BAY AREA FOUNDATION HISTORY

Volume I

John Rickard May

Building a Community Foundation

An Interview Conducted by
Gabrielle Morris

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This five-volume Bay Area Foundation History Series, a special project of the Regional Oral History Office, was first discussed in late 1973. Ruth Chance and John May were then preparing to retire as executive directors, respectively, of the Rosenberg Foundation and the San Francisco Foundation, and a group of their colleagues wished to express their appreciation for the guidance and inspiration these two have provided in developing the art of philanthropic grant-making.

In addition to documenting the part Ruth Chance and John May have had in encouraging activities for the betterment of life in the Bay Area and California, it was decided to record an account of significant trends and events in the foundation community of the Bay Area. The resultant project includes twenty-four interviews of varying length with board members, staff, and grantees of a variety of Bay Area foundations representing both traditional and contemporary views of philanthropy. The series as a whole presents a picture of close to half a century of organized philanthropy in the Bay Area, including the processes of foundations and the development of community attitudes and organizations which mirror the evolution of issues of concern not only to foundations but to society in the West and nationally.

The Office wishes to express its sincere thanks to the Zellerbach Family Fund, van Loben Sels Foundation, San Francisco Foundation, and Rosenberg Foundation, whose joint grants made this project possible. We also deeply appreciate the encouragement, interest, and research assistance of the staffs of these foundations and other interested observers throughout the course of this project. Special thanks are due to the participants in the interviews for their willingness to discuss their experience with foundations and for their patience in reviewing their transcripts. It is hoped that readers now and in the future will find these manuscripts as informative and thought-provoking as has the staff who prepared them.

The interviews stimulated the deposit, by interviewees and others, of a number of letters, speeches, pamphlets, grant proposals, and other materials related to philanthropy dating back to 1926. This Bay Area Foundation History collection is being added to The Bancroft Library's extensive holdings in twentieth century Californiana.

The Regional Oral History Office was established in 1954 to tape record autobiographical interviews with persons prominent in the history of California and the West. The Office is under the administrative supervision of James D. Hart, Director of The Bancroft Library.

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Regional Oral History Office
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Gabrielle Morris, Interviewer-Editor
Bay Area Foundation History Series

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SERIES INTRODUCTION

A foundation generally is the bricks and mortar and such which hold up a building; it supplies the basis for the equilibrium and soundness of the whole structure. Through the curious evolution of language, a foundation is also a nongovernmental, nonprofit organization that has an endowment or seeks funds for the support of activities generally agreed to be for the common good. In this sense, foundations have become an important, and sometimes controversial, financial underpinning for the philanthropic instincts of American society. Little is known about the multitude of foundations, except for the giant nationals. Examination of the workings of some smaller foundations should give some insight into the significance of philanthropy in American life.

Philanthropy has traditionally been an individual act to help humanity, usually in the form of gifts of money, and individual giving continues to be the major form of philanthropy. Foundations have developed, increasing rapidly in size and number since the 1950s, as the organized form of philanthropy, providing financial support to a kaleidoscopic array of health, welfare, youth, cultural, and public affairs activities. These activities comprise the independent sector of society, as distinguished from the public governmental and private economic sectors. It could be said that the interaction between these three sectors determines the direction and nature of our society as a whole.

Like the community chest and its successors, the majority of foundations give assistance to the budgets and building funds of organizations in this independent sector, although community chests tend to concentrate on current needs and foundations are "for the conservation and creative use of funds for future needs." The definitions of 'creative use' have changed considerably as the future has become the present, and the terms used to describe foundation work are often confusing to those in other fields. Differences of opinion over intent as well as language have produced recurrent rumblings that some foundations are either captives of the establishment or are speeding the country down the road to socialism. There are complaints that some are inaccessible to many kinds of people and that their tax exemptions are unjustified, complaints with which many foundation people agree.

The most interesting foundations, however, are those that make grants for specific projects in response to new ideas in the community, rather than providing general support for existing programs. These foundations seem similar to the research and development departments of industry that are essential for the technological progress of many corporations. They reflect the idea expressed in the 1940s, that foundations should have both prestige and personality which they can "exert to influence the balanced development of the community."
A study of the operation of some of the grant-making foundations in the San Francisco Bay Area by The Bancroft Library's Regional Oral History Office indicates that they are a microcosm of the changing patterns of needs and attitudes in the community they serve and provide a means for evaluating, monitoring, and validating those concerns.

Historical Background

San Francisco has long been noted for a fierce community pride and a small cohesive group of citizens who have taken the lead in seeing to it that the city had museums, parks, and care for the unfortunate. Through personal philanthropy, families like the Crockers, the de Youngs, the Fleishhackers, and others saw to it that there was a Telegraph Hill settlement house, a Ladies Protective and Relief Society, a Public Dance Hall Committee, and encouraged their offspring to continue to help with these works. As early as the 1880s, the Mary A. Crocker Trust was established to provide for the continuing support of these needs.

The earliest document available regarding a continuing source of funds to respond to new needs presented by the community rather than the existing interests of the donors is a small clipping from a Boston newspaper of July, 1926, repeated in British, French, and German papers, reporting "A Combine of Twelve Kindly Millionaires," each proposing to donate a large sum for the establishment of a community foundation. The Literary Digest promptly editorialized that Messers Merrill, Crocker, Fleishhacker, Shoup, Miller, and their colleagues, were to employ their considerable financial and business expertise in the service of San Francisco's general and public welfare.

This one news item produced nearly seventy replies from around the world, which were preserved in the offices of the San Francisco Foundation and recently deposited in The Bancroft Library of the University of California. A tally of these letters indicates perhaps four proposals that would interest a foundation today: a study of criminal justice procedures for indigent prisoners "to correct cruel and merciless sentences." funds to help "these humble brown folk," "safetyized" cars to stop auto slaughter, a crusade for better wages for "mother labor." The remainder include several correspondents seeking money to complete inventions, from which they "and you benevolent gentlemen" would make millions; a persistent youth in New Zealand whose heart's desire was to purchase a Harley-Davidson motorcycle; a universal peace proposal; and a variety of pleas painful to read from widows and students seeking relief from the hard times following World War I.

Mortimer Fleishhacker, the son of one of the kindly millionaires and himself long a leader in San Francisco civic affairs, in an unrecorded conversation shortly before his untimely death, recalled that many of these men had participated earlier in the 1920s in establishing the city's first community chest, and concluded that
the plan for a community foundation was not as firm as the press reported. Asked if economic conditions were bad enough in 1926 to have affected the group's generosity, he replied that business here was fine then; they always had hard times in Europe. Other sources do describe depression conditions in the farm areas in the mid-twenties that may have been severe enough to cause the philanthropists to postpone their plan.

It wasn't until 1936 that the idea of a philanthropic trust for changing community needs actually took root with the establishment of the Rosenberg Foundation, followed a few years later by the Columbia Foundation. Through the efforts of the pioneer executives of these two, the San Francisco Foundation itself was set up in 1948. By the 1970s, there were over a hundred foundations located in the Bay Area, covering the spectrum of traditional, contemporary, and activist points of view and grant-making policies. The Bancroft Library study included interviews with trustees, staff, and grantees selected to reflect this spectrum.

Trustees

The foundation trustees interviewed represent a wide range of personal background and attitude, but they share very similar concerns for the responsibilities of their trusteeship. Taken as a group, these trustees have hundreds of years of experience in business and the law and voluntary agencies. They have built corporations and civic organizations from the ground up, like Dan Koshland and Philip Ehrlich, Sr. Like Caroline Charles, they know how people work together and how to resolve their difficulties. They have served an apprenticeship in other organizations engaged in more specialized activities; many of them learned from their parents a sense of responsibility to their community. In a sense, invitation to join a foundation board is a form of recognition for accomplishment in previous activities.

To some, foundation trustees are part of a homogeneous unchanging elite who run everything. However, only three of the eleven trustees interviewed are from San Francisco families. Of the other eight, one was raised in Oregon though her mother was a San Franciscan, one was raised in Stockton, one came from Oklahoma, one from Nebraska, and the rest came from other parts of the state and nation and made their own way in business and volunteer activities. The majority of them credit their success to the encouragement and friendship they received from older community leaders. In some cases, such friendships eventually led to trusteeship of the older mentors' small private foundations. One such trustee, E.S. Gillette, reports a sense of obligation to the donor's charitable interests.

Ira Hall had worked in William Hewlett's company training program and was a fellow Stanford trustee when Hewlett urged Hall's appointment as the San Francisco Foundation's first black trustee. Caroline Charles comments that she was hand-picked
by Charles de Young Elkus, Sr. for the Rosenberg board after she had learned about the City under the watchful eye of Emma McLaughlin, a grande dame of the League of Women Voters and herself a foundation trustee.

Bringing in new people, giving them experience in working together, responsibility for making decisions, close ties with their predecessors, rather than holding control in one unchanging group seems to generate imagination in seeking solutions for problems at many levels of society and also personal opportunity through achieving them. This tradition of the older generation encouraging the younger is particularly strong in the Rosenberg and San Francisco foundations, not only in selecting of trustees and grantees, but also in recent years in welcoming the appearance of new foundations reaching into untried kinds of granting.

There were remarkable Renaissance figures guiding the early years of these foundations. Charles Elkus, Sr., for instance, whose experience included extensive familiarity with the Indians of the Southwest, chairmanship of influential committees for children’s services and juvenile justice, and a close friendship with Secretary of the Interior Harold Ickes. Elkus wrote the will that established the Rosenberg Foundation and later spent twenty-five years on its board working out its policies and seeking out younger, able board members. Through his leadership, the Foundation became nationally recognized for its granting to services for children and youth, and beloved in California for the ideas and people it supported.

From a foundation whose assets were stock in a family fruit processing firm and whose trustees were family members or officers of the firm, Elkus piloted the Rosenberg Foundation in ten short years through placing a foundation trustee on the company board, divesting the foundation of company stock and acquiring a diversified portfolio, and enlarging the family board as family trustees died or retired, until there were no family interests involved. As described by Ruth Chance, executive of the Foundation from 1958 to 1974, it is a model that might be useful today to those concerned about the closeness of ties between families, their businesses, and their foundations.

Conversely, the San Francisco Foundation began with no money. There were, however, charitable trust funds languishing in banks for want of advice on where the money was needed, so Dan Koshland, who seems never to have declined to participate in a charitable venture, saw to it that the San Francisco Foundation was set up to provide a vehicle for administering such funds. Stalwarts like Helen Crocker Russell and Emma McLaughlin joined him on the first Distribution Committee and stayed to see that the young man selected as its executive director would become knowledgeable not only about encouraging bequests and other gifts to build the Foundation's assets, but also about the organizations and people that keep the voluntary sector of the community moving.

With the groundwork for grant-making foundations laid, a new generation of trustees began to be appointed to their boards in the 1950s--people like Jean Kuhn, William Matson Roth, Frank Sloss, Emmett Solomon. This second generation of appointees to these foundation boards, not having to scramble around to get things started, generally was concerned with developing orderly procedures, and also
exhibited considerable independence and introduced new awareness. A number of them had firsthand experience with government. Frank Sloss, for instance, had been exhilarated by a year in Washington on the staff of the infant Social Security Administration and later served a term on the San Francisco Public Welfare Commission, because a friend pointed out that the major portion of welfare expenditures were being made by government and Sloss decided he should know something about how public agencies worked.

The impact of the passage of that early national social legislation and the research that preceded it on the bright young adults of the 1930s is hard to realize forty years later. In spite of strong opposition at the time, for many it seemed as if a means had been found to solve social ills forever. Although not prepared to give financial support to all aspects of new social thought, the Columbia, Rosenberg, and San Francisco foundations did make grants to a number of controversial ideas like worker education and understanding immigrants, thereby gaining the experience to stand their ground on other, more disruptive issues, such as the fears of communism that clouded so many activities in the early 1950s.

Board meetings and deliberations are generally reported as models of decorum and genteel discussion, but there are echoes of occasional spirited disagreements and tough bargaining. Caroline Charles tells of being alarmed when a proposal she favored was challenged by another trustee because he said he had heard that the man proposed to run the project had connections with alleged 'reds.' Although a novice trustee, she took her concerns about what she saw as unfair inference from gossip to the absolute pillar of the old guard on the board. He not only listened to her, he invited the opponents to meet with a distinguished clergyman from the proposed project's board of directors to resolve the matter, and the project got its grant.

