industry and big business is the author's leading contention.

\_\_\_\_\_, "Philanthropy the Safeguard of Democracy", Survey, 22:219-20, May 8, 1909.

A discussion of the exact manner in which philanthropy can best guard the interests of a democratic nation.

Dillard, J. M., "County Machinery for Colored Schools in the South", School and Society, 6:293-95, September 8, 1917.

Assistance to the Jeannes and Slater Funds by county cooperation has aided materially in the development of the much needed schools throughout this southern area, according to the author.

Donley, J. C. Jr., "How Rich Men Give", World Outlook, 5:14-15, February, 1919.

The author discusses the distribution of wealth and great fortunes in the United States and hails the benevolent bestowals of our American industrial leaders as a manifestation peculiar to our own land.

Douglas, Paul H., "Statistics of Giving", Survey, 47:80-81, October 15, 1921.

A statistical survey of benevolences in the United States and the projects which are sponsored by philanthropy.

Draper, Arthur S., editor, "Another Great Philanthropy", Literary Digest, 116:20, June 29, 1933.

The trust fund established by Horace H. Rackan, Detroit attorney, is surveyed with special attention given to its all inclusive program.

\_\_\_\_\_, editor, "Decline in Philanthropy", Literary Digest, 116:24, September 2, 1933.

A presentation of statistical data showing a sharp decline in amount of philanthropic gifts and bequests during the first half of 1933 as compared with the first half of 1932.

\_\_\_\_\_, editor, "The Business of Philanthropy", Literary Digest, 114:18, July 23, 1932.

An evaluation of philanthropy as a scientifically managed business with the accompanying assertion that it ranks 7th in point of view of funds administered.

, editor, "Where Philanthropy Spends Its Millions", Literary Digest, 115:21, February 4, 1933.

The report of the Twentieth Century Fund is used in determining the exact recipients of philanthropic bestowals.

Ellwood, Charles A., "Philanthropy and Sociology", Survey, 24:397-402, June 4, 1910.

An attempt to present valid conclusions concerning the need for a sociological viewpoint in regards to intelligent philanthropy.

Epstein, Abraham, "Do The Rich Give To Charity?", American Mercury, 22:22-30, May, 1931.

A skeptical analysis of benevolent gestures, coupled with a brief survey of unusual bequests in the history of philanthropy.

Ernst, Morris L., "A Challenge to Mr. Rockefeller", Nation, 125:733-34, December 28, 1927.

A criticism of John D. Rockefeller Jr. regarding his work in the Colorado industrial situation and in exploitation practices adopted by the Sinclair Oil Company.

Flowers, B. O., "Benefactions That Represent High-handed Plunder", Arena, 29:318-21, March, 1903.

A potent criticism of the methods employed by the United States Steel Trust and the Standard Oil Company in the acquisition of surplus profits.

Ford, Mary K., "Pitfalls in Philanthropy", The Bookman, 30:415-16, January, 1910.

The dangers to be avoided in making contributions to social welfare are frankly stated in this interpretation of social philanthropy.

Frank, Glenn, "What I Should Not Do With Five Million Dollars", Century, 104:637-40, August, 1922.

An American educator stresses the present day need for public medical service and social work in industry and contributes his opinion concerning the need for more adequate judgment in applying the principles of philanthropy.

Furst, Clyde, "The Educational Utility of the Great Foundations", Educational Review, 62:98-106, June, 1921.

An appraisal of the contributions made to education by the foundations with a plea for action regarding causes rather than symptoms.

\_\_\_\_\_, "Endowed Philanthropies and American Education", School and Society, 16:225-31, April 26, 1922.

A brief historical survey of common practices developed in philanthropic endeavors of the past, and the manner in which American higher education has reacted to endowments provided by educational foundations.

\_\_\_\_\_, "The Place of the Educational Foundation in American Education", School and Society, 16:364-69, March 30, 1918.

An outright plea for the use of intelligent discrimination on the part of the public in evaluating educational foundations. Mr. Furst gives a direct insight into the standards observed by foundations.

Gilder, Mary P., "Brother Millionaire", Independent, 71:1251-54, November 30, 1911.

An attempt to evaluate the true social value of philanthropy.

Gilman, Daniel C., "Five Great Gifts", Outlook, 86:648-57, July 27, 1907.

