THE IMPACT OF THE NATIONAL ENDOWMENT FOR THE ARTS IN THE DEVELOPMENT OF THE PLURALISTIC SUPPORT SYSTEM FOR THE ARTS IN THE UNITED STATES

A Plan B Project submitted by Frances Eula Thompson
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Approved: ____________________

Date: ______________________
To Larry, Martha, and Whitney for their patience, understanding and help during this long effort.
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I. THE CHANGE FROM A PRIVATE TO A PLURALISTIC SUPPORT SYSTEM FOR THE ARTS

Introduction

Historically, American arts organizations have existed exclusively on earned income and private sources of support. There was a firm conviction in the minds of Congress, arts patrons, artists, arts administrators and the general public that support and control of the arts belonged within the private sector. The private sector originated and sustained American arts institutions until recent times. Because a financial crisis threatened the existence of many arts organizations by the early 1960's and because arts education came to be regarded as essential to a complete education, Congress in 1965 created a new federal agency for the purpose of aiding the arts.

Initial funding for the National Endowment for the Arts was very modest and Congress conducted extensive periodic reviews of Endowment activities to determine if the Endowment was fulfilling its purpose of bringing the arts into the lives of all Americans, while remaining artistically and ideologically free from government censorship.

Government aid to the arts has greatly stimulated private involvement and financial support—a good indication of the
effectiveness of the National Endowment for the Arts. The number of arts institutions has increased many-fold during the existence of the Endowment and at least 50 percent of all Americans now enjoy some form of arts activity.

History

Early Cultural Institutions in America

American nonprofit arts institutions, until the recent past, were traditionally supported and controlled wholly by private elements of our society. The Academy of Music in New York City, a resident opera company, was founded in 1859 by wealthy patrons and in 1883, the Metropolitan Opera was established by the next generation. European and American artists and troupes toured the United States reaching even modest-sized cities in the late 19th and early 20th centuries, but few communities outside New York and three or four large urban centers had established resident arts institutions. The occasional exposure to good music and good performances, and the immigration of fine European artists—many with experience in opera houses—led to the establishment of permanent arts institutions in many communities. In 1911 control of the New York Philharmonic, which had been a musicians' cooperative, was given to wealthy patrons in return for financial security. The Philadelphia
Orchestra was assisted in its first years by "women's committees" until Leopold Stokowski became musical director in 1912. It then attracted support from the industrial elite. Operas and symphony orchestras were established by founders whose motivations included social advantage as well as musical needs.

Symphony orchestras proliferated from the 1890's but they were never able to meet all expenses from ticket sales. By describing themselves as nonprofit organizations they were better able to attract donations. In the years before the personal income tax was instituted wealthy patrons gave for the philosophical reward of giving and using their money for public good, as well as for the reward of modeling themselves after European nobility who supported the arts.

Gifts and bequests led to growth which led to the need for more support. The Internal Revenue Code of 1913 allowed deductions from personal income for the amounts given to charitable institutions, including nonprofit arts institutions. The federal inheritance tax law of 1916 also helped arts institutions by excluding bequests from inheritance taxes.

The possessive instincts of patrons, administrators (under the influence of patrons) and artists kept arts institutions under private control. Until recently only a very few cultural institutions asked for or received any public support, usually on a city or state level.
The Income Gap

According to Baumol and Bowen, the arts have never been self-supporting. A gap has always existed between what cultural institutions could earn and what they needed to spend. Low productivity of artistic labor is the cause of this phenomenon.\(^3\)

Baumol and Bowen point out that productivity of artistic labor is low because the amount of labor cannot be reduced, and the audience size cannot be increased appreciably. The labor in an artistic performance is relatively fixed according to the instructions of the composer or choreographer. If the number of performers is reduced to save on labor costs, the quality of artistic achievement is reduced. Productivity before live audiences is limited by the size of theaters and auditoriums. Mass media performances on television and radio greatly increase productivity but because so few artists can fill the needs of millions of viewers and listeners, very few such opportunities exist for most performing artists.

Ticket prices seldom cover fully the costs of a live performance. To raise ticket prices would eliminate some of the audience when one of the goals is to reach wider audiences. Competition from media performances, records and tapes also holds ticket prices down.

Given the difference between earned income and total costs, when income and costs rise at the same rate the gap
remains the same percentage of costs (the budget). However, the gap increases in absolute dollars from year-to-year. If the rate of income rises more slowly than the rate of costs, the dollar gap grows much faster and the gap becomes a larger percentage of the annual budget.

By the 1950's, arts institutions were beginning to experience a squeeze between rising costs and more slowly rising income. There was always a gap between earned income--ticket and subscription sales--and total costs, but in the past contributions from patrons and donors made up the difference. Partly due to higher taxation, private sources of support were not able to keep up with the rising income gap.

During the 1950's and 1960's American arts institutions existed in an economy characterized by increasing productivity, increasing wages, and a rising standard-of-living. The rising cost of labor, due to increased wages, had a major financial impact on the labor-intensive arts. Artists should be compensated in an amount that enables them to choose a life-style which is available to other members of the society in which they live. Often though, artists did not receive adequate incomes to enable them to live in such a manner. The arts, existing within a growing technological economy, were bound to suffer financially.

To summarize, two factors were creating the financial plight of arts institutions: 1) The ability of individuals
to contribute was decreasing because of higher tax rates, and
2) Costs were rising mainly due to increasing wages with no change in productivity.

A Change in Attitude

When the financial crisis began to develop, patrons who had long dominated arts audiences, controlled boards of directors, and supported arts institutions at first strongly resisted any suggestion of public support. A weakening or loss of private control and the subjection of the arts to political interference and censorship were legitimate fears. The example of the puppet role of modern Soviet artists and arts institutions, subservient to governmental dictates, was ever present in the minds of critics.

By the 1960's many institutions had large deficits and were in danger of bankruptcy if additional support was not found. A new attitude towards art had taken a strong hold in the public mind: access to the arts was no longer just for the privileged few, but for everyone. Society could be improved through art because through art people could better learn to perceive, understand, and achieve self-expression. Because arts institutions would reach out to serve all the people, public support could be justified. Symphony patrons who had opposed tax support suddenly changed position and were the first actively to solicit public support.
Early Attempts at Government Aid

Prior to the 1960's there were a few suggestions and efforts to obtain government support, but because the private sector had generally supported arts institutions the government never became involved. As early as 1826 John Trumball, President of the American Academy of Arts, suggested to Congress, "'a plan for the Permanent Encouragement of the Fine Arts by the National Government.'" President Buchanan formed a National Art Commission in 1859, and President Theodore Roosevelt appointed a Council of Fine Arts. Congress failed to pass appropriations in all these cases. In 1934 President Franklin D. Roosevelt established the Section of Painting and Sculpture in the Treasury Department for the purpose of commissioning artists to decorate post offices and courthouses around the country. In the depths of the Depression President Roosevelt expanded the Works Progress Administration (WPA) to include arts projects through the Federal Theatre Project, the Federal Writers' Project, and the Federal Art Project. The Theatre Project was credited with creating new audiences, and the Utah Symphony, Buffalo Philharmonic, and the Pittsburgh Orchestra were founded largely due to these programs.

The Federal Writers' Project spent about $27 million over a period of seven years and searched the back roads of every
corner of America in the quest for data, information, folklore, ethnic lore, history and scenery for the final output of the project, the *American Guide Series*. It was a compilation of essays, histories, and tours and was considered an outstanding success because of the candidness of the *Guide Series*, and avoidance of government censorship at both the local and federal levels.  

The WPA projects were concluded soon after the beginning of World War II. Because World War II stimulated the economy and created full employment, the projects were terminated.

Events Leading to the Establishment of the National Foundation for the Arts and the Humanities

Growing public interest and concern for the arts were reflected in proposals for an arts center and arts council. During President Eisenhower's administration a law was signed creating a national cultural center which was later named the John F. Kennedy Center for the Performing Arts. Formation of an advisory council on the arts was considered but no decision was made. President Kennedy established the Advisory Council on the Arts but he was assassinated before the council was appointed.

Two important reports preceded the 1965 legislation which created the National Foundation for the Arts and the Humanities. In May, 1963, August Heckscher, Special Consultant on the Arts
to President Kennedy, issued a report entitled, "The Arts and the National Government." This report recommended that the government commission and purchase more art works; raise standards of design for such diverse subjects as stamps, government buildings, public housing and urban renewal; promote construction of civic and cultural centers; and give higher priority in government programs to arts education, training and research. A National Arts Foundation modeled after the national foundations on health and science was recommended to guide government efforts.

After a two-year study the Rockefeller Brothers Fund Incorporated released a report in March of 1965 on "The Performing Arts: Problems and Prospects." It described growth of amateur activity but found that professional troupes and institutions that produced opera, drama, music and dance faced many problems: artists were paid poorly and on a seasonal basis, facilities were lacking, there was a lack of high quality training, and income did not match expenditure. Major responsibility for the financial survival of arts institutions was placed with the private sector—individuals, foundations, and corporations. The report urged that local, state, and federal government should also support the arts. States could lend support by removing tax burdens, organizing state art councils, and sponsoring touring companies as well as regional activities. The Federal government should expand existing programs, remove the
federal theater ticket tax, and provide matching grants for theater construction. Establishment of the following performing companies on a 12-month basis was recommended: fifty theater companies, fifty symphony orchestras, six regional opera companies, six regional choral groups, and six new regional dance companies. All these proposals would cost from $150 to $200 million a year, compared to the $60 million estimated in 1965 for the existing level of professional nonprofit arts companies. It was estimated about 44 percent of the increased costs ($40 to $60 million) would have to come from private and government support. The balance of the increase would come from earned income. 9

Government Interest in Arts Education

Though arts education had been totally excluded from federal school legislation in the past, the Cultural Affairs Branch within the Office of Education was organized in 1962. The purpose of the Cultural Affairs Branch was to develop programs and activities for the improvement of arts education. Renamed the Arts and Humanities Program in the Bureau of Research in 1965, it initiated over 200 basic research and development projects over a three-year period. It became a communications and coordination center for arts activities between government agencies and between government agencies
and arts and education groups generally. Funding was about $75 million a year for three years. The value of tangible research findings from the basic research and development projects was never clear.  