As another example, when grants to bring basic services to farmworker families caused objections from leaders in rural communities, the question was asked: Was there pressure on the board to stop making such grants? The replies were: Some pressure, but we felt it was more important to help these people learn to do things for themselves. In those years, one foundation trustee was a businessman with major agricultural interests; he, too, advocated self-help projects in his part of the state.

Trustees are quite aware that upon occasion individual trustees have an interest in a pending application. Minor instances are treated with some indulgence. In other cases, the pattern is for the interested trustee to refrain from comment or advocacy unless asked for specific information about the application. Lapses seem generally to be handled with a form of unspoken moral suasion or a broadly-worded policy statement, relying on continued experience as a trustee increasing a member's sense of objectivity.

Board terms tend to run three years, and board members tend to be reappointed, sometimes to the point that one wonders if they don't get terribly bored, even though occasionally they take a couple of years off and then return. The appointment of board members is done with some care, even in the smaller, less visible foundations
where sometimes the attorney or banker who actually manages the trust funds is
the only board member outside the family, or a person with professional skills in
community work is appointed in lieu of spending grantable money on staff.

In the past, there has been debate on the propriety of having a social work
professional on a foundation board, although this concern may have abated as
foundations have broadened their granting beyond social welfare into the arts, the
environment, and other fields, and questions of representation of minority groups
on foundation boards have become more urgent. Some foundations seem to find that
a variety of skills among their trustees increases their overall ability to
evaluate applications. And for some trustees, using their professional talents in
the interest of charitable causes is one of the satisfactions of philanthropy.

Attorney Philip Ehrlich, Sr., has obviously enjoyed performing the technical
niceties of drawing up a number of wills creating foundations, including the
Zellerbach Family Fund, and tells with relish of legal jousts on behalf of organ-
izations he has served. In one instance, a bequest to the volunteers at Laguna
Honda Hospital became controversial when the city, which ran the hospital, decided
it was entitled to the money, rather than the separately incorporated volunteer
association. Ehrlich convinced the city attorney that the relatively small bequest
would vanish in the vastness of the city budget, but the volunteer association
could ensure that it would be used for patients for things that were not otherwise
available. This same issue is an important aspect of the continuing debate as to
whether foundation assets would be more equitably distributed if they were trans-
ferred to the public coffers.

The businessmen on foundation boards are the ones who wring out applicants'
budgets and seek norms for determining effectiveness. In smaller, traditional
foundations where trustees do a considerable amount of their own site visits with
applicants, the interaction between business and nonprofit administrator must be
revealing for both. Insurance executive E.S. Gillette tells indignantly of going
to check up on a vocational education grant made by the Miranda Lux Foundation
and finding the foundation-funded machinery unused. On the other hand, his
experience with the director of an innovative streetwork project for minority youths
that Lux also funded, assures him that grants received will be well used.

Some trustees from the corporate world carry their philanthropic principles
into business, men like shipping heir Bill Roth who stepped into an environmental
fracas in San Francisco over plans to build on an unused factory site a highrise
complex that would loom over the waterfront and block the view of homeowners on
the hills behind. Announcing that he was in favor of a 40-foot height limit, Roth
bought the old brick buildings and converted them into a cluster of boutiques and
bistros which have become a landmark in the shift toward rehabilitation rather
than development, and it is a commercial success. "I like to think that most
things you do are entertaining as well as something else," he commented. "Chirardel-
Square was done to prove that it could be done, in part— that you could take old
structures and re-use them and not go to high-rise in a particular area."
Such awareness of new social concerns began to be a consideration in selecting foundation trustees in the late 1960s. In 1969, William Hewlett, a retiring board member of the San Francisco Foundation and president of the Hewlett Foundation, convinced his appointing authority (community foundations' distribution committees are selected not by the foundation but by designated segments of the community such as the banks, community chest, universities, women's organizations, chamber of commerce) that it was time to have a black member of the board, and Ira Hall was appointed. Shortly thereafter, the Rosenberg Foundation appointed Herman Gallegos to its board from the Mexican-American community that the Foundation had worked with so long.

Then a group of young men and women of means put part of their inheritances into a pot and became the Vanguard Foundation, which has won the attention of the media as well as the approval of parents like Bill Roth who thinks they make some of the more interesting grants. Like Hall and Gallegos, Peter Stern and Obie Benz of Vanguard see their role as advocacy. "How can you expect social progress unless there's some kind of struggle around controversial issues," asks Benz. "Things do slowly evolve, but they evolve partly on the basis of people willing to take a stand somewhere."

This new generation of trustees sees themselves as working within the existing social system in spite of their concern that wealthy people make the decisions for the non-wealthy. More specifically, Stern urges new kinds of jobs and opportunities for advancement in business, since he sees the lack of jobs and income as the "big problem behind all problems, in a way."

The Vanguard group works hard with their foundation. They meet as a group with applicants and spend a good deal of time seeking funds from others to add to their own personal funds for an annual granting budget, rather than building up capital assets. In this process they also build avenues of information and understanding between the various groups. They make small short-term grants to activist public interest groups, seeking the leverage by which a newly-organized group can produce a large amount of visibility for their position. None of the Vanguard group see the Foundation as their life's work, rather as a training ground for using their money well and making a personal impact on the social process. Perhaps some will eventually go into business or government and inject their ideals and experience into those institutions.

It is curious that there has been a recent increase in the number of foundations despite the passage of the Tax Reform Act of 1969, which established tighter regulation and control of all nonprofit organizations and caused some concern that Congress might eventually dissolve all private philanthropy. In addition to Vanguard, there are several other relatively new foundations in the Bay Area devoted to social change, with annual budgets for grants rather than endowments. Most of these young groups have received the interest and respect of the older foundations and have developed good working relationships with them.

There is even new activity in some foundations that have never been very active nor well-endowed. Since beginning her term on the San Francisco Foundation Distribution Committee, Jean Kuhn has become something of an evangelist, not only
prodding the Santa Clara County Community Foundation in her home area to become more energetic, but encouraging formation of a statewide community trust in Oregon. And in the East Bay, two small community foundations have merged and hired their first executive director. It is almost as if the increasing complexity of government and business has stimulated a renewed determination to preserve individuality and diversity and autonomy in local communities.

Grantees and Grants

In a very real sense, the direction that a foundation takes in making grants is determined by those who apply to it for funding. As John May puts it: Without grantees there would be no foundation. In turn, the process of determining which applicants will receive a grant, based on an estimate of the skills and dedication of the applicants and weighed against the trustees' knowledge of the community as a whole, provides the cumulative experience upon which future grants are made, and thus contributes to the evolution of grant-making policy.

When the Rosenberg Foundation began making grants in 1936, the idea of organized philanthropy was so new in California that executive director Leslie Ganyard spent much of her time visiting small towns to tell people that money was available to help them start new activities needed in their towns. The idea was still new enough in 1948 that before the San Francisco Foundation could begin making grants, John May had to make the Foundation known to potential applicants, and also to inform attorneys and trust officers that this community foundation provided a vehicle for the charitable instincts of clients preparing wills.

By the mid-sixties, the expansion of both nonprofit programs and awareness of social needs had reached the point where foundation income was only sufficient to fund one application for every ten received. This ratio has continued into the 1970s, skewed somewhat by the indication that a number of applications are duplicates, sent to a group of foundations with a request for joint funding or broadcast to all the sources listed in the foundation directories now being compiled regionally and nationally.

Through all these years, there is continuity in the broad areas of social concern that Bay Area foundations have funded, but the content and structure of projects funded in these areas have changed noticeably. To oversimplify, as one problem has seemed to be solved, another, often larger one, is revealed.

A review of all the grants made by two San Francisco foundations between 1936 and 1974 indicates four evolutionary stages in the structure of the organizations receiving grants which reflect changes in the thinking of applicants and society in general. The first stage could be characterized as the lady bountiful era, with the fortunate deciding what should be done for the unfortunate, often with much study and planning. In the second stage, disadvantaged groups began to
be consulted on the nature and shape of their needs. The third stage was marked by a new generation of program administrators and social work professionals from disadvantaged groups themselves with external boards of directors. This stage soon merged into the fourth, current period of lively I'd-rather-do-it-myself requests for foundation grants to enable young, poor, and/or ethnic groups to both plan and manage activities on their own behalf.

In the lady bountiful era, projects to which grants were made were often an extension of taking a basket of food to the sick family of the hired hand or helping an urban settlement house. Josephine Duveneck recalls that her first venture in helping the less fortunate was teaching history of art to young Massachusetts textile factory workers, and wonders if they had any idea what she was talking about. In the 1930s, this was called "slumming" by well-bred young ladies.

By 1940, Mrs. Duveneck and her husband had settled in the Bay Area and she was deep in the activities of the American Friends Service Committee finding homes and work for Jewish refugees. Similarly, during the 1930s, Florence Wyckoff became concerned with the plight of skilled Greek immigrants and other artisans who were jobless or working at menial jobs, and Dorothy Erskine became involved in a community survey of the miserable housing in Chinatown. They got together with friends and formed committees to do something about specific problems, raised the initial funds from individual philanthropists, and soon received Rosenberg or Columbia Foundation grants.

Bright, energetic, educated, and relatively affluent board members like these often worked alongside the few professionals then staffing social agencies. They came to know those who were receiving charity and began to realize that the recipients had ideas of their own about what was lacking in their lives. During more than a decade of depression and war, there was little time or money to do more than give emergency help where it was most urgently needed. Population grew and changed remarkably in California, housing and public buildings were in disrepair, public and voluntary services were spotty.

These accumulated concerns led to the appearance of the second stage of proposals, beginning in the late 1940s, in which the idea was to consult those who most needed houses and education and jobs in developing new services, rather than to decide for them what they needed. For instance, William Matson Roth, while president of San Francisco Planning and Urban Renewal Association (SPUR), lineal descendant of the Chinatown housing survey, directed the organization's efforts to encouraging formation of neighborhood associations to share in decisions that were being made about their physical surroundings. And Red Stephenson worked in the dismal depressed ghetto of North Richmond to build a link between the AFSC-sponsored settlement house there and the Richmond business community.

When Stephenson sought contributions to help black families take care of their homes because they couldn't get loans from the bank, business leaders offered him money to encourage blacks to move out of town. So he went back to Neighborhood House to find out what parents wanted to do for their children, and
to the University of California for a Master's degree in social work. After the parents developed a study hall program that became a standard activity in many minority communities, and the young people decided on job training as their next priority, Charles Glock from the UC Survey Research Center helped to design a research component to the job program so that what and how the boys learned could be shared with other minority youths.

Patiently the Rosenberg Foundation, for a short but lively while the Columbia Foundation, and then the San Francisco Foundation made grant after grant as each step evolved into further progress. In other parts of the state, they supported similar efforts, usually only a few thousand dollars, maybe fifteen or twenty if the project was serving a whole city: grants to revive the idea of self-help housing in Tulare County because this was something that farmworkers could do between harvest seasons, and for a TB x-ray machine and health educator in Pajaro Valley in Santa Cruz County (where Florence Wyckoff was a member of the new citizens health council) because there was no county health department.

During these same years, national foundations and the federal government were also devoting increasing efforts and amounts of money to many of the same kinds of programs. Some local projects were expanded with these larger financial resources, others were models for more ambitious efforts elsewhere. In many cases, national field representatives contacted the local foundations to learn where to find the ideas and people they were interested in, but the general impression is that something was lost in the translation. Welcome as the additional funding has been, recipients and observers report that sometimes the complicated reporting and changing guidelines have left them with a sense of lack of control at their own agency, without supportive feedback on the quality of their work, and occasionally damaging rivalries in the competition for funds.

The third stage of evolution in proposals receiving grants from local foundations came inevitably from the second. If a proposal, and the organization making it, is based on the principle that poor folk, minorities, or the handicapped have abilities to be respected and encouraged, then it follows that, probably sooner than later, the staff director of the organization should be a member of the group served, both as recognition and as opportunity. It is a measure of the success of men like Red Stephenson, Carl May, and Bard McAllister that the group process experience they provided was so effective that blacks, chicanos, and other young minority people did begin to become agency executives themselves.