The author evaluates the Peabody, Slater, Sage, Carnegie, and Rockefeller Foundations.

Graves, Louis, "Benevolent Water Power", World's Work, 60:40-43, March, 1931.

The philanthropic dispensations of the late James B. Duke, multi-millionaire tobacco magnate, are discussed by the author with special emphasis on his gift to Duke University, formerly Trinity College.

Holt, Hamilton, editor, "The Great Foundations", Independent, 81:137-38, February 8, 1915.

Foundations as modern institutions typical of American generosity are adequately surveyed by the editor.

\_\_\_\_\_, editor, "Are the Great Foundations Perilous?",  
Independent, 83:247, August 23, 1915.

A review of the manner in which exploitation devastates a nation financially with the added assurance that there is definite need for federal control of great foundations.

\_\_\_\_\_, editor, "The Benefactions of Boundless Wealth",  
Independent, 70:1023-24, May 11, 1911.

An expression of the manner in which benevolences have contributed to the advance of social, religious, and educational progress.

\_\_\_\_\_, editor, "Investigate the Educational Foundations",  
Outlook, 83:166-67, January 27, 1915.

The editor seeks for an enlightened viewpoint concerning current fallacies regarding foundations.

Jastrow, Joseph, "Ten Years of the Carnegie Foundation",  
School and Society, 4:533-50, Saturday, October 7, 1916.

The work and objectives of the foundation are listed with special emphasis in regards to the advancement of the teaching program.

Johnson, Palmer O., "The Benefactions of Philanthropic Foundations and Who Receives Them", School and Society, 35:264-68, February 20, 1932.

Major foundations established by Carnegie and Rockefeller are reviewed with an attempt to study benefactions and beneficiaries.

Johnson, R. O., editor, "The Practical Way in Large Philanthropy",  
Century, 80:154-55, May, 1910.

A discussion of practical applications in the manner in which large dispensations or gifts are to be made.

Jordan, David Starr, "Millions For Investigation and Research",  
Independent, 61:364, August 16, 1906.

An answer to Mrs. Russell Sage in reply to her question concerning the most beneficial manner to dispose of a vast fortune.

Kellogg, Paul V., editor, "Great Foundations and the Industrial Unrest", Survey, 33:437-38, January 23, 1915.

According to the editor there is a definite need for social readjustments in industry. This article includes a summary of the manner in which foundations may definitely contribute to industrial unrest.

\_\_\_\_\_, "Piling Up Millions", Survey, 62:525, August 15, 1929.

The lack of foresight possessed by beneficent donors in wishing to extend personal desires into the future is adequately discussed in this article.

\_\_\_\_\_, editor, "The Community Foundations", Survey, 45:639-40, January 29, 1921.

A study and definition of community trusts.

\_\_\_\_\_, editor, "Spending For Tomorrow", Survey, 62:234, March 15, 1929.

This study includes typical examples of individual endowments intended for future use that soon outlived their prime objectives.

Kelsey, Carl, and Lichtenberger, J. P., "The Art of Giving", Survey, 29:387-91, December 28, 1912.

A plea for the publication of actual facts regarding philanthropic bestowals and a careful consideration of all proposed projects.

Keppel, Frederick P., "Philanthropic Foundations In An Unbalanced World", School and Society, 44:680-82, November 21, 1936.

The author expounds the need for intelligent discrimination of benevolent disposals in a troubled economic situation existing today.

\_\_\_\_\_, "Opportunities and Dangers of Educational Foundations", School and Society, 22:793-99, December 26, 1925.

A study of the problem of intelligent philanthropy as encountered by trustees and committees of educational foundations. Mr. Keppel stresses the most marked trend in recent years as carried out by foundations that of bestowals of funds on specific educational enterprises instead of a general type.

\_\_\_\_\_, "Educational Service Stations", Journal of Adult Education, 4:286-87, June, 1932.

A brief yet explicit summary of committees and organizations that remain vital instruments in contributing material aid to educational research projects in institutions of higher education.

\_\_\_\_\_, "American Philanthropy and the Advancement of Learning", School and Society, 40:401-11, September 29, 1934.

An evaluation of philanthropic contributions made to advance standards in education.

Lattimore, Alida, "The New Philanthropy", Outlook, 93:593-96, November 13, 1909.