The Elementary and Secondary Education Act of 1965 provided for special compensatory programs for disadvantaged children under Title I. Title III provided for innovative educational programs, and Title IV provided for educational research. For the first time arts and humanities programs were eligible for funding if local school administrators included them in their requests. About $267 million was spent under Title I and $80 million under Title III in the first five years, but amounts spent specifically for arts projects is unknown.

Congress was caught up in the cultural surge of the 1960's and funded initial arts education programs generously. In contrast, the National Foundation on the Arts and Humanities received a very modest authorization of $10 million in 1965, the first year of its existence.

The Debate

Something close to a "guilt complex" pervaded Congress over the imbalance between scientific and non-scientific efforts, brought about by the National Defense Education Act of
1958 (NDEA). The 1958 Act had been passed because of the first Sputnik shot in the Soviet Union. By the early 1960's the arts were proclaimed to be an essential part of a complete public education. Legislators were warned that investigation and exposition of ideas and values had been neglected by the overemphasis on science.

Critics had several objections and found data to support their arguments. They worried aloud about restriction of freedom of interpretation if writers and artists received their paychecks from the government. Another concern was that cultural support might become pork-barrel or a political issue. Some thought government involvement would stifle private giving and reduce the arts to mediocrity. Whether the humanities had really been slighted was questioned by those pointing to statistics showing that the number of Ph.D. degrees in philosophy and English literature awarded since 1958 had risen more than degrees in chemistry and ranked just behind physics. History, philosophy and English degrees at the undergraduate level had risen more than NDEA-supported science degrees, except mathematics. It was claimed that total private foundation support, which jumped from $10 million in 1960 to $39 million in 1964, was supporting new works in the humanities to the extent that scientific works had experienced a relative drop. In the period from 1961-1964, cultural exhibits were said to have increased from 3,536 to 4,595. Between 1950 and 1965 symphony
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orchestras were said to have increased from 800 to 1,250.\textsuperscript{13}

It was believed by critics that governmental assistance would result in a decrease of private support. The experience of the New York State Council on the Arts served as an example that this was not necessarily true. In its first year (1961-1962) the New York State Council had a budget of $450,000, 70 percent of which was a state appropriation. By 1964-1965 the budget of $562,000 was only about 25 percent funded by state appropriation, with the remainder coming from private sources. The number of communities served had increased from 46 to 92, performances increased from 92 to 277, and touring companies increased from 6 to 71.\textsuperscript{14}

Summary

Private support was the basis of the arts until the Great Depression. In the 1930's the government became involved to emphasize employment for artists and writers. In the 1960's a financial crisis developed which threatened the survival of many arts institutions, and the public gained a new awareness of cultural values.

A significant step for the arts came when President John-son established the National Council on the Arts in 1964 and a year later Congress passed the legislation for the National Foundation on the Arts and the Humanities Act of 1965. The
President said, "'Art is a nation's most precious heritage. For it is in our works of art that we reveal to ourselves and to others the inner vision which guides us as a nation. And where there is no vision, the people perish.' "

The National Foundation on the Arts and the Humanities Act of 1965

Purpose

In the "Declaration of Purpose" section of the Act Congress declared, "that the encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government; ...." The purpose of the Foundation is described, "...to... promote a broadly conceived national policy of support for the humanities and the arts in the United States....""}

Structure

The Foundation exists today in the original form as created in 1965. It is an independent agency of the Federal government and is composed of three parts: the National Endowment for the Arts (hereinafter called the Arts Endowment), the National Endowment for the Humanities (hereinafter called the Humanities
Endowment), and the Federal Council on the Arts and Humanities (hereinafter called the Federal Council). Each Endowment is advised by its own National Council and has its own Chairman. See Figure 1 for organizational structure.

The National Council on the Arts (hereinafter called the National Arts Council) which was created in 1964 was transferred from the Executive Office of the President to the Foundation as part of the National Endowment for the Arts. The Chairman of the National Arts Council in 1965 was named Chairman of the Arts Endowment for a four-year appointment, eligible for reappointment. The National Arts Council is composed of the Chairman of the Arts Endowment and twenty-six private citizens who are widely recognized for their "knowledge, experience, or profound interest in the arts." The Chairman and other members are all appointed by the President. The National Arts Council advises the Chairman on policies, programs, and procedures. It reviews and makes recommendations on applications for assistance which come to it from the Advisory Panels which are explained later. The Chairman makes final decisions on grant applications.

The National Arts Council proposes methods of encouraging private initiative in the arts, recommends ways to maintain and increase cultural resources in the United States and advises and consults with local, state, and federal agencies on the coordination of resources and facilities. The National Arts
Figure 1
Organizational Structure

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

THE PRESIDENT OF THE UNITED STATES

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

NATIONAL COUNCIL ON THE ARTS
Chairman 26 Members

CHAIRMAN Deputy Chairman

Staff

FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

Nine ex officio members designated in the Act.

NATIONAL ENDOWMENT FOR THE HUMANITIES

NATIONAL COUNCIL ON THE HUMANITIES
Chairman 26 Members

CHAIRMAN Deputy Chairman

Staff

General Counsel

Director of Administration
Council searches for ways to foster artistic and cultural endeavors in the arts, both nationally and internationally, in the best interests of the United States. It studies and recommends promotion of the arts to stimulate the Nation's artistic and cultural progress.  

The Federal Council was created to advise the Chairman of the Arts Endowment and the Chairman of the Humanities Endowment, to coordinate activities between the Endowments, and to coordinate programs of both Endowments with other related federal programs. The Federal Council has authority to divide appropriately between the Endowments undesignated gifts made to the Foundation. Members of the Federal Council are the Chairman of the Arts Endowment, the Chairman of the Humanities Endowment, the U.S. Commissioner of Education, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, the Librarian of Congress, the Director of the National Gallery of Art, the Chairman of the Commission of Fine Arts and a member designated by the Secretary of State.

The greatest fear expressed by critics of government support of the arts was the possibility of a "ministry of culture" which could dictate content, taste, standards, and stifle creativity by granting or withholding support arbitrarily. The legislation establishing the Foundation specifies that no federal employee or agency will exercise direction, supervision, or control over policy determination, personnel, curriculum,
administration, or operation over any school or other non-federal agency, institution or organization.22

An effective safeguard against Federal government dictation of taste and standards is the use of Advisory Panels which review grant applications, evaluate past programs and advise Arts Endowment staff and the National Arts Council as to directions future programs should take. Over 200 private citizens serve as panelists. They are artists, arts administrators, board members of arts institutions, critics, and others who represent diverse professional viewpoints and broad knowledge in their respective fields. Panel recommendations go to the National Arts Council which makes final recommendations to the Chairman. Administration through state art councils, regional councils, and local and community arts organizations is intended to prevent political control from the federal level.

Provisions of the Arts and Humanities Act of 1965

The arts are defined in the Arts and Humanities Act of 1965 as being, but not limited to music (instrumental and vocal), dance, drama, folk art, creative writing, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, industrial design, costume and fashion design, motion pictures, television, radio, tape and sound recording, and supporting arts related to the presentations of the major
art forms. The Act provides for:

*Production (i.e., involving the "execution or rendition of the arts") which had "substantial artistic and cultural significance, giving emphasis to American creativity and the maintenance and encouragement of professional excellence";

*Productions "meeting professional standards or standards of authenticity," irrespective of origin which were of "significant merit" and which would otherwise be unavailable to citizens in many parts of the country;

*Projects (i.e. programs such as commissioning of works of art, awarding of medals for artistic achievements and rental, purchase or construction of facilities and purchase or rental of land) which would encourage and assist artists and enable them to achieve "standards of professional excellence";

*Workshops (i.e. amateur productions) that would encourage and develop public appreciation and enjoyment of the arts;

*Other relevant projects, including surveys, research and planning in the arts.

The original regulations concerning grants and donations are still in effect. Federal grants are limited to one-half the cost of projects. However, 20 percent of total federal funds allotted for projects can be used for full funding when the individual or group cannot possibly raise matching funds. No grants are awarded to any group where net profits benefit stockholders or individuals. The Chairman of the Arts Endowment is authorized to accept donations of money and property.
Funding

Five million dollars was authorized to be appropriated annually to the Arts Endowment for program grants during the fiscal years 1966-1968. An additional $2,250,000 was authorized for matching donations (later called Treasury Grants). Annual and continuing appropriations of $2,750,000 for aid to State Programs were authorized. Annual matching grants of $50,000 were provided to help support an arts council in each state and in the District of Columbia, Puerto Rico, Guam, American Samoa and the Virgin Islands. In order to receive the funds each state or territory was required to submit a plan before the first day of each fiscal year outlining the budget and projects for the year. Funds could be spent only for projects which carried out for groups and individuals one or more of the objectives as outlined in the Provisions of the Act of 1965. One-time, non-matching grants up to $25,000 of each state's allotment could be used to plan and establish a state arts agency. (In 1965 twenty-four states did not have state arts councils.)

Treasury Grants were designed to generate about three dollars of local funds for every federal dollar received. In order to receive a Treasury Grant, the applicant would have to find a local sponsor to contribute to the project. The Treasury Fund would match the gift of the local sponsor. In
addition, the sum from the Treasury Grant and local sponsor would have to be matched again in the community.

Summary

The framework of the 1965 Act was designed to stimulate private support by individuals, private foundations and corporations, and led to the establishment of state councils and activities for the benefit of the arts. In 1960 there were seven state arts agencies; by 1964, the New York State example had inspired the organization of twelve more state councils, and by 1967, with organizational assistance from the 1965 Act, all of the states had established arts councils.