In the mid-60s, Orville Luster was one of the blacks ready to assume such leadership. As a young counselor at a San Francisco youth detention facility, he had early been involved in the streetwork project called Youth for Service, and became director on the urging of the young blacks who used the program. Under his guidance, the program navigated the shoals of independence from its sponsors, approval for funding by the United Crusade, and the ups and downs of federal funding.

He speaks with affection of the encouragement he received from older leaders in the black community, like Reverend Howard Thurman and San Francisco State professor Seaton Manning, and with pride of the young people he has seen come through Youth for Service as staff or clients and go on to responsible positions in public
service. There are also somber notes in Luster's almost hopeless view of black capitalism and warning of some of the hazards facing newer directors of community agencies who seem to have lost touch with the kind of patient detailed footwork he considers still essential in providing real service.

In the fourth, I'd-rather-do-it-myself kind of proposals to foundations, an indigenous group determines on its own that something needs to be done and puts together its own, usually fluid, organization to do it. These began to appear in the late 1960s, in the storm of activities of the youth movement, ex-prisoners groups, art and dance projects, and a variety of minority group efforts. Although many of these had private philanthropists in the background and found a variety of government funds available, the impetus and energy were internal; they were ready to happen.

Two such organizations are the Spanish Speaking Unity Council in Oakland and Self-Help for the Elderly in San Francisco's Chinatown, in which members of the community learn by doing the skills of defining a problem, reaching a consensus through a representative group of members, and following through under the guidance of a director who is one of their own. Sam Yuen feels he waited most of his life for this opportunity to use his training in classical philosophy and doctorate in sociology. Arabella Martinez, now a community organization consultant for the Ford Foundation, speaks with respect and affection of the older Mexican-Americans and Negroes in Oakland who encouraged her to undertake graduate education so that she would be equipped to staff the Unity Council—"pay her dues," she recalls legendary black political leader D.G. Gibson saying to many of her generation—"for being here," another grantee remarked.

Both Martinez and Yuen express a commitment to making the present system of allocating public resources work and to making it flexible to the needs and purposes of their communities. Starting with the needs of elderly Chinese, nearly imprisoned in the culture of another time and place, Yuen envisions a continuum of services that would enrich the lives of most of his community. Martinez describes the creation of linkages of understanding, not only with younger chicanos, but with the more established business and civic community, through which the Unity Council has been successful in building community services to the Spanish-speaking and Fruitvale community.

In textbooks, this process is called community organization or, in somewhat different terms, community development. Like previous stages of foundation granting, community development grants were made to help people help themselves. In some places community development eventually became decidedly controversial, particularly in instances where self-help projects overlapped with labor organizing and political activity.

Asked how a foundation deals with such issues, one trustee stated, "Americans love progress but they hate change." And an executive director noted that the foundation could not fund political activity, but that it is interested in leadership training in every level of society. Once trained, a foundation has no control over how people use their leadership skills. The grantees for such projects report their
own differences of opinion with the organizers of more controversial activities, and also resistance from some leaders in towns where self-help projects were undertaken.

Although there is chronological progression in these four types of nonprofit organizations applying to foundations for grants, organizations of each type continue to exist in more or less harmony, and variations in method and motivation continue to appear, such as collective decision-making and the women's movement, adding new components to the social dialogue. For all of them, meeting the current budget and finding sources of funds for new activities are a continuous process in which foundation grants are but one source of money, and several ideas are in various stages of planning with grantors at all times with an eye to next year's budget. Even with increasing government services and granting programs, there continues to be not enough money to supply all the programs existing or hoped for. It is a question whether the financial crunch is more acute for an established program or an untried one. The untried program has the virtue of novelty, and sometimes foundations are charged with a tendency toward fads: that, if a new method or population is being suggested, each foundation wants to have a program demonstrating their responsiveness to it.

Another suggestion is that of school superintendent Richard Foster, that grant money is the only uncommitted resource available with which to encourage imagination and energy among the staffs of larger organizations when they get into a rut of decreasing effectiveness. In addition to seeking outside grant money to enliven the Berkeley school district, Foster also established a superintendent's fund from which to make grants as a form of reward and encouragement for teachers wanting to add something to an individual classroom. This kind of small internal granting mechanism was reported by several other grantees interviewed, and included a seminar in granting principles which sociologist Charles Glock set up in response to requests from UC students serving on the distribution committee of a Chancellor's fund for student-initiated community projects.

Foundation money is often spoken of as challenge grants: approved on condition that the applicant raise a matching amount from other sources. Frustrating as this can be, grantees and grantors describe it as a useful tool for eliciting greater support from members and others, increasing the participation of board members, and making the organization better known in the community. In recent years, the San Francisco Conservatory of Music has been a notable example of a respected organization grown static which has been revived by successful and sizable challenge grants. Whether it was the effect of the grants, the appointment of a particularly skilled new director, or the inspiration of those on the board of directors who initiated both, the Conservatory has greatly increased its participation in the musical life of the city in less than ten years. Milton Salkind was a distinguished concert pianist when he became director of the Conservatory and was discovered also to have a talent for administration. He speaks from personal experience of the needs of young musicians and has a hatful of ideas about how music can become accessible to more people.

In general, those who inspire the confidence of foundations, whether staff or board member of a grantee organization, are dedicated to their organization's cause. They share determination, patience with detail, a willingness to work hard
and often long, have a knack for drawing others in to work with them, sense or quickly learn how things happen in their community—"and their egos are involved," says Red Stephenson wryly.

One of the hazards of this kind of strong personality is what young activists call "burnout." Sometimes the dedication and expectations are so high that the inevitable frustrations of reaching the goal cause a noisy crisis, the abrupt departure of individuals, or the energy and dedication are lost.

The interviews with foundation grantees produced an unexpected amount of discussion of the operation of nonprofit organizations. Much of this material has to do with the delicate relationships between board members and staff, and developing community approval for new ideas. Grantees' recollections of the process of developing and securing funds for a program are not as detailed, perhaps due to diffidence in speaking of financial relationships, perhaps because the important thing was to proceed with the project.

The time for thoughtful discussion between foundation and grantee is largely before a grant is made. There seems to be relatively little contact once the grant check has been mailed out, although grantees often have positive views about what foundations should be funding. A questionnaire the San Francisco Foundation sent in 1974 to a sample of recent applicants, some who received grants and some who did not, asking how the Foundation could be more helpful, yielded similar findings. One majority response was a wistful request for some sense of "how am I doing?" during the term of a grant; another sought technical assistance in doing projects better, a service some foundations are beginning to provide.

Foundation Staff

Central to the grant-making process is the person who does the work-up on proposals, who interprets the trustees to the applicants and the applicants to the trustees. This person, be he/she staff, occasionally trustee, or consultant, is the fulcrum on which a foundation's effectiveness turns. Since relatively few foundations have staff, there are as yet no courses of training for foundation executives, although every campus and some governmental agencies offer workshops in grantsmanship: how to succeed in applying for grant funds.

In the beginning, for small local foundations like the ones in the Bay Area, a superior clerical person with some knowledge of the community and/or social work was selected, generally upon the recommendation of a trustee and of similar background to the trustees. Marjorie Elkus's recollection of being executive of the Columbia Foundation preserves the simplicity and exhilaration of those days clearly, since she retired before the post-1945 explosion of social concern. She saw her position as an ideal opportunity to do something for social welfare and felt that her board left the program largely to her judgment.
The essence of giving money away well is the skill and understanding with which the foundation executive elicits from applicants a detailed picture of their financial and organizational strengths and weaknesses and their competence to accomplish the project proposed, validates that data in conversation with a variety of people knowledgeable about the applicant or proposed idea, and then presents these findings to the trustees for their decision.

Interestingly, grantees often become a part of this verification process and find themselves asked for comment on the qualifications of related projects. Foundation staff, in turn, are consulted by other grant-makers, often for response to larger programs related to local ones. Foster points out that this can become another continuous process by which one is reading others' proposals, writing one's own, and implementing yet another program or policy, with observations from each feeding into the others. In some quarters this is looked at askance as the 'new knowledge industry,' a dire interlocking directorate between foundations, universities, and government. It seems rather to be an enriching process by which the data and skills acquired in one experience carry over to another, encouraging adaptability, efficiency, and, to the extent that new individuals keep entering from various segments of the population, accessibility.

Giving away money well is hard work in the opinion of John May, who built the San Francisco Foundation's resource bank of advisors by tapping the formidable collective acquaintance of the founding trustees, and who has spent over a quarter of a century advocating the improvement of foundation techniques. Where to put a foundation's payout so it will do the most good? Is the best use to give visibility to a new idea, to give experience to bright individuals even though they go on to other organizations, to offer matching money to encourage more people to make charitable contributions, to prod public thinking and public agencies to institute changes beyond the resources of private philanthropy?

These and similar questions became more complex as the number of applications increased through the 1960s and required developing contacts with an increased number of private organizations and public agencies. Curiously, the increase of government grants in these same years, also directed to the quality of life, did not decrease the number of applications for foundation funds, although there were some shifts as certain kinds of applications went to public agencies rather than foundations. In fact, the greater total of grant funds available seems to have prompted more people to try their hand at devising a project and expanding their organization's program.

In some years, the number of applicants has been so great that it may be four months before a particular application gets to the trustees. A good percentage of total applications are so far outside of the guidelines of the foundation receiving them that the executive is authorized to turn them down without trustee action. Some Bay Area foundations send notice of such action to every rejected applicant as a matter of policy, although there is concern among executives about the number of foundations that make no response to many applications.
Once the preliminary screening of likely applicants is completed, staff people must present the results to trustees with recommendations for action on specific proposals. In a sense, they become advocates for the proposals recommended for approval, although unable professionally to indicate their advocacy to applicants or personal partisanship to trustees. Foundation executives work in a context of individual proposals of value presented by able people which must be balanced against the responsibility of trustees to make choices based on their judgment of the broad needs of the overall community and the available funds for granting.

Even though their immediate hopes are dashed, applicants quite often thank a small foundation like Rosenberg for a rejection. Their appreciation is very real for the careful, friendly hearing they have received from the executive, which in many cases helps applicants to clarify their goals and evaluate their organization, and may give them the experience and practice to go on and seek funding successfully elsewhere. When a grant does come through, most applicants feel their gratitude toward the foundation staff. Not only have they been certified capable of doing the project, but someone with an overview of the community agrees that it is worth doing.

"Grant-making is a lot harder work than I thought it would be," commented Bill Somerville, recently appointed executive director of the San Mateo Foundation, who came to the position with graduate training in social science and a list of credits as an innovator and administrator in project development. "I've always admired Ruth Chance and John May, but I have a great deal more respect now for their skill and objectivity in finding the new, good ideas among all the variety of proposals presented." Somerville's experience seems to be the model that is emerging for foundation executives: professional academic training plus experience in beginning, planning, and managing nonprofit enterprises, often with some of the academic work done as a part of or after some of the experience. Most foundation executives now know what it's like to meet a budget, write a proposal, live within the requirements of reporting to a funding source.

To be a foundation executive is a step upward in career status, as being appointed a trustee represents a promotion and an opportunity to apply previous experience on a broader basis. The dedication and energy and thoroughness that a foundation looks for in the person who is going to operate a grantee's program are probably also what they seek in a foundation executive.

As the number of Bay Area foundations has increased, working relationships between them have also developed. The few staff executives have always kept in touch informally, referring some applicants and sharing some grants; but in 1968, a group of San Francisco Foundation staff people began to meet regularly for 'brown bag sessions.' More foundation people attended as they became aware of the lunchtime meetings, including trustees of unstaffed foundations and consultants on grant-making. In time, the group has become a clearing house for ideas and information and for encouraging improvements in foundation procedures and staffing. It also serves as a forum for developing regional participation in
the dialogue with national foundations, regulatory agencies, and legislative
and other study committees on the various needs of society, which, in turn, may
well have an impact on smaller foundations' granting policies and procedures.

Until recently, few Bay Area foundations besides Rosenberg made grants
statewide, and there has been little contact with foundations in the Los Angeles
area. There has been some feeling that, although Southern California is
wealthier and larger than the north, foundations there were less interested in
funding innovative social and cultural programs. Contacts with philanthropy in
the Los Angeles area are being developed by some newer foundations, such as
LARAS, whose Bay Area-based representative, Mary Anna Colwell, reports increasing
activity there.