Modern concepts of philanthropy as based upon big business principles are explained objectively in this very readable article.

Lee, Porter R., "Social Workers: Pioneers Again", Survey, 69:307-12, September, 1933.

An essential concept of philanthropy, the world over, is expressed in full with a designated philosophy to guide the actions of social workers.

Lewis, O. F., "Philanthropy, A Trained Profession", Forum, 43:302-10, March, 1910.

An analysis of the manner in which benevolent impulses have been guided and directed by individual donors catering to public opinion.

Lindeman, Eduard C., "Foundations", New Republic, 89:213-14, December 16, 1936.

An outstanding social leader renders his interpretation of the origin and rise of the modern foundation, with a statement concerning future development.

Marts, Arnaud C., "Philanthropy Under the New Deal", Christian Century, Part II, Vol. 51, 1040-42, August 15, 1934.

A definite statement bearing upon the gradual elimination of large gifts in the United States, due to current economic conditions and the acquisition of surplus wealth by the federal government for income taxes.

\_\_\_\_\_, "No More Large Gifts?", School and Society, 40:862-65, December 29, 1934.

A questioning of the theory of the gradual decline of large gifts with the statement that a sense of social responsibility will contribute definitely to a continuance of future bestowals.

Monahan, James, "Stagnant Billions", Cosmopolitan, 101:42,43,117, and 118, October, 1936.

An interesting description of the manner in which individual foresight, as expressed in endowments, has failed to consider the vagaries of a changing civilization. Individual instances of such action are graphically presented.

Morrison, Charles Clayton, "Philanthropy in a Democracy", Christian Century, 53:1055-56, August 5, 1936.

An explanation of the gradual development of vast fortunes in a democracy with an added admonition that the educational foundation has not as yet reached dangerous proportions.

Murlin, Lemuel H., "Problems in the Use of College Endowments", School and Society, 16:246-50, April 26, 1922.

A concise statement concerning the development of a sincere sense of responsibility on the part of college trustees in regards to foundation contributions and the spirit in which they are given.

Norton, William J., "The Oldest of Human Arts", Survey, 51:374-76, January 15, 1924.

Voluntary giving as an age old custom is explained here.

Page, Walter H., editor, "Benefactions of the Year", World's Work, 12:7816-17, August, 1906.

A list of public benefactions from 1900 to and including 1905.

\_\_\_\_\_, editor, "Great Gifts for the Public Welfare", World's Work, 12:8624-25, May, 1907.

A review of the public benefactions manifested by the Peabody, Slater, Carnegie, Rockefeller, and Sage Foundations.

\_\_\_\_\_, editor, "Nearly Half A Million A Day In Public Benefactions", World's Work, 15:9845, February, 1908.

A summary of the astounding manner in which American philanthropists contributed immense sums to the cause of social welfare.

\_\_\_\_\_, "The Gifts of the Rich", World's Work, 22:377-78, February, 1912.

Philanthropic enterprises are listed here with total expenditures by America's millionaire contributors.

Palmer, Archie, "Cultivating Will-ful Giving", Educational Record, 18:107-124, January, 1937.

This article presents in theory a plan by which cooperation to the fullest degree may be achieved between institutions of higher learning and foundations wishing to remit financial assistance.

Pritchett, Henry S., "The Plans of the Carnegie Foundation", School and Society, 9:332-34, March 15, 1919.

The president of the Carnegie Foundation discusses the objectives of the organization in promoting teaching standards in the United States.

\_\_\_\_\_, "The Use and Abuse of Endowments", Atlantic Monthly, 144:517-24, October, 1929.

The president of the Carnegie Corporation of New York expresses his views concerning the factors contributing to modern philanthropic enterprises, and includes the opinions of prominent economists of the 18th century.

Ross, Edward Alsworth, "Philanthropy With Strings", Atlantic Monthly, 114:289-94, September, 1914.

The writer presents a definite and critical survey of benevolent impulses as produced in wealthy individuals attempting to offer partial reparations for the manner in which they have accumulated vast fortunes.

Rosenwald, Julius, "The Burden of Wealth", Saturday Evening Post, 201:12,13, and 136, January 5, 1929.

Julius Rosenwald's theory of philanthropy is concisely expressed in this treatment of benevolence and its many changing aspects by the philanthropist.