The Endowment from 1966-1976

Policies and Goals

The National Arts Council which formulates policy has stated that the American system of arts support should reach out for a broader base than is the case in Europe, where subsidies go almost entirely to large, prestigious institutions. Nascent organizations, including community arts organizations, and talented individual artists should be eligible for assistance.
The Arts Endowment set three major goals: to improve audience accessibility, to develop cultural resources, and to advance our cultural heritage. These were to be achieved through grant programs to state arts agencies, nonprofit, tax-exempt groups, and individuals. In promoting wide dissemination of cultural resources of significant merit, the Arts Endowment sponsored tours of performing groups such as opera, dance, theater and jazz groups, museum exhibits, architecture and design exhibits. Urban, suburban, and rural areas were reached where the opportunity to hear and view the arts previously had been limited. Other outreach efforts involved assistance to local groups to encourage creativity in folk and ethnic art of local people. Artists-in-Schools developed as a program to teach poetry, dance, crafts, painting, sculpture, music, drama, film, folk arts, architecture, and design. State and regional agencies have been supported to produce films on local cultural traditions. Film series on dance and drama have been produced for public media.

To develop cultural resources, the Arts Endowment helped cultural institutions serve the public and improve artistic and administrative standards. Museums were aided in purchases of new works, special exhibitions, innovative use of collections, cataloguing and employment of visiting experts. Resident professional theatres have proliferated since Endowment assistance became available. Small independent presses and small
circulation literary magazines which publish emerging writers were aided. A long list of orchestras, opera companies, theatre groups and dance companies throughout the nation received support.

To advance our cultural heritage, the Endowment focused on the rich diversity in American life. Physical projects ranged from preservation of historic buildings and maintenance of neighborhood identity to preservation of artistic films. Opportunities were provided for elderly folk artists to pass on their skills in country music, narrative history and Indian design to younger artists.

Since 1966 the Endowment has been concerned with helping individual artists through Fellowships. In 1970 the Chairman announced the Arts Endowment would end the practice of making grants for works already completed and award grants only for new works. The former policy looked too much like formal government approval. 27

Annual Activities

1967

In the "Chairman's Statement" of the 1967 Annual Report of the National Endowment for the Arts, Roger L. Stevens described a good beginning for joint efforts between private
enterprise and the Federal government. He noted that total federal grants through 1967 had totaled $10.5 million, and privately raised funds had totaled $16 million. This was 60 percent greater than the fifty-fifty matching requirement in the law. On the premise that the arts cannot pay for themselves, business leaders formed a national organization, the Business Committee for the Arts, to increase substantially corporate support of the arts. It was estimated that of $800 million in charitable corporate contributions, only $20 million, approximately 2.5 percent, went to the arts in 1967. Private foundation contributions to the arts were about $65 million, approximately 5 percent of $1.3 billion distributed. Both these levels were disappointing.

During 1967, $7,632,021 in federal funds were obligated out of about $10 million available. State Arts Councils received matching grants of $36,363 each. The various program categories were: Federal-State Partnership, Architecture, Planning and Design, Costume Design, Dance, Education, Folk Art, Literature, Music, Public Media, Theatre, Variety of Art Forms, and Visual Arts.

State Arts Agencies participated in 295 new or expanded projects. Some examples of the results of Arts Endowment Programs in the first full year of operation follow:

A new arts organization, the Association of American Dance Companies, was created to meet existing needs for promotion and encouragement of knowledge, appreciation, practice, and performance of dance.
Twenty-two writers, including novelists and poets, were assisted by enabling them to conduct research or to complete works in progress.

The Radcliffe Institute for Independent Study was able to expand assistance through grants to women creative writers.

Seventy-four undergraduate students selected by schools of architecture, planning, and landscape architecture received the opportunity to travel and conduct research during the summer of 1967.

Audience expansion and development was encouraged by The Martha Graham Dance Company national tour in the fall of 1966—the first in 15 years. 132,000 people in 32 cities saw performances.

The Academy of American Poets sent young poets to hundreds of classrooms in New York, Detroit, and Pittsburgh public schools. Outstanding senior poets gave lectures and readings for English teachers.

A project with the Association of Higher Education was supported to improve arts curricula at educational institutions.

New audiences were created by a Hull House outdoor theater project in Chicago.

The Coordinating Council of Literary Magazines was created to assist writers and small, hard-pressed magazines which publish young writers.

Educational programs on theater, music, dance, and the fine arts were promoted for educational television.

The Metropolitan Museum of Art was assisted with a special exhibition of historical and contemporary costume design.

Arts programs for underprivileged youth were supported at St. James Community House School of the Arts in New York City and at the Elma Lewis School of Fine Arts in Boston.

Studies were made to determine the feasibility of using the Kodaly method of music education in elementary and secondary schools in the United States.
Regional programs were supported by assisting the Denver Symphony to convert from a local to a regional group. The Robert Joffrey Ballet established a summer residency and tour in the Pacific Northwest.30

1968

In 1968, the second year of operation, grants were made by the Arts Endowment to 187 individuals and 276 organizations. Even though Congress passed legislation authorizing only one-fourth the funds requested for fiscal years 1969 and 1970, the Endowment had received Congressional approval to continue its work.

The Arts Endowment granted about $8.6 million for programs and assistance, with the private sector generating $27 million. Compared to needs in the field this was a small amount and the Endowment was unable to provide funds for construction or rehabilitation of facilities, to assist symphony orchestras, or to support a National Opera Company. (The annual deficits of symphony orchestras were many times the Arts Endowment budget.) Many large grants were possible because of large private gifts to the Endowment which were matched by Treasury Funds. Worthy projects and many recommendations for individual grants were turned down because of lack of funds. The State Arts Councils again received $36,363 each on a matching basis.31

In the Annual Report for 1968, Mr. Stevens expressed the belief of many that the United States was the visual arts center
of the world. He cited the opinion of the British author, Anthony Burgess, that the English language had gone over to America which was producing the best new novels and poetry. American theater, instead of dying as many had expected, was experiencing growth and vitality. However, in 1968 the economic facts of life were increasingly serious for the arts. Cynics pointed out a very few rich artists and questioned the propriety of the use of public funds for the arts. Stevens pointed out that on closer examination the facts disclosed that most artists did not live well, with many existing below the subsistence level.

Assistance to the arts in 1968 was continued with some outstanding projects. The American Film Institute was created by the joint efforts of "Arts Council members, a special Advisory Council composed of distinguished members of the film world, the Stanford Research Institute team which had conducted a survey leading to the Institute's establishment, Endowment staff, and the Ford Foundation and the Motion Picture Association of America, both of which provided funds to assist the Endowment in setting up the Institute." One function of the Film Institute was to locate, preserve, and catalog early films. Another undertaking, the Westbeth Corporation project to purchase and remodel the old Bell Telephone Laboratories on New York City's lower West Side for an artists' housing center, was begun in cooperation with the J.S. Kaplan Fund, Inc. Facilities
would include 384 living units as well as a theatre, film studios, darkrooms, rehearsal rooms, sculpture gardens, exhibition galleries, soundproof studios, projection rooms, and other accommodations. The best writing from America's small literary magazines was collected in *The American Literary Anthology /1*, the first publication in an annual series. In order to involve increasing numbers of Americans in the arts, the Endowment supported the new AFL-CIO Council for Scientific, Professional, and Cultural Employees "to develop arts demonstration projects in four major American cities." Sixteen of the nation's largest cities and the Endowment, in cooperation with the President's Council on Youth Opportunity, sponsored summer arts activities and workshops for thousands of inner city residents. This was a significant effort in the Endowment commitment to reach out to all Americans. The Laboratory Theatre for Education was a pilot project undertaken by the Endowment and the U.S. Office of Education in cooperation with local school boards in New Orleans, Providence, and Los Angeles. Its purpose was to provide professional theatre company performances free to school audiences and to the general public at low rates, and also to improve the teaching of dramatic literature in secondary schools. When the third summer of programs in 1968 seemed uncertain in New Orleans because of increased costs, hundreds of students who had participated in prior years collected $3,000 in coins and presented them to the Mayor with a plea for continuation of the theatre program.
1970

Several important events for the Arts Endowment occurred in 1970. A new Chairman was appointed and the Endowment received increased funding from Congress allowing it greatly to increase its level of support to the arts.

Miss Nancy Hanks was nominated by the President, confirmed by the Senate, and sworn in as Chairman of the Endowment for the Arts in October, 1969. The Endowment was able to provide about $13 million in grants in 1970, or about double the amount for 1969. This included a $900,000 transfer from the Office of Education for the purpose of placing artists in schools. Miss Hanks noted a sharp rise (360 totaling $2 million) during 1970 in the number of private donations which far exceeded the total number of donors in the preceding four years.

The law under which the Arts Endowment operated was due to expire in 1970. President Nixon recommended reauthorization of the Endowment for three more years with greatly expanded funding. Congress held hearings to review every aspect of arts and humanities programs. The 1970 Annual Report stated, "The House Committee on Education and Labor held that: 'In sum, Federal assistance for the arts has proved itself, and public arts funds, so new a concept in the 1960's, must play an even more significant role in the decades ahead.'"
Levels of funding recommended by the President and approved by Congress were $20 million in 1971, $30 million in 1972, and $40 million in 1973, with the humanities receiving identical amounts. Funding for State Arts Councils was recommended at $75,000 per state in 1971, $100,000 per state in 1972, and $125,000 per state in 1973.

For the next three years the National Arts Council set three goals:

To encourage broad dissemination of the best of American arts across the country;

to work toward solutions of some of the core problems that plague arts institutions in their efforts to provide greater public services; and

to provide support that encourages creativity among our most gifted artists and advances the quality of life in our nation.36

For the first time, the Endowment gave assistance to 73 symphony orchestras. Across-the-board subsidies were ruled out but requests could include aid for the extension of seasons and for improvement of artistic and administrative standards. Grants were limited to organizations of national or regional importance and included such projects as chamber music performances, video taping of performances, touring, performances of new works, youth concerts, and conductor training programs.