Conclusion

What there is, then, between the three points of the foundation compass—
staff and grantees and trustees—is a mutual enabling process that brings new
points of view in contact with old, people from all walks of life to awareness
of each other, and considers how these are related and may be acted upon. The
linkages between individuals in these groups are many and intricate and extend
outward through the constituencies of each like a nervous system or the delicate
fluff of a seed pod. To the extent that this nervous system is complete, the
foundation community reflects the entire community, its strengths and weaknesses,
its priorities and pressures. When the linkages are many and strong, the social
process works well; when they do not exist or are blocked, there is trouble.

Because of the delicate relationship of a foundation to its applicants in
monitoring the social process and encouraging promising activities, there is
hazard in suggestions by some that foundations should initiate projects them-

selfes. Although foundations are perhaps in a unique position to make an objectiv
evaluation of current needs, to select some from others for foundation initiation
poses a threat to that objectivity. Projects initiated by a foundation might
come to reflect a foundation's priorities rather than society's. It would seem
that stronger projects would come from people and organizations already working
on an urgent problem, perhaps as yet unknown to foundations. The foundations'
task would then be to seek out those people and through dispassionate encourage-
ment and advice make their ideas more effective.

In looking at the distance traveled by these innovative Bay Area foundations
in the forty years of this study, there is both an internal consistency and a
significant shift in emphasis. In the 1930s and 1940s, the few foundations in
operation were making grants for workers' education, health services for the
poor, improving race relations, along with community recreation centers, teacher
institutes, and central record-keeping to prevent juvenile delinquency. These
issues were then on the so-called cutting edge of social change. But, even into the 1950s, the trustees approving these grants were not thinking in terms of leading the way for changes in public attitudes; they were trying to make things easier for individuals in distress.

By the late 1960s and 1970s, there were a dozen or two Bay Area foundations making some grants out there on the crest of the wave. There were still grants to improve education by means of massive grants for new buildings with the donors' names displayed, and statistical studies to improve the criminal justice system, but the grants were now also going to neighborhood groups, legal defense funds, youth militant groups, environmental protection committees and the like, and government legislation was going right along with them, concerned with broad issues of improving the quality of life and the social process for the community as a whole. Perhaps the nature of the cutting edge is that it cuts both ways: we want social justice, but we don't want higher taxes; we want smog-free air, but we don't want to give up private cars; we want youth to be independent and think for itself, but we don't want it on the board of directors.

In recent years, both regulatory pressures from the federal government and insistent requests for recognition from new nonprofit organizations have led philanthropic foundations, like other institutions, to pause to examine their role and their effectiveness in society. Some foundations seem to conclude that society will always include the disadvantaged, and that the best use of their funds is in support of worthy established institutions. Other foundations and their grantees occasionally feel as if they are reinventing the wheel, trying to deal again with the problems of forty years ago. It does seem that there has been progress, however, toward broader understanding and concern in the work of many Bay Area foundations. The original model was for us, the fortunate, to do something for them, the unfortunate. Current grants to grassroots and public interest efforts reflect a sense that, although some may have lowered their voices, we are all in this together—what benefits 'them' will strengthen the whole society.

A number of grantees and foundation executives even express a need for foundations, too, to monitor government policy and programs in which bureaucratic requirements may have obscured the intent of assuring the benefits of progress to a greater number of citizens, as government has traditionally been assigned to monitor business. Kingman Brewster, president of Yale University, some of whose missionary graduates founded the University of California, in a speech honoring the centennial of San Francisco Children's Hospital in 1975 described an even broader concept. He prophesied that, although our dependence upon government will increase as our human and social problems exceed the reach and grasp of purely private solutions, solid private foundations are the beacon for light and guidance by which to navigate the public interest. "By renewal of our private trust in the public interest, we may serve to raise the standards of the public enterprise as well as of our own."
This study of foundation leaders in the Bay Area was undertaken to obtain a historical picture of the operation and functions of local philanthropic foundations in the years 1936-1974 by means of a series of interviews with significant participants, for use as primary research documents. The retirement in 1974 of Ruth Chance and John May, at one time the only foundation executives in the area, provided an opportune demarcation point for a backward look.

A panel of twenty-three interviewees, including these two executives, was selected with the help of foundation advisors to include trustees, grantees, and staff of more active local foundations representing traditional and contemporary points of view. Budget limitations prevented interviewing a larger sample of the many able individuals presently involved in the work of foundations. Interviews of varying length were conducted between March, 1974, and May, 1975, and included material on personal background, as well as foundation experience and observations on current issues in philanthropy. Also included was an interview with a grantee recorded by a community organization in 1971. The major portion of the interviews deals with the Rosenberg and San Francisco foundations, since they have the longest history of grant-making operations from which to seek data on changes in the community and impact of grants.

Tapes of the interviews were transcribed in the Regional Oral History Office. Transcripts were rough-edited by the interviewer and sent to interviewees for review. Some revisions were made, as noted in individual interview histories, including the replacement of one transcript with a more detailed article by the interviewee. The manuscripts were final-typed, indexed, and bound in five volumes, roughly in the order in which the transcripts were returned to the oral history office. The completed series is available for research in The Bancroft Library, at UCLA, and at the Business Branch of the San Francisco Public Library. There are a number of other interviews in The Bancroft Library with valuable relevant material, including the full memoirs of Dan Koshland, Emma McLaughlin, Helen MacGregor, and the memoirists in the Arts and the Community Series.

Gabrielle Morris,
Interviewer-Editor

21 June 1976
Regional Oral History Office
486 The Bancroft Library
University of California at Berkeley
John Rickard May was interviewed in order to preserve his first-hand account of twenty-five years as executive director of a community philanthropic foundation and observations on its interaction with the changing life of the region it serves.

Since 1948, the first, and for many years the only, staff person of the San Francisco Foundation, Mr. May recounts his tutelage as a young transfer from the business world by the distinguished civic leaders of the Foundation Distribution Committee; the painstaking process of working with affluent citizens and their attorneys and bankers to accumulate the assets from which grants are made; and something of the exhilaration and frustration of reviewing, exploring, and evaluating the multitude of applications from which perhaps one in ten ultimately receives funding.

Interviews were recorded on 26 March, 1 April, 15 April, and 25 April 1974, in Mr. May's airy corner office in the City's financial district, shortly before his retirement from the Foundation. Upon occasion austere and formal, Mr. May can also be relaxed and charming, quickly putting newcomers at ease and encouraging candid exchange of ideas, data, and opinion. Tallish, lean, and tweedy, he addressed the topics on the outline he had received by mail in workmanlike fashion; adding detail and anecdote in response to questions; expanding on some general principles he has developed over the years; ironic when touching on complex issues such as the restrictions some donors place on charitable bequests, relations between establishment and minority groups, and increasing discussion of regulation of philanthropic funds.

In order to clarify a few points in the earlier sessions, a final interview was recorded on 14 March 1975 in the new office Mr. May opened as director of the Hewlett Foundation and as a consultant in philanthropy. He seemed to be thoroughly enjoying the opportunity both of making a new beginning and of advising the many organizations springing up to participate in the social process. In this interview, he expands further on the responsibilities of grant-makers to see the world around them as others see it and to involve more foundations in dialogue with the constituencies they serve.

Mr. May reviewed the edited transcript, making minor corrections and revisions. He declined to add written responses to the interviewer-editor's
afterthoughts, indicating an appreciation of oral history as a spontaneous record of the workings of the human mind.

Gabrielle Morris
Interviewer-Editor

11 November 1975
Regional Oral History Office
486 The Bancroft Library
University of California, Berkeley
While our next recipient has not often been in the public eye, to a certain segment of our citizenry, volunteer and executive, public and private, his name is known, respected and admired. Visitors from other cities of America are always impressed with the deep involvement of San Francisco's corporate leaders in the civic and philanthropic affairs of this community. So too are they impressed with the broad range and daring approach by other institutions in our public life.

It has been said that institutions sometimes shape men, but in this particular case, one of San Francisco's most respected institutions bears the indelible imprint of one particular man. A product of a good education from the best of the Bay Area's conventional educational facilities, our recipient could not, from the standpoint of background or training, have been expected to exercise much innovation or sensitivity in the discharge of his vocational responsibilities, but that is precisely what marked his career. During a period
when there were few guidelines to follow, he and his employers developed a system of such sensitivity, openness and even daring, that they captured the respect of the whole community. Our subject was responsible for directing the attention of San Francisco's larger community to the needs of those who were without power and lacking hope that they too might expect help from institutions of the Bay Area.

Having served as head of this organization since its inception, and having successfully joined with its Board of Distribution to treat all of the community, he has set a direction and an outreach to the community that has earned the respect of all who know of and can attest to its effectiveness.

We honor today Mr. John R. May, the first Executive Director of the San Francisco Foundation.
[Date of Interview: 26 March 1974]

1. PERSONAL BACKGROUND

Family and Boyhood

Morris: You were born in Denver in 1909?

J. May: Yes, my father was a lawyer there. He came out here in 1917 as a special assistant to the United States Attorney General. That was the time of the Teapot Dome business. He was in charge of all the litigation having to do with what were then known as the withdrawn oil lands. I remember he came out ahead of us all and bought a house in North Berkeley on Ridge Road, the area which is known as Holy Hill. You know where the GTU is? And we lived there until 1919. He didn't buy, he leased the house, and then it was bought by the then president of the University. So we moved out and bought a house at the other side of town, near the Claremont Hotel.

Then the North Berkeley house burned down in the Berkeley fire, which you're not old enough to remember. It was 1923. I was in high school at the time, and I remember going up into North Berkeley and seeing the fire, and probably getting in people's way, thinking I was being useful.

Morris: You moved just at the right time, then.

J. May: Moved in '19, just four years before the fire.

Morris: Did they close schools so that you could--

J. May: Well, I was at University High School, which is now the Grove Street campus of--what's the college?

Morris: It's part of the Peralta Community College District.

J. May: I was there, graduated in '26. I had a year abroad at that time before I went to Stanford.

Morris: With a group of other students or with your family?
J. May: No, just the family. My father had pretty much retired by that time. He was born in 1860, believe it or not. Remembered the assassination of Lincoln. He was fifty when I was born.

Morris: Was your father interested in politics?

J. May: He was interested in public service but not in politics. He was a lawyer and had a very strong feeling about public service, which is why he took the job he did. But it turned out to be a political job. With the Harding administration, he was out. And he set up a law practice here, but it never really worked out.

Morris: Do you have brothers and sisters?

J. May: Older sister, younger brother. My brother, Henry, is on your campus as a professor of history. Perhaps you know him.

Morris: I don't know him, but I know Bernice Hubbard May, and, of course, I know Professor Samuel May be reputation.

J. May: No, no relation whatever.

Morris: Well, Henry May is also distinguished. Therefore, we figure all Mays must be related.

J. May: We're not. There's not the slightest relationship between the two families. There were two sons in that family, too—Kenneth and Randy, I think.

Morris: That's right.

J. May: And the families were sometimes confused with each other.

[Telephone call interrupts]

J. May: So, we got me out of high school, did we?

Morris: That's right; and there was your family and the other May family. Did you know each other at all?

J. May: Henry knew them. They were more his age than mine. No, I didn't know them at all. Then I had a sister, two years older, who still lives in Los Angeles, and she, too, is distinguished in her field, like Henry. I'm the only one without a PhD in my family.

Morris: I see. Well, it's nice to keep a balance.

J. May: She's an ethno-musicologist, which means just what it sounds like. She's recently retired, and she's in quite a lot of demand.
Morris: She must have been a pioneer in developing it.

J. May: Yes, she's going to Australia this summer to lecture at half a dozen universities on ethnic music in various cultures.

Morris: I see. Retirement is not very sedentary.

J. May: Sedentary retirement is terribly dangerous, I think. I saw it kill my father, and I don't intend to see it kill me.

Morris: Yes. You said that it was the Harding administration that produced the change in your father's--

J. May: Warren Gamaliel Harding, not the most honest of our presidents. It was the Wilson administration that my father was with; when the presidency changed, so did the attitude toward the litigation, I guess.

Morris: Then your family did not come from Denver originally?

J. May: Dad was a Bostonian. My mother was British, though she was born in Colorado because her family were mining engineers, and you know they're all over the world all the time. They happened to be in Colorado when she was born. Matter of fact, I think she lived there till she was about fourteen, or something like that, then went to England, came back, married very young. She was twenty, my father was forty-six, never married. Hell of a gap, isn't it?

