

50 Years of Smart Giving

In income-taxless 1901, Andrew Carnegie sold his vast steel empire to J. P. Morgan for \$492 million. At the close of that huge deal, which formed the core of the new U.S. Steel Corporation, the beaming banker extended his hand and uttered the ultimate praise of the day: "Mr. Carnegie, I want to congratulate you on being the richest man in the world." What few men knew about "the greediest little gentleman ever created," as one biographer called Carnegie, was his inward conflict over wealth. He fretfully condemned the worship of money as "one of the worst species of idolatry," and in 1889 he wrote that "the man who dies rich dies disgraced." Before his own death in 1919, Carnegie gave away 90% of his money.

Carnegie handed out money furiously, but by 1911 still had more than \$150 million left. So he launched the Carnegie Corporation of New York, the first and then biggest (\$125 million) "general purpose" foundation. This week the corporation issued a 50-year report of giving (total: \$303.9 million) that reveals how one rich man with a conscience can profoundly enrich generations unborn.

Medals & Music. Carnegie's pre-corporation giveaway was staggering. He lavished cash on Scotland's four universities and his native town of Dunfermline. He pensioned off everyone, from railroad clerks and Civil War telegraphers to a couple of maiden ladies with whom he had once danced.

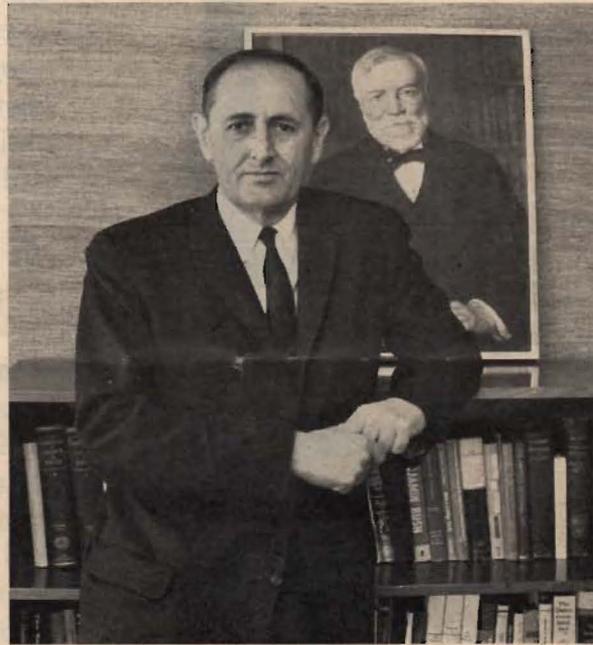
Picking up speed, he built 2,509 public libraries costing \$43 million. He founded Pittsburgh's Carnegie Institute, which spun off the Carnegie Institute of Technology, and Washington's Carnegie Institution, which started California's Mount Wilson Observatory. He threw in Manhattan's Carnegie Hall, the Hague Peace Palace, Washington's Pan American Building, and the Carnegie Endowment for International Peace.

An instance of the impact was the Carnegie Foundation for the Advancement of Teaching (1905). In setting up free pensions for professors in the U.S. and Canada, the foundation had to define a "college," which in turn meant defining "high school." Result: the "Carnegie Unit"—the 120 hours per year that U.S. high schools now accept as standard for each subject. The foundation went on to organize the Teachers Insurance and Annuity Association (120,000 current policyholders), a pioneer among U.S. annuity plans. Most important, the foundation financed the famed 1910 Flexner report criticizing medical schools in the U.S. and Canada, which in turn unlocked the Rockefeller millions that revamped medical education.

Unleashing Talents. Taking its cue

from Flexner, the Carnegie Corporation itself has long specialized in supporting the one inexpensive study that rouses others to give on a grand scale. Today this is partly by necessity. Carnegie is a powerhouse among U.S. foundations, which now total 12,000. But in market value of its assets (\$286.6 million), it runs a poor fifth to the top four: Hartford and Duke (each with more than \$400 million), Rockefeller (\$615 million) and the colossal Ford Foundation (\$2.5 billion). Last fiscal year alone, Ford earmarked \$155.7 million for new grants, as against Carnegie's \$12.8 million.

What earns respect for Carnegie is its pinpoint giving. In 1924 it called the first U.S. conference on adult education. In the 1930s it got Sweden's Gunnar Myrdal to produce *An American Dilem-*



GARDNER & CARNEGIE PORTRAIT
The tithe was reversed.

ma, the first real study of U.S. Negroes. To popularize fine arts, it supported a little study that sparked the modernization of museums across the country.

A master at unleashing human talents, Carnegie financed the early makers of aptitude and achievement tests. In 1948 the corporation helped start the Educational Testing Service, now the country's leading testmaker. In 1952 it helped expand the Princeton program that became the Woodrow Wilson National Fellowship Foundation, which foots the cost of graduate study for prospective college teachers.

Foresight & Influence. "It's impossible to give us credit for anything except foresight," says Carnegie President John W. Gardner, 49, a deceptively casual Californian who took his doctorate in psychology at the University of California at Berkeley. A prewar teacher at Mount Holyoke, Gardner is himself an example

of Carnegie foresight. The corporation spotted him when he was a Marine Corps captain assigned to the OSS, and by 1955 he was president. One of the few top "philanthropoids" to rise through foundation ranks, Gardner is also one of the few with a gift for words. Gardner chiefly drafted the Rockefeller Brothers Fund's famed *The Pursuit of Excellence*, followed it with his own thoughtful book, *Excellence*, wrote the education report for President Eisenhower's Commission on National Goals, and last year edited President Kennedy's *To Turn the Tide*.

At Carnegie's modest Manhattan office on Fifth Avenue, Gardner heads a staff of just 36, including the telephone girl. What makes this small force highly effective is constant scouting trips and close contacts throughout U.S. education. An instance lies in Gardner's simultaneous presidency of the Carnegie Foundation for the Advancement of Teaching. The foundation's board consists of almost every key university president in the country. What they report about education's headaches influences the Carnegie Corporation, which then typically commissions an outside expert to find answers.

Carnegie-supported books have stirred action on everything from business schools to junior colleges and graduate education. But sometimes Carnegie has to create the experts, as in 1947, when it started sending "Jeep-sized" teams of U.S. scholars to Africa, prepared them for the coming problems of crumbling colonialism. In 1948, Carnegie gained immeasurable "lead time" for the U.S. by starting Harvard's Russian Research Center. Soon due at another major university is an equally precedent-setting center on Communist China.

Nothing Ordinary. Thinking ahead, Carnegie in 1956 supported pioneering school math reforms. It launched James B. Conant on his key studies of U.S. high schools (*TIME* cover, Sept. 14, 1959), and in 1958 it got public campuses to set up honors programs for gifted students. In the past year, Carnegie underwrote everything from courses in Chinese at a private school in Massachusetts to helping Denver parents teach their kindergarten children to read, plus a significant \$300,000 grant to Notre Dame for the first big study of U.S. parochial schools.

Carnegie is currently scouting all kinds of educational problems that other givers are loath to touch. It is deep in "continuing education" for everyone from frustrated housewives to jobless young Negroes. By financing research in programmed learning, it hopes to set standards in a wildly burgeoning field. And it enthusiastically supports Harvard Psychologist Jerome Bruner's Center for Cognitive Studies, a field that Gardner hopes will discover the secrets of the human learning process and give important insights into mental disorders.