The Artists-in-Schools Program, in cooperation with the Office of Education, was greatly expanded so that 300 dancers, musicians, writers, theatre artists, painters and sculptors
were able to work in 260 school districts in 31 states.

Regional conferences were a highlight of the Federal-State relationship in 1969 and 1970. For the first time, meetings were held in all areas of the nation which brought state council directors and chairmen and Endowment program directors together for exchange of programs information and program coordination. An outgrowth was the Coordinated Residency Touring Program in which ten dance companies toured 22 states giving performances, holding master classes and meeting with students.37

1972

The Arts Endowment was able to make grants totaling about $33 million in 1972. Included in that amount was $3.5 million which had been received as gifts from private sources. Congress appropriated almost $30 million, nearly double the funds appropriated for 1971. The Endowment perceived its role to be that of a catalyst, encouraging many sources for the support of the arts, and to develop new ideas and concepts for all the arts. The National Arts Council set three major goals for 1972:

Availability of the Arts -- to encourage the widest possible distribution of the nation's great cultural wealth.

Cultural Resources Development -- to strengthen our major cultural institutions so they can better serve the public.
Advancement of our Cultural Legacy -- to further the creative work of the nation's finest artists and to preserve our significant cultural heritage.38

Expansion Arts, a new, interdisciplinary program, was added in 1972 to encourage community-level art. The variety of programs ranged from the folk heritage of Appalachia to the creative arts of inner cities, from various Indian cultures to that of Spanish-speaking Americans. Art forms were being combined in new ways:

The Public Media Program is delving into the major area of creative media programming for the live arts.

There is cooperative joint programming in two or more art forms.

The Architecture Program is opening new vistas for multi-art involvement in our physical surroundings.

Through Endowment programs, artists and educators are combining their talents in classroom work which involves students in creative new patterns.39

In 1972 the President called for the improvement of design of buildings, furnishings, and graphics throughout the government, and placed key responsibility with the Arts Endowment. In response, the Endowment set up a task force to revise Guiding Principles of Federal Architecture, and coordinated the improvement of graphics in federal agencies. The Civil Service Administration cooperated by adopting procedures for rating and hiring artists.
Under the Federal-State Partnership, each State Council received $101,320. Besides the bloc grants, State Councils applied for support for specific projects under other Endowment programs. The Artists-in-Schools Program and Coordinated Residency Touring Program in Dance were funded almost entirely by grants to State Councils. 40

1974

For 1974, Congress appropriated about $61 million for the Arts Endowment, a substantial increase from $38 million in 1973. The Endowment was able to award about $68 million in grants. Gifts of about $7.3 million were received from private sources, with $6.5 million used in 1974 and the balance carried over to 1975. Of 19,950 donations, 19,165 were from individuals. Each state received $150,000 from the bloc grants. A number of State Arts Councils received significantly increased appropriations from their legislatures. Other State Arts Councils requested greatly expanded budgets for 1975. More municipal interest developed for the arts so that more help could be expected at that level. 41

The Endowment sponsored a new financial study entitled **Museums USA: Highlights**, conducted by the National Research Center of the Arts, Inc. The study covered 1821 art, history and science museums in the United States.
The National Council on the Arts unanimously adopted a new resolution to encourage institutions to make their facilities accessible to the physically handicapped, a result of the goal to make arts available to all Americans.

To advance our cultural legacy, living American traditional arts was expanded under the new Folk Arts Program. Craftsmen and crafts projects received more support.

The energy crisis prompted the Endowment to coordinate energy policies and to work with the Federal Energy Office, particularly on transportation of students to cultural educational events. Also because of the energy situation, ways were considered of bringing arts performances to places where people already congregated and where spaces were already heated and lighted such as factories, hospitals, shopping malls, churches, and community centers. Additional benefits of using such places for performance would be new dimensions in everyday life and new opportunities for employment of artists.

Because of the interest in the Federal Design Program started in 1972, a newsletter entitled Federal Design Matters was initiated. It covered design news from federal agencies and private sources. The Federal Design Program resulted in improved graphics in several federal departments. The reports, Federal Architecture: A Framework for Debate and Excellence Attracts Excellence, were released in 1974; the first prompted discussions on problems of improving federal architecture and
the second resulted in coordination of recruitment and training of design professionals for federal jobs. The General Services Administration added interior design in its Fine Art for Public Buildings program. A new program was started whereby federal buildings of historic quality were turned over to local government agencies for cultural purposes. 42

Plans for the Bicentennial celebration were centered around the themes of "recognizing and preserving our cultural heritage, celebrating creativity in American life today, and expanding cultural horizons for future generations." 43 The National Arts Council appointed a Bicentennial Committee and recommended grants of about $13 million for related projects. State arts agencies were assisted in hiring additional staff to aid in planning. The use of television and film was stressed in portraying American cultural life. A broad-based program, "City Spirit," was designed to link arts to people where they live, and to help artists and cultural institutions become strongly allied with our other various social institutions, both private and public.

To prepare for the Bicentennial, several regular programs were expanded as follows:

The Jazz/Folk/Ethnic Music Program was enlarged;
more than 100 composers, librettists and translators were given fellowships;
special grants were made to two groups of symphony orchestras to commission new works, each of
which will be premiered by one of the orchestras, followed by performances eventually by every orchestra in each group;

a pilot series of summer "tour-events" was initiated in several sites throughout the country with community arts groups invited to take part in a three or four day festival;

projects in museum renovation and conservation were given special consideration reflecting the long look at our heritage which the bicentennial encourages;

many of the projects for special museum exhibitions and catalogues will be part of bicentennial activities. Already about 100 exhibitions are being supported, ranging from historical perspectives on folk arts and crafts to exploration of the art and architecture of the present day.44

The Endowment received about 700 applications for the "City Options" Program which was concerned with design of the future city environment. Only 20 percent of the requests could be granted. In some communities which did not receive federal funds but where enthusiasm was strong, "City Options" was financed entirely with local funds. This is a good example of the catalyst role the Endowment plays between public and private sectors.

During 1974 there was increased touring of the arts, with the number of dance companies increasing about 25 percent over the previous year. The Michigan Artrain increased the number of states visited to be 15 over a three year period. A survey of Michigan cities visited revealed that the Artrain had generated support for local arts agencies; some communities organized to develop their own arts centers. The Artists-in-
Schools Program reached every state and jurisdiction, with 1,750 artists working in elementary and secondary schools. Included were musicians, dancers, craftsmen, painters, sculptors, photographers, printmakers, filmmakers, and architects and environmental artists.

Interest and support for the arts continued to grow. The Endowment granted the Metropolitan Opera a special one million dollar challenge grant to be matched by equal contributions. At a Saturday afternoon radio broadcast an appeal was made which raised one million one hundred thousand dollars from over 21,000 individuals.

The Endowment received over 14,000 grant requests during 1974, and about 1,800 phone calls and 360 letters a month. A public opinion survey indicated that 49 percent of the public "'go to see things like art shows, museums, historical houses or antique, craft, or furniture shows.'"45 Sixty-four percent indicated a willingness to pay five dollars more in taxes annually "'if the money were used to maintain and operate cultural facilities such as theatre, music, and art exhibits.'"46

1976

In the "Chairman's Statement" of the 1976 Annual Report, Nancy Hanks reported the following growth in cultural institutions between 1965 and 1976:
In 1976 each Arts Endowment dollar generated about three to four private dollars for specific projects. Endowment grants amounted to about 5-8 percent of total budgets for major institutions. Cultural institutions continued to face the income gap. Congress authorized a new Cultural Challenge Grant Program, funded at $12 million for 1977, to help meet the problem. It was hoped the Challenge Program would help arts institutions garner higher philanthropic support from wider sources. Matching was to be at least three to one. The Chairman reported there were already indications that "...foundations, corporations, unions and others...[would]...reassess their philanthropic priorities, and accept greater responsibility for the cultural life of their communities."
Budgets for all State Arts Agencies totaled $59 million in 1975. This compared to a total in 1966 of $5.2 million ($2.66 million from state legislatures and $2.5 million from the Endowment). State and local governments needed to play a larger role in the arts. It was felt there was too much dependence on federal funding. Federal funds should not be cut back, but state and local governments should be encouraged to do more for themselves. This could be achieved by a better understanding of how arts relate to "economic growth, community development, improved education, and a better life for senior citizens."

New ways were being found to work the arts into the fabric of everyday life and to expand opportunities for artists. Worthwhile projects could serve youth, the handicapped and the elderly, improve neighborhoods and places of work, and help the sick and rehabilitate criminals. Assistance and attention was to be given to "training, career development, employment, marketing of artistic works, and the effect of copyright and tax laws on artists."

About $93 million in grants was made in fiscal 1976 and about $36 million was made in the transitional quarter at the end of the fiscal year. Three million four hundred thousand dollars (2.6 percent) was budgeted for Program Development and Evaluation. Under the Federal-State Partnership Program each state received $205,000.
Programs - 1976

**Architecture + Environmental Arts Program** was concerned with improvement of our constructed environment, and was involved with architecture, landscape architecture, urban design, city and regional planning, interior design, and industrial design. Grants were made for research, program development, creative design studies, and improvement of public participation and awareness. Program categories were: Academic and Professional Research; American Architectural Heritage; Assistance to State Arts Agencies; Cultural Facilities; Design Fellowships; National Theme Program ("City Edges," "City Options," "Cityscale"); Public Education and Awareness; Services to the Field; and Federal Design Improvement Program. 53

The **Dance Program** assisted an art form that was experiencing rapid growth and creativity. Grants were made to assist:

* The creation of new dance works and their production;
* The development of resident professional dance companies;
* Sponsors that engage professional dance companies in residency situations;
* Professional management and administration of a dance company;
* Documentation of dance performances on film or videotape; and
Aid was given for specific projects rather than in the form of general assistance. Categories were: Choreography Fellowships and Production Grants; Dance/Film/Video; Dance Touring Program; and Services to the Field. Several categories of non-matching choreography fellowships were offered and matching production grants were available to professional companies for new productions.