Stanford, 1931

Morris: If you were a youngster in Berkeley, how did you happen to go to Stanford?

J. May: Because I was a youngster in Berkeley. Because I wanted to get away from home.

Morris: Did you find Stanford different than what you'd observed of the University of California?

J. May: Well, I hadn't observed much at the University of California except the football games, and I attended regularly, always sitting in the rooting section though I had no right to be there.

Morris: That's a custom still followed by the boys who live in Berkeley.

J. May: Really?
Morris: Oh, yes, I have sons who are now at Berkeley High, and their greatest delight is to be taken for university students.

J. May: It makes you feel terribly grown up, and it's all very important.

Morris: Did you continue to go to the football games when you got down to Stanford?

J. May: Sure, but not very long thereafter. I think it's twenty years, at least, since I've been to a football game now.

Morris: Who particularly from your Stanford days impressed you at the time?

J. May: Oh, two people. Guerard, who was in French Civilization. I was able to take his course in French, because having spent a year abroad, my French was not very good but very fluent. He gave his course with no language used except French, and that was fascinating. Probably the main one was Tom Barclay, who is a famous and beloved political scientist, which was my major.

Morris: Why political science?

J. May: With the idea that it might lead to law. I had some idea of going into law. I was the first in my family in an awfully long time that didn't go into law. But I got out of college in 1931. There had been a depression. We were in the depth of it, and I thought I ought to work as quickly as I could. My father had been very badly hit. And I probably would have been better off to borrow money and go to law school. It was a long time before I earned any money. I really didn't know what I wanted to do at that time. I was pretty much at loose ends.

Morris: Was it the custom in the '30s to borrow money for education, as it has become?

J. May: It wasn't as easy as it is now, but I was offered a loan if I wanted to go, but I thought I better not. I rather wish I had. I think a legal education is good for almost anything. It'd be very good in this trade, for instance. Be a big advantage for anybody in a foundation job, particularly a community foundation.

Morris: Were you interested in political science also because of your year abroad?

J. May: Yes. That's very perceptive of you, but there's no question about it, that's true. I have watched various political systems, not from very close at hand; but I've watched them in action in Britain and France, and it was a very considerable interest.

Morris: What struck you as different in France and Britain, different from
Morris: the United States?

J. May: I can't tell you whether it struck me then, but I began to be acquainted with how governments operate and what the parliamentary, "responsible" government system is, as opposed to our fixed terms for presidents and legislators.

Morris: Are you saying that you think that the fixed term makes a legislator less responsible?

J. May: Responsible in terms of the political scientist, yes. A responsible executive is one who is responsible to the legislature, and who, when he loses the majority in the legislature, is out of office, as in England, as in France, as in almost any country except this one.

If Nixon were the political leader of any other country, he would be out of office, because he's obviously lost the support of the majority of the legislature. He would either have to call a new election or resign as the chief of government, as Heath did recently when Wilson was called in. It's a funny thing, you know, to have a chief executive who is of the opposite party from the legislature, as Nixon has been. And as we frequently have. It's kind of a stymied situation.

Morris: Yes. It seems to get more stymied each time that happens.

J. May: I don't know, maybe.

Morris: What were your other activities besides your studies at Stanford?

J. May: Very little else, really. I wasn't an athlete, and I wasn't strong in any other area; did moderately well in school. That's about all. Ups and downs.

Morris: That's interesting; and what did you do between school years? Did you work in the summers?

J. May: Oh, yes, in a lumber camp or on a surveying crew or construction job—one thing or another. Manual labor, which was probably a very good thing, as I was not a very husky kid.

Morris: How did one go about getting that kind of job in your student days?

J. May: Usually, if you just happened to be lucky. Some friends had a friend who had a father who had an interest in something.

Morris: How about friends from your college days, these days?

J. May: I see very few of them now. It is interesting, isn't it? I occasionally see one on the ferry coming in from Sausalito; I sometimes
J. May: see the man who is the permanent president of my graduating class, Barney Dreyfus, who is a very liberal-leaning lawyer.

Morris: What was the general tone of the student body that you recall? Were they active in politics?

J. May: No, not very, and such tone as there was I would say would be pretty far to the right. Stanford was something of a rich man's school in those days, despite having been set up by Senator Stanford to provide free education for the children of California.

Morris: I didn't realize that. Was it ever a free school?

J. May: I think in its early days it was pretty close to free, but then costs mounted and tuition went up and up and up and up. I think it cost about fourteen hundred bucks a year including everything to go to Stanford when I was there. I earned only a very small part of it. There were some people who earned their way through completely, but there was also a pretty affluent student body. It was known in those days in some quarters as The Country Club.

Morris: And The Farm; I thought it was also known as that.

Career Exploration

Morris: So you went to work instead of pressing on to law school; where did you end up when you graduated in 1931?

J. May: Sometime in the fall, I managed to get a job selling office equipment. From then on for a number of years I was selling one thing or another. Worked for a drug firm, drug and liquor; worked for the Borden Company for three years, and with the coming of Pearl Harbor, I quit the Borden Company to get into something related to the war effort.

I wound up in the Office of Price Administration; was there for, I guess, a year and a half, till I finally got a commission in the navy and I went overseas in the Pacific. Saw very heroic duty with my feet under a desk at Pearl Harbor for almost two years. Nobody shooting at me except with their mouths. [Laughter]

Morris: Why did you go to the OPA when the war started, instead of to the military?

J. May: I don't know. I was not particularly eager to be drafted. I had a possibility of getting a commission—what was known as a cellophane commission. You know what that means?
Morris: I haven't heard of a cellophane commission.

J. May: Means you can see through it, but it keeps the draft out.

Morris: Oh, that's lovely.

J. May: So I went into the navy with a stripe and a half, and came out with two in 1946. Went back to help put the OPA to bed, which was a dismal job; then found myself without a job in the postwar situation, looked around for, I think, seven months. Finally, because I couldn't find anything here, I took a job in Seattle. That was where I was when I got the letter from Frank Sloss that we have talked about.

Morris: You mentioned that, and I had assumed in my simple way that Frank Sloss was somebody you had grown up with or gone to school with.

J. May: Frank and I became friends when we were both in the OPA. In fact, I made many friends in the OPA that are still friends today.

Morris: Now, that's interesting. Was this a regional West Coast operation?

J. May: That's right.

Morris: How had they all happened to gravitate to the OPA?

J. May: Well, a great many of them were lawyers, and they needed trained legal brains in the OPA. It did pick off a bunch of pretty competent people. Name anybody anywhere near my age, and he's probably been in the OPA, including our great leader, Mr. Nixon.

Morris: Was he in the OPA?

J. May: Briefly.

Morris: I see. Did you know Richard Graves in the OPA?

J. May: Sure, sure.

Morris: He found it a rather distressing experience, as I recall.

J. May: I've forgotten what he did. He was in it briefly—came from the League of California Cities, or something like that?

Morris: It was between two stints as head of the state civil defense, which was bracketed by staffing the League of California Cities. I gather he was not of draftable age but felt that he should do something for the war effort, so he went into the OPA.

J. May: Well, of course, the OPA and the other government agencies were full
J. May: of people who couldn't serve in the armed forces but wanted to do something. Many of them for a dollar a year, and some took their salaries, some didn't.

Morris: When was OPA set up?

J. May: It was set up immediately after Pearl Harbor, which was '42, wasn't it? No, December 7th, '41.

Morris: But I would think January '42 would count as right after.

J. May: Yes, that's when I went into it, and I sort of went on with it. It started with a few people in an office down on California Street, and before long it was a monster with rationing and rent control and price control, and all the rest of it, for eleven western states.

Morris: Did this give you any kind of insight into how a community functions?

J. May: Not very much. It gave me some pretty useful experience in administration, though, which I hadn't had before. And I found it terribly interesting and rewarding, because it was important to the war effort. And I had never really been occupied with anything that I thought was worth doing before that, except the paycheck, which I kind of loved.

Return to the Bay Area

Morris: So it was Frank Sloss who retrieved you for the Bay Area, when the San Francisco Foundation was looking for its first director?

J. May: That's a pretty good way to put it.

Morris: Did the letter just come out of the blue? You'd had no conversation with him beforehand or with anybody else?

J. May: Well, we'd been in correspondence, because we were friends, and our wives were friends. The families were pretty close together. And I'd been there, I guess, only three or four months in Seattle when I got the letter from Frank, which I'll dig up and show you, saying he'd just found the job that I ought to be doing.* But I couldn't afford to do it at the time, so I did. [Laughter]

*See Appendix A.
Morris: Why couldn't you afford to do it at the time?

J. May: Because it paid five hundred dollars a month, and I was then at the beginning of a career which had been interrupted a bit by the war, and I had a wife but no children, and I didn't anticipate that situation would go on. I thought there'd be a family; never was.

But it was so intriguing that it didn't take long, particularly with Dan Koshland being at the head of it in those days, for me to say: Okay, if you want me, that's good; I'll come.

Morris: That's marvelous. I'd like to talk about that. Frank Sloss—was he part of this preliminary committee?

J. May: He was not on the Exploratory Committee, which I think you know a little about. No, but he was a friend of Dan's, and he was—still is—a highly thought-of man in the community. And I think Dan went to him for suggestions; asked him, as a matter of fact, if he wanted to do the job part time, I think. And, you know, he said something like: no, not me, but I think maybe I know somebody you ought to look at.

So I said: well, at least I'll come by on my next trip East or coming back from the East, my company's headquarters. I came through here and met Dan and the rest of the then Distribution Committee, and we talked about the job. And I came down another time a few weeks later and we talked again at lunch in the Palace Court. And then, it was rather amusing—I was spending the night with Frank and Ellie Sloss—Dan called me up, and he said: Well, Mr. May, if you're willing to make up your mind, we are willing to make up our minds, and we would like you to take the job. Will you?

I said yes, and he said: Fine. Now call me Dan. May I call you John? That was the beginning of a good friendship.

That was some time at the end of March. I went back to Seattle, and on the first of April called my boss in the East, and said: I hope it doesn't surprise you too much, but I'm quitting.

He said: I know what day it is, goodbye; and hung up. I called him back, and I said: This is not an April Fool's joke; I want to leave. So I left pretty quickly, and came back here and was on the job on May first.

Morris: Did he urge you to stay, your former boss?

J. May: Not particularly, because he confessed to me, after I had convinced him that I meant it, that he was leaving, too.
Morris: Ah, now that's interesting. Where was he going?

J. May: I don't know, some better job. I've forgotten. He was really an advertising man, and he'd taken a sales managership of this company in Illinois; I gather it didn't work out particularly well.

I was one of his regional managers, but he had not bothered to let me know that he was leaving. Which I didn't particularly like.

Morris: In other words, he'd already made up his mind to leave?

J. May: But hadn't told me.

Morris: That's interesting. Was there much of this kind of thing--

J. May: Oh, yeah. After the war, people were jumping around all over the place looking for the right spot.

Morris: I wonder how many people changed directions.

J. May: I don't know, but I should think a great, great many. A lot of people were changed by the war, got new directions. I could never have been happy going back into the area of sales management and that kind of thing.

Morris: Because of your experience with administration?

J. May: Yes, because of doing a job that had to be done. After all, what is it if you're selling something--well, it's kind of hard to say what it is, but what real good does it do?

Selling something in competition with something else which is probably just as good. It's a whole philosophical problem, isn't it? I found this particularly true in the milk business. There'd be four different milk wagons from four different companies going down the same block, which obviously raises the cost of the milk we deliver. And it was all the same milk, really.

Morris: How did Frank Sloss put it to you? Did he describe what was going on, or did he just say there's a job--

J. May: There's a beautiful letter, and you better read it. It said something like: I found something that I think you ought to be doing. It's called a community trust or community foundation, and I'd never heard of it before, but here's how it operates. And he described it pretty well.

Morris: Was he involved anywhere in the community good and welfare at that point, himself?
J. May: Yes, he'd been in lots of things in the community chest and Jewish charities, and he was highly thought of. Both his mother and father before him had been in good works here in San Francisco.

Morris: How about you and your family?

J. May: Not in the least. I came into this job not knowing--practically not knowing--what the word 'philanthropic' meant. I had a good deal of learning to do, and that took quite a long time.

Morris: How did your wife respond to this idea of pulling up stakes and starting over again?

J. May: She was very tolerant and patient and knew I hated my job as it was, and that I wanted to get into something in which I had the feeling of doing some good. She was entirely encouraging about it.