\_\_\_\_\_, "The Trend Away From Perpetuities", Atlantic Monthly, 146:748-49, December, 1930.

A prominent American philanthropist advocates liberalism in the directed use of foundation gifts.

\_\_\_\_\_, "Principles of Public Giving", Atlantic Monthly, 143:599-606, May, 1928.

A short historical survey of principles that have guided donors of philanthropic enterprises in the past and the citation of unusual bequests.

Shuman, Edwin L., "Broad Scope of American Philanthropy", Current History, 33:702-7, February, 1931.

A very interesting article dealing with prominent foundations and their attempts to aid a troubled world, educationally, socially, and economically.

Street, Elwood, "Why Do People Give?", Survey, 46:611-12, August 16, 1921.

A definite statement concerning philanthropic impulses in which reasons for such assistance are recorded.

Thwing, Charles F., "Gifts to Education", Outlook, 72:222-26, September 27, 1902.

A resume of endowments for institutions of higher learning during the first half of the 19th century, and a study of present day standards.

Train, Arthur, "The Billionaire Era", Forum, 72:617-28, November, 1924.

A graphic depiction of the ascendancy of industrial interests in this nation with a character sketch of outstanding financiers and capitalists included.

\_\_\_\_\_, "The Rockefellers and Henry Ford", Forum, 72:748-59, December, 1924.

The manner in which two factions representing the greatest industrial interests in America secured economic independence is reviewed along with a frank appraisal of an ever changing public opinion regarding unethical business tactics.

Villard, Oswald Garrison, "American Philanthropy", Nation, 133:505-6, September 11, 1931.

A list of major foundations in the United States is included in this statistical survey of the amount contributed in 1930 by 101 such institutions.

\_\_\_\_\_, editor, "Philanthropy and Power", Nation, 90:258-59, March 17, 1910.

A criticism of the manner in which the Rockefeller Foundation policies are formulated. The author suggests the addition of more liberal trustees to the board of directors.

\_\_\_\_\_, editor, "Great Fortunes Without Monopoly", Nation, 97:377-78, October 23, 1913.

The prospects of the accumulation of great fortunes without undue monopolistic tendencies entering in are thoughts for contemplation according to the author.

Walsh, Frank P., "Perilous Philanthropy", Independent, 83:262-64, August 23, 1915.

A frank indictment of industrial exploitation, power, and control.

Wheeler, Edward J., "Founding a Philanthropic Trust", Current Literature, 48:356-60, April, 1910.

The writer contributes a historical review of the manner in which dominant endowments were in effect in Western Europe from the Middle Ages to recent times, and then frankly discusses and evaluates present day trusts and foundations.

Williams, Pierce, "\$52,000,000 for Social Welfare", Survey, 67:414-15, January 15, 1932.

A percentage statement of the location of foundations with expenditures tabulated for major fields assisted.

Winslow, Erving, "Philanthropic Individualism", Survey, 34:555-56, September 18, 1915.

The Associated Charities of Boston lead the way in a more intelligent attempt to dispense gifts to worthy causes.

Woods, William Seaver, editor, "Possible Dangers In Foundations and Endowments", Literary Digest, 78:58, July 28, 1923.

A survey of the possible danger of enormous power placed in the hands of a few trustees, and the use of funds for propaganda purposes.

\_\_\_\_\_, editor, "Given Away the Duke and Eastman Millions", Literary Digest, 83:36-42, December 27, 1924.

A summary of the manner in which James B. Duke and George Eastman contributed their vast fortunes for the welfare of mankind.

\_\_\_\_\_, editor, "Philanthropy On the Defensive--Carnegie and Rockefeller", Literary Digest, 50:362-63, February 20, 1915.

Rockefeller and Carnegie defend their theories of philanthropy in statements quoted by the author.

\_\_\_\_\_, editor, "Millionaire Mites in 1913", Literary Digest, 48:624, March 21, 1914.

The editor lists twenty-eight persons contributing \$1, 000, 000 or more for benevolent purposes and discusses major contributions.

\_\_\_\_\_, editor, "Philanthropy's Big Purse", Literary Digest, III:21, December 26, 1931.

A frank acknowledgment of the significant contributions made by American philanthropists and designated projects for the same.

\_\_\_\_\_, editor, "And the Greatest of These", Literary Digest, 104:23-24, January 4, 1930.