The Education Program sought to develop in students and teachers aesthetic awareness by working with artists in the schools or in community projects. The Education Program was allied with the Expansion Arts Program to provide opportunities in community cultural centers and other non-traditional places. Categories were: Alternative Education Forms; Arts Administration; and Artists-in-Schools.

A goal of the National Arts Council was to move Artists-in-Schools into the majority of the country's schools. The purpose of Artists-in-Schools was to develop perceptive and expressive powers in children who would have the opportunity to learn skills they otherwise might not develop. In 1975-76 over 2,000 artists worked in 7,500 schools, interacting with nearly one million students in all states and jurisdictions. Increased private funds were needed in addition to a
substantial commitment from school budgets. The U.S. Office of Education was closely involved with this program. Components were: Architecture/Environmental Arts; Dance; Film/Video; Folk Arts; Music; Poetry; Theatre; and Visual Arts and Crafts.55

The Expansion Arts Program was concerned with community, neighborhood, rural and suburban arts projects in which there was significant citizen involvement. Projects reflected wide cultural diversity and reached into places such as prisons and hospitals. "Arts activities include production of original and promising works of art, creation of innovative arts forms and art-related activities, development of new ways to assimilate new and established art forms, and achievement of educational and social goals through the arts and cross cultural exchange."56 Categories were: Arts Exposure Programs; Instruction and Training; Special Summer Projects; State Arts Agencies—Expansion Arts; Community Cultural Centers; Neighborhood Arts Services; Regional Tour-Events; and Pilot: Community Arts Consortia.

The Federal-State Partnership Program involved state, regional, and community arts programming. State Arts Agencies were usually a part of state government and received appropriations from the state. Each Arts Agency developed a unique set of
programs for communities and areas in its jurisdiction. Funds were raised and distributed, resources coordinated and technical assistance provided. Support was provided for major cultural institutions, and grants were made for workshops, festivals, residencies, community arts agencies, crafts fairs and literary guilds. Some states also provided fellowships for individual artists. Categories were: Basic State Agency Grant; Community Development; Program Development; Regional Programs; and Services to the Field.

Twenty percent of Endowment appropriations for programs went to State Arts Agencies and regional groups. Of that amount, 75 percent was allotted in equal amounts for all agencies. The remaining 25 percent was available to state and regional agencies on a competitive basis. Matching grants were available to State Arts Agencies to hire additional staff for program development and for coordinating Dance Touring and Artists-in-Schools. Field Services included grants for arts administration internships, regional coordinators, regional and national meetings and support for travel to meetings.57

The Folk Arts Program, started in 1975, grew out of increased awareness of the richness and diversity of American cultural heritage. The Folk Arts Panel defined folk arts "as the result of a community or family process that spans several generations and that has associated with it a sense of community aesthetic."58 Assistance was available for performances and
presentations, to present folk art on television and radio, for professional organizations involved in documentation, and for other folk art activities.

The Literature Program aided creative writers and sought to develop wider audiences for their works. Grants were given to individual writers and support was given for small literary magazines and presses, to sponsors of readings and residencies, to service organizations that gave technical guidance to writers and to public schools for residencies (Artists-in-Schools). Program categories were: Assistance to Small Presses; Fellowships for Creative Writers; Readings and Residencies for Writers; Literary Magazines; and Services to the Field.59

The Museum Program, begun in 1971, was the second largest single-disciplinary program in 1976. The Museum Advisory Panels followed three basic policies:

The Program should be a responsive program. Its function is to react to requests and not to initiate projects. It is not to be unduly bound by its own guidelines, but it should remain flexible enough to encompass any worthwhile project.

The quality of projects which are of regional or national importance should be the major criterion in evaluating applications. The nature of the project rather than the size or location of the applicant institution must be the deciding factor.
The Program should be open to all museums for projects consistent with the legislation of the National Endowment for the Arts. Art, history, science, children's museums or any combination are equally eligible to apply and to receive funds.

Museums were assisted with exhibitions, preservations, interpretations and acquisitions through the following categories: Aid to Special Exhibitions; Utilization of Museum Collections; Catalogues; Museum Education; Cooperative Programs; Visiting Specialists; Museum Training; Fellowships for Museum Professionals; Conservation/Assistance for Conservation of Collections; Conservation/Regional Laboratories; Conservation/Training; Renovation (Climate Control, Security, Storage); Museum Purchase Plan; and Services to the Field. General operating expenses, new construction, and establishment of new museums could not be supported.

The Music Program was the largest single-disciplinary program in 1976. Goals were to support excellence in all music areas and to develop informed audiences. Grants were awarded to large and small organizations, American composers and librettists, professional independent schools of music, service organizations and to a limited number of choral groups. Categories for making grants were: Fellowships for Composers and Librettists; Jazz/Folk/Ethnic Music; Independent Schools of Music; Opera; and Orchestra.
The Jazz/Folk/Ethnic category offered assistance to composers/arrangers, performers (instrumentalists and singers), young musicians for travel/study, and to organizations for residencies, educational programs, tours and festivals. The Arts Endowment and the Division of Performing Arts at the Smithsonian Institution worked together on a jazz oral history project. Folk/ethnic assistance was available for presentations, community celebrations, regional or national festivals, tours, documentation, preservation of living traditions, and for fellowships to study with master traditional musicians.

Opera assistance was given to improve artistic quality of full stage productions, to broaden the repertoire, sustain professional opportunities and to strengthen opera management. The orchestra program sought to broaden the repertoire, sustain professional opportunities and to encourage the use of small performing units throughout communities.

The development of film, radio and television as art forms in themselves was a principal concern of the Public Media Program. The creation, presentation and preservation of new works was a main objective. Grants were provided for residencies of video artists and filmmakers in museums, universities and public television stations. State and regional arts agencies were aided in producing films that record their cultural achievements. Innovative approaches with film,
television and radio in combination with the arts were encouraged. The Endowment and the Corporation for Public Broadcasting often cooperated on projects. The American Film Institute conducted a film preservation project for the Endowment. Public Media categories were: Regional Development; State Film Program; Media Studies; Programming in the Arts; and Pilot Program Activities. 62

The Theatre Program gave assistance to large and small professional theatre organizations to present a varied repertory of world and American drama as well as new ideas, forms and techniques. Developing organizations as well as mature ones with highest artistic standards were assisted. Goals of the Theatre Program were to strengthen existing theatre organizations, disseminate highest quality productions and identify and develop new creativity. Categories were: Professional Theatre Companies; Developmental Theatre-New Plays, New Playwrights, New Forms; Professional Theatre Companies with Short Seasons; Theatre for Youth; Services to the Field; State Arts Agencies-Theatre Projects; and Pilot: Professional Theatre Training. 63

The Visual Arts Program made fellowship grants to painters, sculptors, photographers, craftsmen, video artists, print-makers and critics. Residencies were supported for artists,
critics, photographers and craftsmen in educational and cultural institutions. It offered aid for commissions and purchases of works of art for public places, supported workshops and alternative spaces, supported exhibitions and the publishing of accompanying catalogues and assisted photography surveys and publications. Aid was given to performing arts groups for the professional design of posters, sets and costumes. Grants were made to master craftsmen to hire apprentices. Visual Arts categories were: Art Critics' Fellowships; Artists' Fellowships; Craftsmen's Fellowships; Photographers' Fellowships; Printmakers' Fellowships; Artists, Critics, Photographers and Craftsmen in Residence; Crafts Exhibition Aid; Master Craftsmen Apprenticeships; Crafts Workshops; Photography Exhibition Aid; Photography Publications; Photography Surveys; Workshops/Alternative Spaces; Visual Arts in the Performing Arts; Services to the Field; and Works of Art in Public Places. 64

Arts, Humanities, and Cultural Affairs Act of 1976

Congressional Review

In the Arts, Humanities, and Cultural Affairs Act of 1976, Congress created a Museum Institute and established a Challenge Grant Program. Testimony had been received from
the National Committee for Cultural Resources in which the National Committee recommended that federal aid should be an amount no less than 10 percent of annual budget needs of all arts organizations. In the 1975 National Report on the Arts the National Committee stated that while deficits of arts organizations were about 5 percent of budgets, true deficits were, at a conservative estimate, about 14 percent. Included were 6 percent for programs dropped to save money, and half of 6 percent (3 percent) for programs not undertaken because of very restricted budgets. 65

In hearings preceding the 1976 legislation, the Endowment program from 1965 had been extensively reviewed. In its Report the Senate Committee on Labor and Welfare applauded the Endowment for its accomplishments in strengthening existing organizations while at the same time assisting the development of new ones. It was noted that total state funding for the arts in 1966 was about $4 million and had increased to about $60 million in 1976. The 15-fold increase was a significant sign that the states were acknowledging the importance of and were giving priority to arts. The committee Report quoted Mr. Harris, the well-known poll-taker and Chairman of the Associated Councils of the Arts: "Mr. Harris has emphasized that the American people in the years ahead will be searching for 'a quality of experience to fit the quality of life.' In this search, he has pointed out, 'the arts are central.' "66
The ability of cultural organizations to raise matching funds for Endowment programs was a sign of organizational effectiveness of the Endowment. The Committee regarded pluralistic support as even more important as the number of institutions increases and more people participate:

The Committee commends the Arts Endowment for the initiative it has taken to make the federal investment serve its maximum purpose in stimulating non-federal support, and believes that the new challenge program will provide the Endowment with a much needed opportunity to address not only on-going needs but to develop new sources of future funding for the arts. In this regard the Committee also commends the Endowment for plans it is developing to encourage added corporate support.