Morris: Did she have any contact with good works?

J. May: She'd been working in the Red Cross during the war while I was overseas, and so, yes, she had, more than I had. But she was a baby at that time, twenty-two, I think, and in charge of the nurses aides for the entire West Coast.

Morris: Good heavens.

J. May: Good heavens, exactly. Had some wonderful stories of getting off the train to visit her chapter in Spokane and having all the Grey Ladies of the town in uniform come there to meet her, and see her get off the train and say: okay, where's Mrs. May?

Oh, I'm Mrs. May.

Oh, well, my dear, we didn't expect anything like you. She got a hell of a bang out of it, too. And an awfully good time.

Morris: I should think so. That, too, would be a rewarding thing.
2. ORIGINS OF THE SAN FRANCISCO FOUNDATION, 1948

Starting on a Shoestring

Morris: When you got here, had the Distribution Committee already emerged out of the exploratory committee?

J. May: That's right. And Dan was the first chairman, and the people were Helen Russell, and I don't know whether you care about the rest of their names. There was a regent of UC, Farnham Griffiths; a trustee of Stanford, W. P. Fuller; president of Standard Oil, Ted Petersen; Mrs. McLaughlin, who only died two or three years ago; Harold McKinnon, who was a lawyer, and is still alive.

Morris: What kinds of questions did they ask of you?

J. May: Oh, the embarrassed kind of question about what have you got that makes you eligible for this job. Why should we hire you when we can get a retired admiral, and you're only a lieutenant? And Dan finally said: I think we'd rather have a lieutenant than an admiral.

Morris: There were other candidates, then?

J. May: Yes, I never knew any of them, but I know there were. I've got a file of correspondence on it somewhere which I shouldn't have seen, but still have.

Morris: Well, at this point I think it's legitimate.

J. May: At this point probably almost everybody's dead anyway.

Morris: And what did you think of them? How did they describe what they had in mind--

J. May: Oh, I guess I was fairly terrified, because they were all the bigwigs of San Francisco; and this was something that appealed to me enormously, and yet I realized that taking it would put quite a ceiling
J. May: on any earnings I might have. As a matter of fact, a good many years later it turned out not to. The last five years my earnings have been very good. And my successor will be paid more than I am, which is always the way it should be.

Morris: That proves you've done a good job. [Laughter]

J. May: I wouldn't want it any other way.

Morris: That's interesting. So in the '40s professional good works were not well paid?

J. May: Dreadfully badly paid, and particularly a job where the money to pay the executive had to be scrounged. See, we had no assets. We didn't have a million dollars for eight years. And so we had nothing to pay me out of, and the money had to be begged. So obviously it was very little. But that was all right, because exactly ten years later my wife and I went to the British Isles; we went pretty well all over, and brought back a Jaguar.

Morris: On that nonprincely sum?

J. May: Yes. Well, it had gone up twenty-five dollars a month occasionally, sometimes not at all, but it was still pretty niggardly. But you could live on it in those days.

Morris: And the work you were doing was satisfying enough so that--

J. May: Naturally so. Sometimes it was dull as hell, because there wasn't much to do. There was no money to fight about giving away. That began to come only later. So it was a matter of planning for the future when the money would be there, and doing such things as could be done to encourage the money to come.

Morris: In the annual reports, particularly the ten-year and the ceremonial twenty-five year one, everybody refers to the twenty dollars with which the San Francisco Foundation got started.

J. May: I know; it's become a pat phrase.

Morris: Yes; where did the twenty dollars come from? Was it in truth twenty dollars?

J. May: It was in truth twenty dollars. It was two ten-dollar memorial contributions. And the first one came from Marjorie Elkus and her then-husband. She was the one who ran the Columbia Foundation, which really launched the San Francisco Foundation. The other ten either came from her and her husband, or from the senior Elkuses. I've forgotten which.
Morris: Was this before you were on the scene, or were they put into your hands?

J. May: I think just after. I think probably in the first few weeks. And then it was a long time before we got anything. So it was all outgo—that is, salary and rent and things, though not very much. Our administrative budget was ten thousand dollars. It's now a quarter of a million.

Morris: Even allowing for inflation, that's quite an accomplishment.

J. May: Well, either that or Parkinson's law operating. The bigger you get, the more people you've got to have, and the more important you are, and the more you have to swell your ego by having people report to you. I don't think that's the case, but I think we could be accused of it.

Morris: Well, perhaps not, if we look step by step over the territory that you have covered.

J. May: Well, five years ago—five and a half years ago—when I started looking around for somebody at the professional level to work with me, which turned out to be Lew White, we still had something like eight or ten or eleven million dollars, and that's all, which is tiny. And we had two and a half in staff. So this growth to fifty million dollars and ten in staff has all come in the last six years.

Morris: That follows the general law of evolution.

J. May: Well, it follows this kind of thing: when the curve starts, the line of growth is almost horizontal, and it takes a slight curve, and then a slight more upward curve, and then it gets steeper and steeper until it's almost vertical. So that, year before last, we took in nineteen million dollars.

Morris: How much of that would you judge is the result of careful work in the early years?

J. May: Pretty hard to say—because seventeen million of it was in the form of a private foundation whose trustees resigned, and I suppose you could say it came to rest here because our reputation had gotten pretty good. The attorney general of the state was interested in the matter, was very happy to have it come to us.

Morris: He was involved in the discussions even before it came—

J. May: Well, the fact of the matter is that he had filed a suit against the trustees, alleging certain things where were never proved. There was an out-of-court settlement, and the trustees resigned; and after
J. May: some more of a minuet was danced out, the seventeen million dollar Oakes Foundation became a part of the San Francisco Foundation. Then the balance of what we took was from wills which had been written many years ago, and so I think that is something that might be what you describe as the result of efforts that had taken place many years before. And I have predicted publicly that we're going to double our assets in the next ten years. That's not going to be because of any effort that's going to happen from here on, but because of wills which have been written in the last twenty years. It's being rather morbid, but that's where most of our money comes from. People die and, as the lawyers and trust officers say, the bequests mature.

Morris: Ah, that's a nice phrase.

J. May: Dreadful! But that's the way they talk.

Morris: Well, this brings me back to the lawyers and the bankers: the early scrapbooks show that you had a remarkably good press.

J. May: Not good enough to satisfy anybody. I was always being told that we should have more publicity, more publicity; better press. There wasn't anything that was news.

Morris: What was interesting were the editorial kinds of statements in the Court Recorder, which explain step by step how the community trust was set up.

J. May: Oh, yes, I wrote that series of articles and asked the Recorder if they'd take it. That was the kind of thing that I did in the early years to try and make the Foundation known with a view to having its assets developed. It was never a matter of going to people and asking for money. Never. But that kind of thing, that series of articles, did some good, and the press that we did get, and those editorials in the Examiner and the Chronicle, which came out most years, saying this is a useful thing for the community. Speeches made at various kinds of estate planning councils and service clubs and groups of lawyers and that kind of thing.

Morris: Did you have any kind of a group of lawyers as formally put together as a committee who were working on it?

J. May: I think we did at one time, but it didn't work out very well. I think we had a lawyers' committee, but never amounted to any great value to us.

Morris: The Trustees' Committee is members of banks, isn't it?

J. May: The Trustees' Committee is one man appointed by the president of
J. May: each bank that is a corporate trustee of ours. And as a rule they've met once a year. They don't have very many functions. They have one chief function, and that's to appoint a member of the Distribution Committee once every five years. Another function is to ask for an appointment from the other appointing authorities—the presidents of UC and of Stanford, and so on—when the time comes for them to make an appointment. They have the duty of deciding among themselves if somebody leaves us a million dollars and doesn't say which bank is to be the trustee of it. That can sometimes get a little bit interesting.

It's always very easily handled, because one of them will come in with evidence that his bank was the bank with which that person usually did business, and so the rest say: okay.

Morris: They don't take it in turn?

J. May: Anything they take in turn is—well, there's a chairman of that committee elected for two years, and our general fund in the bank, represented by that person who is chairman of the Trustees' Committee, is the general fund to which we deposit all the "in memory of Aunt Susie" gifts and the unrestricted bequests and gifts that come to us otherwise unearmarked. The fifty dollar gifts and the thousand dollars and the ten thousands and the two dollars, and all the rest of it. If it's a big enough amount to be a separate trust, that's when the Trustees' Committee will meet and draw straws or flip coins or something of that sort.

Morris: And were they in the early days involved at all in spreading the word that this is a good thing to have in San Francisco?

J. May: They were supposed to be, and some of them were, but one of the charter members of that committee told me the first time I called upon him that he was very pleased to meet me, but he thought he ought to tell me that if any of his customers asked him about where to leave their money, the last thing would be the San Francisco Foundation.

Morris: Now, that's interesting. Did he tell you where he thought his customers—

J. May: They ought to leave money to charities that really operate, not to something that's just going to hold money in trust. That it should go to hospitals or the Visiting Nurse Association or a boys' club or a church, or something like that. It's a perfectly valid point of view. But he wasn't very helpful for a member of our Trustees' Committee.

Morris: No. Did you work further on him to indoctrinate him with what you had in mind?
J. May: I kept in touch with him, and we became fairly good friends. I don't think he changed his point of view, but that bank--I won't say which one it is--now holds a lot of money in trust for us. I suspect he might have changed his mind if he'd stayed on.

Morris: As a trustee?

J. May: Yes, but he retired from the bank a good many years ago, and so from the Trustees' Committee. But if he had seen the trustee's fees that the bank now gets as a result of being trustee for us, I think he, as a trust officer, might have felt differently.

Morris: Over the years have there been additions to that Trustees' Committee?

J. May: Changes.

Morris: Changes. It's not a larger number of banks?

J. May: I think there were six originally, and then it went to nine, and then there were some mergers, and it dropped back; and then it went up to ten and went back to eight, and now it's at eleven. I understand another bank is about to start a trust department here, and so that would make it twelve. Unless there's another merger, which will then cut it back--but it's whatever banks have trust powers in San Francisco.

Morris: Automatically?

J. May: Practically automatic. It's the Trustees' Committee which votes to admit them, but they would never vote not to.

Original Distribution Committee

Morris: When you were getting things under way, did the Distribution Committee give you advice and counsel, or were you on your own?

J. May: Oh, yes, I should say so, especially Dan Koshland, who was the first chairman. And even some help occasionally. And, of course, a lot of good things are done by example. After Helen Russell, who was the second chairman of the Distribution Committee, finally turned over to the Foundation a big chunk of the stock in her family holding company, then her friends began to come to the office and say: Well, Helen Russell was talking with me about the money she's left you people and tells me I ought to do the same thing. How do I do it?
J. May: It's very funny, the way that kind of thing has happened where one person does it, and then two more do it, and it's almost a chain letter kind of thing.

Morris: That must have been quite an experience the first time that happened. That they came to you rather than to their attorney.

J. May: Yes. Sometimes the attorney would come to me and ask what it was all about, or would phone. We're still doing that. I had a call yesterday from somebody speaking for a friend of his who was considering leaving some money to the Foundation.

He said: We'd like to have a conference with you, the two of us, and our attorney, Bill Coblentz. Do you happen to know him? And I said: Yes, very well, indeed.

So we're going to meet a week from today. We'll see how that one works out. Sometimes there are problems so severe in what people want to do that we have to turn them down. If they want us, for instance, to accept and administer over the years a fund which discriminates against Jews or against some other minority, or to do something which is legally feasible but in our view not in the public interest, we won't take it. We've made some mistakes in taking on things that we shouldn't have taken on.

Morris: Because the regulations--

J. May: Because of greed. It was very hard to turn things down when we wanted so badly to grow, and we didn't always see the pitfalls in it.

Morris: But you found some of the restrictions in the trusts--

J. May: Of course, we are saved by the fact that the Distribution Committee, if it votes unanimously, can change the terms of the trust.

Morris: Any trusts?

J. May: Any trust. If, for instance, the donor's instructions are impossible to follow, because the beneficiary agency has gone out of business, or is overfunded, or is badly run, the committee has the power to change, and uses it very sparingly. It's only used it half a dozen times, I guess, in twenty-six years.

Morris: That's interesting. What did the Distribution Committee have in mind when they set up the Foundation?