A list of outstanding benefactions in the form of foundation gifts is included with an apparent desire to manifest the theory of philanthropy.

\_\_\_\_\_, editor, "A New High in Philanthropy", Literary Digest, 104:26, January 25, 1930.

The year 1929 marks a new level in philanthropic endowments and the author lists those most important individual trusts and foundations established during that period.

\_\_\_\_\_, editor, "A Globe-Girdling Charity", Literary Digest, 102:23, June 6, 1929.

The international scope of the work carried on by the Rockefeller Foundation is surveyed in a thoroughly interesting manner.

\_\_\_\_\_, editor, "Billions For Practical Piety", Literary Digest, 100:28, January 26, 1929.

Philanthropic dispensations in 1928 are reviewed, with a discussion of primary objectives included in this survey.

\_\_\_\_\_, editor, "The New Gospel of Wealth", Literary Digest, 103:22-23, November 30, 1929.

A summary of the essential philanthropic concepts conceived by American financiers and capitalists in their creation of great foundations and trust funds.

\_\_\_\_\_, editor, "A Senator's Investment in Childhood", Literary Digest, 101:26, May 11, 1929.

A summary of the motives possessed by the late Senator Couzens of Michigan in his establishment of a major foundation.

\_\_\_\_\_, editor, "Safeguarding Dead Donors of Charity", Literary Digest, 106:19, August 30, 1930.

Philanthropic bestowals by individuals possessing a firm belief in their ability to prophesy the future are studied by the author.

\_\_\_\_\_, editor, "The Greatest Gift Year in History", Literary Digest, 96:29-30, February 18, 1928.

With \$200,000,000 being contributed direct to philanthropic endeavors in 1927, the year ranks as an outstanding one from a charitable viewpoint.

Young, James C., "The Dead Hand in Philanthropy", Current History, 23:837-42, March, 1926.

A survey of the inception and development of the trust fund as an institution, including several instances of odd bequests, and ending with a caustic criticism of the apparent inadequacies existing in the situation where donors attempt to provide for future social conditions.

Zinsser, Hans, "The Perils of Magnanimity", Atlantic Monthly, 139:246-50, February, 1927.

The author asks the question, "In accepting foundation gifts to be used for specific projects are we tending to be guided by the standards as established by foundation officials?" He suggests a careful analysis of the procedure to be followed in making requests for endowments.

#### C. PARTS OF SERIES

The Carnegie Corporation of New York, Annual Report. New York: The Merrymount Press, 1922. 180 pp.

A summary of the objectives of the Carnegie Corporation by its then acting president, Harry S. Pritchett, is included with a report concerning yearly expenditures of the organization.

The Rockefeller Foundation, Annual Report. New York: The Rockefeller Press, 1934. 408 pp.

Max Mason, the president of the foundation, presents as an introduction to this report a brief resume of the distinct type of work which has been sponsored throughout the year. The report deals in an interesting manner with the efforts of the International Health Division, and in closing submits a detailed list of financial expenditures.

The Commonwealth Fund, Annual Report. New York: Commonwealth Publishing Company, 1933. 71 pp.

A survey of yearly expenditures is included with a discussion of progress objectives.

The Russell Sage Foundation, Bulletins of the Russell Sage Foundation Library. New York: Russell Sage Foundation Press, 1917. 190 pp.

A compilation of bulletins published bi-monthly by the Foundation concerning social work and progress in the field of educational research, with a selected and annotated bibliography of current periodical literature.

## D. PUBLICATIONS OF LEARNED ORGANIZATIONS

Curti, Merle, The Social Ideas of American Educators, New York: Charles Scribner's Sons, 1935, Report of the Commission on the Social Studies, Part X, 613 pp.

A developmental survey of American educational policies as the direct result of social and economic forces from the colonial period to the present day, with the educational contributions of dominant leaders included.

Evans, Henry R., A Handbook of Educational Associations and Foundations in the United States, Department of the Interior, Washington D. C., Bureau of Education, Bulletin No. 16, 1926.

A list of prominent foundations and trust associations with a brief summarization of the objectives of each.

\_\_\_\_\_, Educational Boards and Foundations 1924-1926, Department of the Interior, Washington D. C., Bureau of Education, Bulletin No. 10, 1927. 12 pp.

The author has compiled a list of trust funds endowed during the above mentioned years.

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