Challenge Grant Program

The new Challenge Grant Program, established under Title III of the 1976 Act and which continues in effect, provides that every federal dollar must be matched by three dollars from non-federal sources. The reason for this is to gain broader support for cultural organizations as well as to increase the levels of support. It is believed organizations will be encouraged to improve their programs, audiences, and financial development planning. This is necessary for more stable future operations and growth. Purposes as stated by the Committee are:
(1) To enable cultural institutions to raise their levels of financial support;

(2) To provide for the improvement of the administration and management of cultural institutions;

(3) To aid cultural organizations in increasing audience participation in, and appreciation of, their various programs;

(4) To stimulate greater cooperation among cultural organizations; and

(5) To foster greater citizen involvement in planning the cultural development of a community.68

Fifteen million dollars was appropriated for the Challenge Grant program for 1977, $20 million for 1978, with amounts for 1979-1980 to be determined at a later time.

Museum Institute

The Committee noted that museums had experienced growing and critical problems in meeting the needs of their patrons. Increasing population and interest in museums led to one billion visits on an annual basis by 1976. Of 1,821 museums surveyed, two-thirds reported their budgets did not allow for adequate services. Annual operating expenses totaled $478,912,000. A 45 percent increase in annual budgets within three years would be needed to provide services for increasing demand. Ninety percent of the population considered museums to be of significant importance in the community. More people
visited science and history than art museums. 69

The Museum Institute, as created in 1976, is composed of a 15-member National Museum Services Board and a Director of the Institute. All members are Presidentially appointed and approved by the Senate. Board members are selected so as to represent various types of museums as well as curatorial, educational and cultural interests, and the general public.

The purpose of the Institute is to assist such activities as: construction of displays and exhibitions, staff development, assistance with administrative costs, traveling exhibitions, conservation of artifacts and art objects, and development of specified programs. 70

The Federal Council on the Arts and Humanities advises and consults with the Board and Director on major problems arising in carrying out Museum Institute purposes.

Congress authorized appropriations for the Museum Institute in the amounts of $15 million for 1977, $25 million for 1978, and such sums as necessary for 1979-1980. The legislation stipulates that grants for programs will not exceed 75 percent of the cost involved.

Summary

For over one hundred years after the establishment of the earliest arts institutions in the nineteenth century,
the American system of support for the arts remained almost exclusively within the private sector. Because a financial crisis had developed for many major arts institutions by the early 1960's and because the public had gained a new awareness of the value of arts education and arts experience, Congress in 1965 created a new federal agency to stimulate and offer financial aid to the arts.

Activities of the Endowment were periodically reviewed by Congress, which found that the Endowment was accomplishing the purposes of stimulating private support and of bringing arts into the lives of increasing numbers of Americans. By the end of 1966, each state had organized an Arts Council. Funding for the Endowment rose from a modest $2.5 million in 1966 to $82 million in 1976, which is illustrated in Figure 2 and Table 1. Total grants over the years exceed total Congressional appropriations because of private grants and gifts to the Endowment. Federal grants have generated about three private dollars for each federal dollar. By 1976 the Endowment was able to make about $93 million in grants but many needs went unmet because of growing demand for the arts. Congress responded by creating the Museum Institute, increasing appropriations for the Endowment and by establishing the Challenge Grant Program which was designed to stimulate further non-federal support for the arts.
Figure 2
Grants and Appropriations
National Endowment for the Arts

Millions

$150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0

'66  '67  '68  '69  '70  '71  '72  '73  '74  '75  '76  '77  '78  '79

Grants
Appropriations
Table 1

National Endowment for the Arts
Grants and Appropriations
(Millions of Dollars)

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II. DETERMINATION OF THE PROPER FUTURE ROLE FOR GOVERNMENT

Search for Policies

The analysis and reassessment of the arts and humanities programs are now in progress. As of this writing the portion of arts patronage that comes from Washington, D.C., is not known because many federal agencies other than the Endowment offer aid. There are duplications and lack of coordination between federal programs. What is the right mix of private and government support? The amount of government support through tax-exemptions for charitable contributions by individuals and corporations is not known. What should federal arts policy be: To initiate or respond? To help individuals or institutions? To seek applications from grass roots places? To decentralize decision-making? A White House Conference on the Arts and the Humanities has been mandated for 1979, to plan for the decade ahead.

For the 1979 programs Congress appropriated about $150 million for the Arts Endowment. This is the largest increase and the largest budget ever provided the Endowment. In 1978 Congress asked Livingston Biddle, the Chairman, to account for the more than $500 million granted during the existence of the Endowment, since 1965. Information was requested on
how the money was spent and who received it. Mr. Biddle
still had not been able to present his data late in 1978.71

Underlying Tensions

Underneath the process of policy determination swirls
a basic political and social conflict, according to DiMaggio
and Useem in an article entitled, "Cultural Property and
Public Policy: Emerging Tensions in Government Support for
the Arts."72 The rationale for public support of the arts
is that they are a public good and to ensure enough arts
programs, public aid is necessary. Yet there is a profound
connection between the economic and social elite and the arts.
Dominance of the arts is one way the upper-middle and upper
classes have maintained their position in the class hier-
archy. Boards of directors of art organizations are almost
entirely drawn from wealthy families, prominent business peo-
ple, lawyers, professional types, scientists, and other highly
educated people. Audiences are comprised mostly of these
classes. Blue-collar, service, and clerical/sales workers
are vastly underrepresented on boards of directors as well as
in audiences. Such workers are regarded as "outsiders."
Many occasions involving the arts have practically been closed
to such "outsiders" because of lack of cultural knowledge and
a feeling of exclusion. Art appreciation is taught very early
for privileged children, but may never be taught for others.

The writers contend that the elite does not want its control undermined by government intervention. It wants traditional institutions and a traditional definition of art maintained for traditional audiences. To liberalize the definition of art poses a real threat. The basic tension that emerges is elite definition of art vs. art as a public good.

Because of expansionist strategies of arts administrators and large deficits which threatened the existence of many institutions by the early 1960's, large numbers of prominent arts and political figures came to believe government aid was essential. DiMaggio and Useem claim that three highly persuasive justifications offered were 1) that the public wants the government to support the arts; 2) the arts have substantial economic impact; and 3) the arts have an important role in education.73

They point out that generally there is public support for the idea of aid to the arts, but when specific subventions are mentioned there is only limited public support. This is because different people--traditionalists, innovators, amateurs, and artists and arts administrators--all have different views on what art should be.

The economic impact argument is only viewed on a state and local basis. Expenditures for arts in any one given place
are not regarded as of national importance. The concept of benefits is limited to spending in restaurants, retail stores, hotels, and transportation. It has not been shown how the benefits received of viewing or participating in an arts program outweigh the tax burden for municipal subsidies. It has not been shown that the benefits of arts programs are preferable to alternate public investments.

DiMaggio and Useem point out that evaluation of institutional education programs for art appreciation is not available. Museums have been the most ambitious in offering educational programs but the educational portion of their budgets is small. Other institutions have been weak in funding or providing education. Evidence is also lacking on how the arts aid learning in the schools.

Funding has been forthcoming because of these arguments but DiMaggio and Useem contend such arguments constitute a weak foundation for continued government support. Policy-makers have so far steered a middle course, making grants to all important constituencies. Large institutions have received most of the support, with individuals and small institutions receiving enough to legitimize public support. The fundamental issues of fixing the power to define art as well as control of institutions have been avoided.

Two extreme views exist. Traditionalists hold that art and culture are excellence, which means the best and largest
organizations and the best professionals for the traditional arts public only should be funded. Democratists believe that art is for the hinterlands and means innovation, new programs, and direct support to artists only should be funded.

DiMaggio and Useem report that audiences have not changed appreciably, despite expansion efforts. Lack of appreciation, unfamiliarity, foreign environments of arts events, and inability to follow tastes and styles of the arts still keep large numbers of people away. To broaden the base effectively there should be arts education in all schools and governing boards of arts institutions should include members from the working-classes, the minorities, and disenfranchised groups. Non-traditional forms such as crafts, photography, folk art, jazz, folk and ethnic music should receive more support.

DiMaggio and Useem believe it is unlikely that the federal and state arts bureaucracy now entrenched will disappear. It is unlikely that support of large institutions will be cut back, and it is unlikely that those now in control of traditional institutions and new arts agencies are going to allow extensive democratization. Some institutions are financially secure enough to remain private.

The debates will intensify but a new influence will be felt. The professional arts manager will have an increasing influence. His interests are not identical with either the traditionalists who favor private support or the democratists
who favor public support. Primarily he will be interested in the survival and welfare of his institution, as well as his career. Some arts managers will have career ties to the government bureaucracy, but others will prefer that their institutions do not receive government support.

DiMaggio and Useem see three possible scenarios for the future: 1) The National Endowment for the Arts and the State Councils will continue granting mostly to large institutions, allocating enough to non-traditional activities to legitimize other activities. Legislatures may earmark funds for specific institutions. 2) Traditional support will continue but support for non-traditional programs will grow faster. There would be intense conflicts between traditionalists and arts administrators over institutional goals and the distribution of money. Grassroots arts lobbies would be necessary to maintain legislative support for non-traditional arts. 3) A two-track system would be created if traditionalists refused further government support, finding more from the business community. On the other track would be public agencies involved with non-traditional art and small, amateur institutions. It is unlikely that the traditionalists are coordinated and strong enough in numbers to accomplish the last alternative.