J. May: They didn't set it up. The way it was set up was that Marjorie Elkus, running the Columbia Foundation, had a good many inquiries during the war years from lawyers and trust officers about the
J. May: possibility that clients of theirs might want to leave money to charity, and could the Columbia Foundation handle it. And so Marjorie began to look around for the kind of machinery that would do it, and they heard about community foundations in other parts of the country. They set up that exploratory committee that you've read about. It had a steering committee, and they started moving toward the establishment of a community foundation, and they finally decided to go. So their steering committee began to think about getting people appointed to a Distribution Committee, and they went to each of the persons named as an appointing authority and asked him or her to appoint somebody. That original seven on the Distribution Committee were the result. I think some of the appointing authorities were somewhat influenced by suggestions made to them.

Morris: By the exploratory committee?

J. May: Yes.

Morris: How many of the members of the first Distribution Committee had been part of that exploratory group?

J. May: Koshland, Petersen, McKinnon—half or so. Not Mrs. Russell; I don't know whether Mrs. McLaughlin was or not, but there is a list of them. We can check it. I think Fuller was. I guess there were five or six of them that were members.

Morris: As they got into the process of setting up what became the San Francisco Foundation, did they have any ideas of what they thought such an organization could do?

J. May: Yes, this is where you got your phrase in that sheet of questions that you handed me a minute ago that the Foundation looked on itself for some time as sort of an "arm of the community chest." There was an idea which was prevalent all over the country at that time. That there could be a triumvirate—a community chest, a social planning council, and a community foundation—and that they would complement each other.

The early people on the Distribution Committee thought that our main job was in social welfare—was in supplementing community chest funds, paying for those things that the chest couldn't pay for but which were usually in that same kind of agency. And it was only as the years went on and the Foundation developed that we went into race relations and into things that are now grouped under that pretty word, ecology, environment; the arts; education.
On-the-Job Training

Morris: You said that when you were first in charge of the office that you went around and called on the papers and asked if they would run these articles. What other kinds of things did you do to get yourself oriented to the city?

J. May: [Laughter] I even went to the School of Social Welfare in Berkeley and audited some courses. I think this is an example of what we originally thought the job was. It was a job very closely allied to the field of social work. Milt Chernin was the dean, then, and he still is. He was in my office this morning about this.

Morris: You've got some very fine friends on campus. Did he guide your auditing, or had you--

J. May: No, not much. I went to call on him and he suggested some courses that I take, and so I did. Not for very long, but enough to get a flavor of what the social work education is. And I belong to things like the Estate Planning Council, which is lawyers and trust officers, and CLUs, and accountants, and people like that. Learned something about estate planning. I did some reading into law; I did some reading in the history of charity and of foundations, particularly. And sort of spread out, got into various things in the community that would make, not necessarily me, but the Foundation better known.

And still there really wasn't enough to do. So when Dan, who was then either president or vice president of Levi Strauss, had to visit a plant of Levi Strauss in Sacramento or San Jose or somewhere else, he'd say: How about spending the day on a trip with me; and I always went. Which I couldn't dream of doing ten years later.

Morris: That's true, but it also got you out to see what the look of the landscape is.

J. May: Not very much.

Morris: Not very much. Interesting. How about Leslie Ganyard? Did you have much contact with her at that point?

J. May: Oh, bless her heart. I should say so. A great, great deal. I saw an enormous amount of Leslie, and for a while, of Marjorie; but Marjorie didn't stay with the Columbia Foundation for very much longer. And, as a matter of fact, after Marjorie left the Columbia Foundation because it decreased substantially in size, they asked me if I would run it at the same time that I was running this one, which I did for a number of years. But, yes, Leslie was my principal colleague in the foundation world in San Francisco.
Morris:  As staff person?

J. May:  Yes, and she was magnificent in that Rosenberg Foundation.

Morris:  I know this by everybody's testaments, but we need some documentation. What did she look like, how did she work--

J. May:  What did she look like?

Morris:  Yes.

J. May:  Do you want that from me?

Morris:  Yes.

J. May:  Well, she was a small woman. She was obviously badly hit with arthritis. Her hands and feet were rather deformed from it. She had quite a hump on her back as the years went on. She eventually wound up wearing a brace most of the time, but she had a spirit that you couldn't get down by a little thing like pain.

Morris:  That's incredible. It really is.

J. May:  And she kept right on till she was sixty-five, when she was pensioned off, and she was known and absolutely loved and adored all over California. Of course, Rosenberg Foundation operates more widely then we do in terms of geography. I remember they gave a dinner party for her at Trader Vic's, nice black tie dinner, when she retired and Ruth Chance came into the job; and two more widely different and marvelous people you just can't imagine. Superb human beings, both of them. You know Ruth?

Morris:  Yes.

J. May:  Leslie had a kind of tough life. Her husband wasn't the greatest success in the world. Had one son, Peter, on whom they placed all their hopes, which turned out very well. Leslie's husband, Merv, died some years after she retired; not very long after that, she moved into that old people's residential place, Tamalpais, over in Marin. I guess she was there a couple of years, something like that. She used to come to dinner with us in Tiburon once in a while. You just couldn't help loving her, just impossible not to love and respect the lady.

Morris:  I gather that she went out looking for people who might be doing something interesting and need some money to get it done.

J. May:  Yes, you did in those days, because foundations didn't have the enormous load on them that they have now. For our next meeting in
J. May: May there's something like three hundred requests for funds before us.

Morris: Rudy Glover mentioned this on Friday. He said that it was more than ever before.

J. May: Yes, and next time it will be more than this. It's mounting geometrically, almost. And the job is much tougher than it used to be, and it's immensely complicated by the new tax laws, most of which don't actually apply to us; yet, but I bet they will.

Morris: Is it that in the '40s there were not the recognized needs socially or culturally, or they were done in different ways, or what?

Early Granting Practices

J. May: I guess we weren't in the process of change as much as we have been in the '50s and '60s, don't you think? But the proposals that are brought to foundations could swallow up twenty times the assets of the foundations that see them.

It's rather embarrassing to think of the Distribution Committee meetings in the first years. To get those seven busy people to sit still for an hour or two when there was really nothing to do. I look back on it with some horror now. Then after we got a little bit of money, we began to develop some policies about what we wouldn't give to, that we wouldn't ordinarily give to building funds, and we wouldn't give to sectarian religious purposes. We wouldn't give to individuals. We wouldn't give to fund drives, national or local. We wouldn't give to endowments. And so we broke two of those rules right off the bat by giving twelve thousand dollars to Grace Cathedral's building fund.

Morris: You did; and you usually made a fair sized donation to the community chest?

J. May: Practically never.

Morris: It was usually for a specific project?

J. May: Yes. We have never, as far as I can remember, actually made just a contribution to the chest or United Crusade drive except with some of our pass-through money. Of course, there we'd do as a rule what people asked us to do with their money.

Morris: How did the committee go about deciding that these were the policies they wished to pursue?
J. May: Well, I suppose as a result of the fact that those people by and large were chosen for the qualities that they were supposed to be chosen for—knowledge and experience of philanthropy and philanthropic needs in this community—and I suppose that they knew full well that if we started giving to building funds, our money would be gone practically before we got it, and that we ought to try to use our money to put in those places where a little bit of money could accomplish something, that nobody else would put money into. Very early on we began to get into the area which became so fashionable for all donors a bit later—the whole area of race relations.

Morris: That was soon after the Foundation began making grants. In 1953, you reported a first gift to the Urban League.

Did this reflect government efforts like fair employment legislation? And the second world war seems to have had an effect on race relations.

J. May: Yes, some segregation barriers were broken in the war. When I went into the navy, practically no Negro could be in the navy except as a steward. That isn't quite true; I think there were one or two junior officers, but they were freaks and very unhappy about it. But the barriers have been totally broken there.

Morris: When you first had some assets; did you and the Distribution Committee go out looking for likely possibilities?

J. May: Not as much as we probably should have, I think, but there was never any lack of requests for funds.

Morris: In other words, people got the message that you were a funding source.

J. May: Long before we really had enough money to meet any substantial number of requests. Among the early things I did was, at other people's invitation, to go and sit down with them or with people in the hospitals who had particular projects in cancer and things like that. I think they were probably quite properly looking ahead to the time when this ignorant man who is running a foundation that is hardly existent, yet, may have some money, and we want to be in on it.

Morris: So the medical people came to you, and then—

J. May: Oh, everybody did, sure.

Morris: We'd like to bring you up to date on what we're doing.

Morris: But primarily the medical people.

J. May: I really shudder to think how stupid I must have been, too.
Morris: Why?

J. May: [Laughter] Taking up their time, but it was part of an education which was necessary.

Morris: Yes, but you're saying that they came to you and said: We'd like you to come and talk to us about our--

J. May: Yes, we'd like you to come and sit down with a committee at the hospital and talk about some problems with us. So I'm sure I was terribly severe and officious, but without funds. [Laughter] Then, of course, I gradually began to be drafted to serve on committees, things like the Social Planning Council and boards of agencies.

And that raised a problem. If I got on the board of an agency, does that prevent the agency from asking for funds? Generally speaking, yes, but it was never a very hard and fast rule. And I got into the predecessor of SPUR [San Francisco Planning and Urban Renewal Association], in the days when it was the Planning and Housing Association. I don't know, all kinds of things. But I tried to stay out of any direct connection with any agency that would logically be expected to approach us for a grant.

Morris: Do you remember the first time you picked up the phone or opened an envelope, and it was a request for money that you had not cultivated?

J. May: I do not. Be interesting to go back, but I don't know whether it could even be found in the files down in our storage vaults. We've got a big wire cage in the basement. We can't keep everything up here.

Morris: You do have all the records back to the early days?

J. May: No, we've absolutely had to clean a lot of them out. I couldn't tell you what was the first grant we made of our own free will, either. Can you?

Morris: I don't know about your own free will, but yes. The first recorded grant was to the May T. Morrison Rehabilitation Center for speech therapy.

J. May: Yes, that's right. Only that was even before it was the May T. Morrison--it was the San Francisco Rehabilitation Center. Then they had thirty-five thousand dollars from the Morrison Trust, and changed their name.

Morris: Mrs. Morrison is mentioned. It may not yet have been called the Morrison Rehabilitation Center, but her name is mentioned in the announcements.
J. May: I'll be darned.

Morris: It's all there in your scrapbooks.

J. May: Thanks for telling me. I really ought to go back over it sometime.

Morris: They're very interesting.

J. May: I'm sure I'd find them interesting, and I'm sure there must be an incredible lot of things that I would say, no, it didn't happen, if you told me about it; but I've forgotten so completely about them.

Morris: Well, the things that get into the scrapbook aren't always the ones that live in one's own particular recollections.

J. May: I remember one grant, one very early grant we made. It was quite a lot of money, like thirty thousand dollars, for a swimming pool at the San Francisco Boys' Club.

Morris: That was noble.

J. May: Poor, very poor grant.

Morris: By today's standards?

J. May: Sure, sure. It's in the wrong place. The boys' club had quite sufficient backers of its own to be able to pay for the pool if it wanted one; but, of course, I didn't know about how to find out about those things in those days. I really didn't know how to judge, and I guess the committee was awfully patient with me as I blundered along.

Becoming Established

Morris: How were your responsibilities defined by the Distribution Committee when they hired you?

J. May: I'll be darned if I know. I think the idea was that I was to be the executive of this new organization which one of these days would have some money, and my responsibilities would be reviewing requests for funds and getting information about them and presenting the information to the Distribution Committee, which would then make a decision. But it was also my responsibility to make the Foundation known to people who might, in due course, give it money.

Morris: But you say that the board was patient with you.
J. May: They kind of had to be, didn't they?

Morris: Well, that's true.

J. May: Because they got somebody on this job who didn't even know what the job was, let alone how to do it.

Morris: Sure, but neither did they.

J. May: They knew more than I did, by a hell of a lot. Because they were the people who were in the community chest, who were in the hospitals, who were in all the charitable activities here. So, I guess they must have been incredibly patient.

Morris: What interests me, however, is that they would be in a better position than you, their new, first director, to judge whether or not the boys' club had sufficient assets or backers. This kind of thing. In other words, did they put their information into the pot of your deliberations when evaluating?

J. May: Oh, sure. They trained me.

Morris: Yes. It's a very interesting thing: who the people are in a community that do relate to each other and how they get things done, and how they make decisions.