The refutation of the economic impact of the arts argument offered by DiMaggio and Useem is not convincing. Spending by arts patrons for transportation, lodging, meals in
restaurants, and in department stores is mentioned but payroll and total spending of arts and cultural institutions is ignored. Eric Larrabee in "How Much Is a Good Museum Worth?" points out that in New York State in 1970-1971, 543 organizations received $8.8 million from the State Council on the Arts, but spent over $23 million for a wide variety of services. Of total expenditures of $177 million, the payroll amounted to about $104 million.74

It seems apparent that events are turning in the direction of scenario two, as described by DiMaggio and Useem. In the Hearings held before Congress to determine if a White House Conference on the Arts and Humanities should be held, there is a call for decentralization from the federal to the state level. The recent statements and comments of Livingston Biddle, Jr., who became Chairman in 1977, reveal an approach away from the more tradition-oriented leadership of previous years.

New Directions at the Endowment for the Arts, 1977-1979

Mr. Biddle, who helped draft the legislation establishing the National Foundation on the Arts and the Humanities in 1965, supports more assistance to individual artists through cultural institutions and direct grants, as well as the development of future support from corporations and foundations.
Ways to stimulate corporate and foundation aid to individuals are being explored under Mr. Biddle's administration. This administration believes that Artists-in-Schools Program should reach into all schools. Much heavier emphasis is being placed on educational and outreach efforts of grant-receiving institutions. While Mr. Biddle estimates the government share of total arts support is now about 10 percent, he has stated that 25 percent or 33-1/3 percent would not be too much. The danger point, in his opinion, would be 50 percent. Challenge Grants should be used much more, in which three private dollars are raised for each federal dollar.

Mr. Biddle has indicated a commitment to several changes from past policies at the Endowment. The Biddle administration believes that the Endowment should not just respond, it should initiate. In order to develop cultural activities at the grassroots level, the Endowment or state agencies should seek out applications. Mr. Biddle has stated there should be considerable decentralization to the regional and state levels, giving State Councils the authority to make judgments of quality within their jurisdictions. The federal level is too remote to make meaningful decisions on local requests. Funds for renowned organizations should gradually increase, according to Mr. Biddle, but grassroots cultural organizations in all parts of the country, through State Councils, should
receive a much more equitable share. 76

Alleged Improprieties

Some improprieties have been alleged within the Arts Endowment. Questions have been raised about the use of public money for publicity and entertainment. Criticism has been leveled for "revolving-door" relationships, where individuals move from high State Arts Council jobs to jobs at the federal level and then back again. 77 Some individuals have been accused of holding positions at the state level (grantee) and federal level (grantor) at the same time. It has been claimed that the use of contractors in field work and program management has led to much abuse, and that self-appointed consulting groups are springing up.

The Advisory Panels have sometimes been called "old boy networks" which recommend grants for their friends and colleagues. 78 In the Report from the House Committee on Education and Labor to accompany the Arts, Humanities, and Cultural Affairs Act of 1976, the committee urged frequent rotation of the Advisory Panels to ensure greater public involvement in decision-making. 79

A study of the panel system was conducted by the Endowment in 1978. 80 Recommendations resulting from the study were implemented early in 1979. Advisory Panels are now divided
into policy-making and grant-reviewing groups, with each policy member also serving on one grant committee. This system provides linkage between the two groups. Division of each Advisory Panel into two groups with separate functions will be more efficient than in the past when all members served both functions. Policy panelists serve one year at a time for a maximum of three years, and one-third of the policy group rotate off annually. Grant panelists serve one year at a time for a maximum of two years, and about 50 percent rotate off annually. The overall rotation rate under the new structure is about 58 percent annually. Under the old system the rotation rate was about 46 percent annually. Policy panels are comprised of 12-15 members, but grant panels may have 3-15 members, depending on the needs of the individual program. More on-site visits of potential grantees by panelists or consultants will be made in the future. Consultants are hired by the Endowment to make on-site visits and provide information to the Advisory Panels, since panelists themselves cannot possibly make all the required visits. Consultants usually do not vote on grant decisions. Conflict of interest rules and regulations of the Endowment and the Civil Service have been reviewed and distributed to panelists and consultants. The general policies of the Endowment are distributed to all panelists, so they will be mindful of these as they proceed through the review and decision-making process.
To improve the effectiveness of the decision-making of the Advisory Panels, a graduated rating system for applications has been proposed. The Endowment is presently exploring possibilities for a system which would be flexible enough for the variety of programs and yet bring uniformity of judgment across the programs. A feedback system for the benefit of unsuccessful applicants has also been proposed, so they may better understand the reasons for rejection.

Criticism has been leveled at the Endowment for the frequent awarding of grants to some panelists and/or the institutions with which such panelists are affiliated. Endowment and Civil Service rules do not prohibit such institutions from receiving grants, or from hiring Advisory Panel members. The rules do require full disclosure of a panelist's relationship to any eligible institution prior to his employment at the Endowment, and that the information be updated frequently. No panelist may take part in the discussions or voting on any grant application for himself or the institution with which he is affiliated.

Peer review of grant requests is considered by Congress and the Endowment to be the best way of judging quality and excellence in the arts. The alternative would be to have Civil Service staff review of grant requests, which it is thought would be far less effective. The Advisory Panel system has been changed as the scope of Endowment support has
grown. About 20,000 requests for aid were received in 1978, but only a small percentage of requests could be granted. 85

The Effect of Government Sponsorship on the Arts

Public opinion on the effect of Federal government support of the arts covers a wide spectrum. The poet Robert Bly believes the NEA should be abolished. 86 Joseph Zeigler, writing for the Association of College, University and Community Arts Administrators, Inc., in the ACUCAA Bulletin, states the belief that expansion and growth of new institutions which has been encouraged by the NEA has led to the weakening and/or collapse of existing institutions. 87

Other critics are less drastic, but point to harmful practices and needed reforms within the Endowment. Some of the angriest and most vitriolic criticism has been directed at the Literature Program for its practices and staff that have led to alleged mediocrity and "country cousin" revolving relationships. 88 W. McNeil Lowry of the Ford Foundation testified in Hearings before the Subcommittee on the Department of the Interior and Related Agencies in April, 1979, that the Endowment is moving into too many diversified programs. 89

He recommended that programs be arranged by the basic disciplines, for example, music, which would handle all areas of grant requests for music. He also recommended that professional
staff, rather than Advisory Panels, should review and make decisions on grant applications. The staff would consult with professionals in the field, but the staff would be responsible for the final recommendations. Mr. Lowry expressed alarm at the growth of the federal-state-municipal arts bureaucracy and predicted that the bureaucracy could become more influential and demanding than the arts constituency it is supposed to serve. According to Mr. Lowry, the impact of the NEA on the arts is not now known: "We need to know what it has done for the primary mission of the Endowment in the creation, performance or exhibition and preservation of artistic works of quality."  

Mr. Biddle acknowledges that the NEA has not evaluated its total program activities and does not know their impact. Two studies are presently being conducted and a third will be commissioned to determine viable methodologies for program evaluation.  

The White House Conference  

In the Joint Resolution which authorized the White House Conference, Section 3. (a) stated, "...The purpose of the Conference shall be to help develop a climate in which the arts can flourish, and recommendations to formulate an assessment of problems and issues relating to the arts, and to develop recommendations relating to the appropriate growth of the arts
in all parts of the Nation." Each state would have its own conference to develop issues before participating in the Conference in Washington, D.C.

Some of the issues which the Conference should consider were referred to by speakers before the committee which drafted the Resolution. At the Hearings preceding the Resolution, Leonard Bernstein stressed the importance of arts education, "...an art consuming people...means...a people prepared to receive the aesthetic product, and that means an educated people." Dr. Stanley Chapple, Professor Emeritus of the University of Washington, cautioned against censorship: "Ideology has no place in a composer's output." He also said that creativity is too often neglected in our schools. Virgil Grillo, Director of the Rocky Mountain Film Center, University of Colorado at Boulder, urged decentralization in the arts: "...almost inevitably, a central arts administration works in the direction of fostering a 'received' artistic expression, with a tendency towards the production of a homogeneity in the arts, rather than a diversity which reflects the tremendous range of our heritage, and the heterogeneous regions through which it is scattered." He recommended a "quick-response" mechanism for small requests that cannot be handled efficiently at the federal level. There should be built into the planning for new institutions the gradual phasing down of federal aid. Strong local support must be found.
Livingston Biddle's guiding concern for the proposed White House Conference was "unity of purpose" among all arts groups.96 "I think the overriding need here is to formulate a policy for the arts that will speak to the unity of the arts, the wholeness of the arts, the variety of the arts that we are all aware of, but treating that variety in terms of values that relate to all segments involved."97 He warned of fragmentation and politization coming from arts constituencies. State and community level arts agencies, municipal governments, the various art disciplines, business and labor interests and arts educators all need to work together harmoniously.

There has been a lack of data on cultural activities. To aid in preparation for the Conference, a White House Task Force has been appointed to assemble data on careers in arts, cultural facilities, international presentations and exchanges, and public places, covering architecture, preservation and urban planning. The White House Conference will seek the best public and private models and the best ways of serving individual artists. The effect of our tax structure on cultural support and on artists will be discussed at this Conference. The fundamental issue is to find the proper government role. We have a pluralistic support system for the arts, but the appropriate mix has yet to be determined.
Our system of pluralistic support has grown along with the arts. Yet most arts institutions do not and cannot plan and operate on a self-supporting financial basis. Growing demands for their services as well as inflation continue to push up costs while income increases at a lower rate. As previously stated, Chairman Biddle has said that while federal funds now constitute about 10 percent of all cultural spending, that percentage could safely rise to 25 percent or 33 percent, with a 50 percent level approaching the maximum allowable. We have not had a "ministry of culture" but the danger of the development of one grows as the percentage of government support of the arts increases. We are much safer keeping the federal component at its present level, but this will be possible only if the business sector of America better recognizes its indebtedness to and responsibility for the economic welfare of the arts.

In a survey of 443 companies in 1972, the Conference Board determined that charitable contributions equalled about .085 percent of taxable income, and cultural contributions amounted to about .04 percent of charitable contributions. The amount given to cultural activities constituted only .0034 percent of taxable income. According to the Business Committee for the Arts, corporate giving for culture
was $22 million in 1967, rising to $221 million by 1976. Support from corporations is improving but the arts must legitimately look to business for much more of the needed support.

Why Has Business Been Slow to Respond?

Irving Kristol described in an article in the Wall Street Journal, "No Cheers for the Profit Motive," how Adam Smith (1723-1790) conferred respectability on the profit motive—economic self-interest—which up until his time had been decidedly not respectable. He gave moral status to a market economy because of the benefits it created for society as a whole. He did not regard it as an end in itself, but because it fostered the development of responsible, self-reliant citizens capable of self-government and established an atmosphere in which people could improve themselves materially, it would benefit and raise living conditions for all. Adam Smith did not, however, have kind regards for an acquisitive society. Because of his strong ties to the Judaeo-Christian tradition he strongly believed in the virtues of sympathy, generosity, compassion and public-spiritedness. Profit-making was never, in his philosophy, an end in itself, and was to be carried on only in the context of Judaeo-Christian moral values. In the early days of the Industrial Revolution in England, benefits were shared with laborers and users. Henry
Ford also understood and applied that philosophy.  
Gradually in the two hundred years since Adam Smith's time, economists have liberated profit-making from mere respectability to being an end in itself. The result is that economists, "who do not know how to think in moral terms," have left business institutions and businessmen floundering when business is confronted with social responsibility or business ethics. Business in past decades has given first priority to institutional survival and second priority to the stockholders. Most often any responsibilities beyond the immediate business at hand have been denied or ignored. Messages are getting across to business leaders that they can no longer operate free of charge for harmful products and pollution. These messages have been delivered through private and public lawsuits for damages, government regulation, and public ill-will, all of which subtract from profits. Out of the turmoil, a growing sense of social responsibility does seem to be emerging in the business community. The realization is developing that a society that functions well for everyone is a better society in which to conduct business.

In order for society to function well, all individuals and institutions which earn income and profits must contribute a portion for public use. Corporations and businesses which have large incomes have a social responsibility to contribute
proportionately to the arts, charities, and other public activities and institutions. Contributions should be based on ability to pay, which is based on income or profit. Our graduated income tax structure exemplifies this philosophy.

The arts make our society a better place in which to live and to do business. Business has benefited from the arts directly, without charge. But today, with an arts income gap of 40 percent or more, and the real possibility of government filling more and more of that gap, business can no longer stand by without making substantially larger contributions. The arts can no longer be a "free good" for business.

**A Better Basis**

In order to operate on a sound financial basis, arts organizations, because of inflation, must get on the side of the percentages. Otherwise, they will be continually hat-in-hand and forever deficit-ridden. They should be paid a percentage of the annual earnings of business—for example, one percent—which could be called Research and Development. The advertising industry could not exist without new ideas from, for example, the Museum of Modern Art. Artists such as writers, musicians, painters, and filmmakers, whom business does not pay, all supply fresh and imaginative ideas
which are adapted for business or commercial use. The tourist trades benefit directly from cultural institutions. Traveling exhibits such as "King Tut" draw millions of viewers to cultural centers where they spend large sums of money for local services. All business benefits from the higher quality of life brought about by vigorous cultural activities. A better environment helps to make better employees. The spending by arts institutions for many goods and services directly from business constitutes a significant benefit to the business community. It is therefore logical that business should assume more of the burden of support for cultural institutions. Eric Larrabee put it eloquently:

The arts, if you like, are the research and development of the soul, the inescapable charge on any society for the privilege of being human. We assert that our society as a whole—and especially its business sector—must accept this charge. We assert that the arts belong—not at the peak of the economic pyramid—but at its base.\(^{103}\)

Though the discussion has been concerned with assistance from external sources—public and private, internal strengthening of cultural institutions and a possible resulting increase in earned income should be mentioned. Management expertise has been lacking in general for the arts. Opportunities are offered by the Endowment for training and improvement of skills of administrators, and internships are available for development of new talent. Better administration
is being required of grantees. While the problems of marketing the arts are unique, a knowledgeable and imaginative application of marketing techniques could help the financial situation. The Brooklyn Academy of Music (BAM) has accomplished a dramatic turnaround since 1968. Ambitious programming, innovative marketing, budget controls and aggressive fund raising have produced a financial surplus since 1974, and attendance has soared.

Styles of Support

Some corporations and businesses do make substantial contributions to cultural activities. In 1968, Eastern Air Lines paid for a $500,000 production of Wagner's "Ring" at the Metropolitan Opera. The John Deere Company has brought art into the everyday life of its employees and customers by commissioning Eero Saarinen to design the corporate headquarters and has in recent years built or redesigned more than 60 facilities. Architects were commissioned for most of the work. For the enjoyment of employees and visitors, the company has an extensive art collection which is exhibited in the corporate headquarters and great care and attention are given to the grounds and gardens. John Deere Company has sponsored visiting artists in its factories and nearby towns, and recently hired an artist-in-residence to give free piano concerts in towns where
John Deere has facilities. 107

A rapidly growing method of corporate giving has been to match contributions of employees to cultural organizations chosen by the employees. Most companies match on a one-to-one basis, but the Quaker Oats Company matched three to one. Minimum and maximum amounts for company matching are usually set, and sometimes the choice must be from a list such as museums, theater groups, or public broadcasting, but companies tend to expand the list as the matching program grows. It is hoped this more democratic way of picking recipients will help to get all employees—blue collar and white collar—more involved in community cultural activities. Employees have the opportunity to pick beneficiaries that might be unknown at high corporate levels. The relative amounts donated in this way are small, but increasing. 108
IV. CONCLUSIONS

The two parts of the mission set for the NEA by Congress in 1965, to support art of the highest quality and excellence and to disseminate art broadly in our society, seem at times to be at odds with each other. Quality and quantity are not easily combined. One solution was to broaden the definition of arts to include amateur, folk, and ethnic artistic activities, which created a broader base in a relatively short time. Yet the real bridge between the two goals, as Leonard Bernstein said, is education in the fine arts. This is why the writer believes Artists-in-Schools is the most outstanding program and the one with longest-term benefits. Besides bringing to children the immediate benefits and stimulation of association with artists, the arts constituency of 10, 20, or 30 years hence is being developed. We do not want to allow the fine arts to be weakened by drawing support away from them for other arts activities, which involve more people, for the sake of justifying the use of public funds. The answer is to broaden, through education, the base of people interested in and involved in the fine arts.

Until now, most of NEA grants apparently have been awarded for support of the fine arts. Amateur, folk and ethnic arts, which have received a relatively small amount
of support, also have intrinsic value and deserve a larger portion of public support than they have received. It should not be forgotten that these arts sometimes provide vital, fresh ideas which highly trained artists modify and stylize in their more sophisticated artistic creations.

The real threat to the fine arts does not lie in competition for support by amateur, folk and ethnic arts. Rather, the threat appears when mediocrity, a growing bureaucracy, abuses of power, and grantsmanship creep into the NEA and the State Arts Agencies. There can be no doubt that the power to give or withhold grants does exert an influence on the direction in which arts institutions develop. The recent exposure, in the Hearings, of abuses and poor procedures in the NEA should be beneficial.

Improvements in Advisory Panel structure and procedures should lead to better decision-making, but the complaints will not entirely subside. There will always be a great majority of disappointed applicants because of limited funds available for grants. Since the rules do not prohibit Advisory Panelists or institutions they are affiliated with from receiving grants, there will continue to be suspicions of preferred treatment when such grants are made. The alternative would be to prohibit such awards, but who would serve when such service would automatically preclude a grant for an artist and/or his institution? One improvement, besides rapid turnover of
panelists, might be to set limits for repeat grants. The strength of the NEA is that it is rooted in the arts professions, through the use of Advisory Panels. Even with the problems that have developed, the direct use of professionals seems preferable to the use of staff for decisions on grant awards. An entrenched staff carries the danger of the development of an homogenized definition and dictation of culture.

The NEA assists grantee cultural institutions in strengthening themselves by requiring of them better administration, financial planning and budget controls, as well as outreach and education efforts. These appear to be commendable requirements. One wonders, though, what other requirements might be made of grantees if the percentage of government support increases appreciably. To avoid such a danger, it is desirable to hold the percentage of government support at its present level. The percentage of government support should not become so large that to forego it would cause the demise of an institution.

Those who are concerned about maintaining the independence of cultural institutions should approach the issue through lobbying efforts for more tax relief for charitable donations. It is feared that if most individuals use the standard deduction as is presently proposed, little incentive will be left to make contributions to cultural institutions. The government, through increasingly heavier taxation, has taken away
the ability of individuals to support cultural institutions as they formerly were able to do, but pressure could be brought to give back some of that power. The government has been attempting to stimulate private support but should do more through tax relief. This is far more desirable than to have the government collect the money through taxes and then redistribute it, with strings attached. Efforts to gain tax relief are urgent because the income gap has not diminished, and inflation constantly threatens to make the gap larger. If private support is insufficient, there will be strong pressures for an increased government proportion of aid to the arts.

A degree of government involvement does encourage and aid the arts. That more and more Americans are drawn into the enriching experiences that involvement in arts activities brings must be regarded as a benefit to our society. Without federal stimulation and support, this growth probably would not have occurred. Federal assistance was begun in response to a desperate financial situation which many major institutions faced in the early 1960's. Instead of growing, many institutions might have been forced to make drastic cutbacks in activities, and some might have disappeared. Besides giving direct aid, the NEA has performed a service for the arts by aiding the stimulation of local, non-federal support. Local constituencies are an art institution's most
important source of non-earned income. NEA efforts to find ways to encourage greater support for the arts by business and corporations is commendable.

The potential of business support for the arts has not yet been attained. Business must recognize and act on its responsibility so that our pluralistic system can continue to maintain an ideologically free and vigorous cultural life which will be enjoyed everywhere in our society.
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