J. May: Well, they used to take what we'd laughingly call the docket in those days. Yes. [Phone interrupts]

I got a lot of training in this from Leslie Ganyard, and then later on from Ruth, who was then, and still is, an awful lot better at it than I am. In fact, she's the best I know.

Morris: Her sources of information are better than yours?

J. May: At least Ruth's ability to dig out all the information there is. When Ruth presents something to her board, the facts are all there. You could be dead sure. And a lot of good opinions from people whose opinions count. That's really the essence of this job. And that's what I begged our board to look for in replacing me. The job of making the Foundation known to the community has been done, and it will continue to be done just by doing a good job. And so, to do the good job, we want the guy who can dig out, who can do a Ruth Chance job on appraising a proposal. That's what they were looking for, and that's what they got in Martin [Paley], I think.

Morris: In terms of your own orientation, I was interested in a workshop that you went to in October of '48, mainly because of the other
people that were there. This was a workshop at Stanford on
community leadership. Would that come back to you, by any chance?

Oh, hardly at all, but a little bit. It was that kind of thing
that I think was invaluable experience for somebody who absolutely
didn't know from nothing. Meeting people and hearing them talk.
I used to go to all kinds of meetings of that kind—World Affairs
Council meetings, meetings down in Asilomar, everything. I had
time to go to everything. So I just went to everything I could,
and let it soak in, which poor Martin isn't going to be able to
do.

Except that just in the routine of running the office, you do go
to various meetings of other organizations.

Yes, there's now more, an awful lot more, of the routine of running
the office. That'll keep him busy.

Well, he can read over the scrapbooks of the last five years, and
I would imagine he would find a lot of the people who are useful
points of contact. For instance, at this meeting in October, 1948—

Ben Swig, I notice you say.

Yes. John Henning.

I didn't know Jack was there—

Well, he was listed in the paper as representing a children's
group, which I thought was fascinating.

But even then, a labor man.

Yes. And P. Boone, who I assume is Philip Boone.

I guess it is, but I don't know. I don't remember Phil as being
there.

How about James Stratton?

Yes, sure. He ran the Booker T. Washington Community Center here
for many years.

Was that your first acquaintance with each other?

Yes. I didn't know any of these people before that.

Do you recall how they went about a community leadership workshop
in those days?
J. May: It seems to me that there were general sessions, and then we split up into little sessions, and each session had somebody who presided and somebody who was a recorder, or the fancy word, the rapporteur. And then they all came back together again. It was a standard kind of "conferencing," as we used to call it, I'm afraid. Then, of course, I got active in the California Conference of Social Work and served on its board for a while. I used to go to its meetings, sometimes even the national meetings.

Morris: Did that become the Association for Health and Welfare which no longer exists in that form?

J. May: It did. That's right. And it was that organization to which Dan Koshland's son gave money to establish the Koshland Awards which have achieved some fame in social welfare.

Morris: Have they, on beyond the San Francisco community?

J. May: Oh, yes. Statewide, and since the California Association for Health and Welfare went out of business, somebody else had to be found to run those. So, guess who?

Morris: I see. Yes, maybe not today but later in the chronology of this interview, I'd like to talk about the awards as a group. They are very interesting.

J. May: I'd love to. They are indeed. And we just recently found out, for instance, which ones of them are taxable as income to the recipient and which aren't.

Morris: Good heavens. You mean there are different regulations for different awards?

J. May: Yes, sure, but we'll get into that at that time, if you like? I found it interesting. While I was gone, a question was asked, and so Lew [White] got in touch with our attorneys and got back a very lucid explanation with reasons.

Morris: Yes, a good attorney is a very--

J. May: Oh, it's a blessing beyond price. We've got the sharpest young tax guy you ever saw in your life. He's recently gotten his partnership at Heller-Ehrman [White and McAuliffe], which delighted me.

Morris: If you were trained as an attorney yourself, would that help or hinder your functioning with staff attorneys?

J. May: Help. I would think. But I've read a bit of law, and I took some business law, and I've always been interested in the law;
J. May: and so I'm able to speak some of their language. [Phone interrupts]

No, that awards thing ought to get kind of interesting when you want to get to it. The way they started, and which were first, and what they're for, and how they've been handled, and where they're a headache, and where they're fun.

Morris: Yes, I can see all of those things. [Laughter]

J. May: Sure. And I should think we should talk also about some of the other foundations that we have taken over with both their assets and their responsibilities. One of those being an award, by the way—the Phelan Awards in art and literature.

Morris: That whole Phelan story I find very confusing.

J. May: Good, let's talk about that, then.

Morris: The statue of the Native Son which Phelan gave to the city is in the newspapers again. I gather it was somewhat controversial when it was first--

J. May: Oh [laughter], well, then you know there was a big hassle over Montalvo, the Phelan estate. The heirs tried to break the will.

Morris: Yes, that was reported, but the Foundation's name was not mentioned at that point; but the articles were in the scrapbook, so I wondered what happened.

J. May: Well, I used to keep two scrapbooks, one having to do with us and one having to do with related activities in which we had no direct part, or in which we weren't mentioned. Somebody who, as they used to say, cut up warm—that is, left a lot of money. They had a worse phrase in Chicago, it being a meatpacking town; there they say somebody dressed out heavy. Isn't that revolting?

Morris: Well, it's more graphic than cutting up warm, I think.

J. May: That's an old English phrase—to cut up warm is to die rich.

I had a lot of fun with one of the annual reports, because that year, '58, that I spoke of, I was in Europe for a while. I went to a lot of little country churches in England, and copied inscriptions of charities set up—copied inscriptions that are carved on their walls—and quoted some of them in that report. You've seen it, I imagine.

Morris: I have. Did that start your habit of finding choice, applicable, learned quotations that decorated the annual reports for a number of years?
J. May: Ranging from Pericles to Willie Mays. Somebody in the East wrote to me and said: Well, that's quite a change. Last year it was Pericles, this year it's Willie Mays, or the other way around. Well, partly that was my then-wife who would occasionally turn up something that was appropriate, and partly it was me, and partly it was others; and I used to collect appropriate quotes.

Morris: They're charming and enlightening.

J. May: Did you see the one I used this time?

Morris: No. ["One word of truth outweighs the whole world." Alexandr Solzhenitsyn.]

J. May: And I did it six months ago, before he was expelled, and that just came out to be very appropriate.

Morris: Timing is something else that one must have to work on. When is it the right time to move into an area--

J. May: That's what a really good foundation person needs to do, yes. He's got to have a great sense of timing; but I feel very strongly that in a foundation like this, there is one kind of guy needed in the early years, and I am immodest enough to think that I was not bad for its early years. But there ought to be a different kind of guy after the foundation has achieved a considerable measure of growth.

This foundation has done extremely well. Now it needs a guy who's just going to do one hell of a good job in applying the money at strategic places and at the proper time, as you say. I'm hoping and believing that Martin will do just that.

Philanthropic Families and Principles

Morris: I've got a couple more questions back on those early days. You've talked a bit about the early board meetings, when you felt that you were wasting their time, but what do you recall about the group's shakedown period, to go back to the navy; were you aware of a length of time during which they got acquainted with each other as a working unit?

J. May: They knew each other pretty well. I don't think there were real strangers among them, because this is a rather small town, and they were all out of the top drawer, pretty much on a first name basis among themselves. And I think they gradually began to learn
J. May: what a community foundation is by doing some reading of stuff I would cull for them, and they began to develop a sense of cohesion and group activity. As we began to get a little money, they began to see the pitfalls, and they began to be very careful about how it was used.

Then I was awfully pleased, I remember—I don't remember when it was, but they were discussing a proposed grant among themselves, and the first time one of them, I remember it was Parmer Fuller, said: Well, now, wait a minute, Mr. Chairman, we've talked about it a lot; I want to hear what our executive has to say about it before I express myself.

And at that point, you see, I knew, all right, I was doing something, and that he recognized what an executive is for. He was a great guy. That's the father of the Parmer Fuller who's around here now.

Morris: Yes, W. P. Fuller, III, is the present one?

J. May: "P III."

Morris: Not only is it a small town, but the family names keep repeating, and I have trouble with which generation it is at times.

J. May: Well, it's awfully funny, because they do go back, all right; here's P. III now, and his father was on my board. We're getting a good deal of second generation in this kind of business. But then you go back a step beyond that to those papers you've seen about when they tried to set this thing up in '26, and there was Koshland, there was Crocker, there was Merrill, there was Fleishhacker, there was Alexander Gerbode—You haven't seen those clippings?

Morris: Only the mention that there was an effort in 1926 to start a foundation.*

J. May: Oh, I think you'd love to see them. Helen Russell's father was one of the leaders in it. And then she became the chairman of this thing, and was for fourteen years, you know. And Dan Koshland's mother was in it. And Frank Sloss' father. It's an awfully small town. You walk down the street, you go from here three blocks to lunch at a restaurant, and you say hello to ten people.

Morris: That's a nice quality.

J. May: It's a marvelous quality, so much better than New York, more fun to operate in.

*The surviving papers are in the Foundation Series materials, donated by the Distribution Committee.
Aus aller Welt
Ein Wohltätigkeitsverein von Millionären


FOURTEEN KINDLY MILLIONAIRES.
SURPLUS WEALTH FOR THE PUBLIC.

"Daily Express" Correspondent.
NEW YORK.

Fourteen of the richest men in San Francisco, whose combined wealth is estimated at $20,000,000, met in that city recently to devise the best means of spending their surplus wealth for the benefit of the general public.

The call for the first meeting of the "combine" was issued by Charles H. Crocker, banker; William H. Crocker, banker; Mortimer Fleischhacker, banker and member of the Board of Regents of the University of California; Paul Shoup, railway executive and member of the Board of Trustees of Stanford University; and Clay Miller, merchant and former president of the San Francisco Chamber of Commerce.

The general object in view is the giving of the surplus wealth of the city's richer families for the future benefit of the whole community. Each of the members of the new organization will make specific gifts for charitable, educational and other purposes, and a self-perpetuating board of trustees will be formed to handle bequests by members.

The fourteen millionaires met in answer to the last call appointed Mr. Merrill chairman, with instructions to make a careful study of the Rockefeller and Russell Sage foundations and all other leading community funds operating in American cities. Details of the organization will be perfected at a meeting this month.

MILLIONAIRES GÉNÉREUX

Décidément, la mentalité des millionnaires modernes évolue d'une manière satisfaisante, aux États-Unis tout au moins et s'entourent dans de tels cas les Crésus du vingtième siècle finissent par avoir une bonne conscience.

On parle de San Francisco que quatorze millionnaires de cette ville, qui possèdent à eux seuls 100 millions de dollars, se sont réunis en vue de s'engager sur les meilleures manières de faire servir à la masse de leurs concitoyens la partie de leur fortune dont ils peuvent disposer sans inconvénient.

Cette «Amicale des Millionnaires», visant à la répartition adéquate des dons, c'est-à-dire que chacun communiquera aux autres ses intentions à l'égard de telle ou telle œuvre, de manière à assurer une meilleure répartition des fonds parmi les œuvres charitables, d'enseignement, etc.

Les millionnaires dont il s'agit comprennent Charles W. Merrill, métallurgiste; William H. Crocker, banquier; Mortimer Fleischhacker, banquier et membre du comité des présidents de l'Université du Californien; Paul Schoup, membre du comité exécutif des Chemins de fer et directeur de la San Ford University; Clay Miller, marchand et ex-président de la Chambre de commerce de San-Francisco.

Il a été décidé d'étudier d'une manière approfondie l'organisation des Fondations Rockefeller et Russell Sage, etc.
Morris: Do these same families deep functioning along this line because they're the same kind of people, or have the parents made a point of bringing their young into philanthropy?

[See p. 60 for a partial answer.]

J. May: The company foundations are really like so many family foundations, just the incorporated alter-ego of the person or the firm whose money it is, the channel through which they give funds to charity. And they're not a foundation in the sense that the Rockefeller Foundation or the Rosenberg or the San Francisco Foundation—putting myself in good company there, I admit; they're not foundations in the same sense, in that they're not setting aside money which is then to be used without regard to the interests of the donor or the donor firm. The Rockefeller Foundation really seeks to use its money in the best interest of mankind, and there is no Rosenberg on the Rosenberg Foundation board.

But if you're giving away company money through a company-dominated foundation, you've got to give away money in the interest of the stockholders; the law says so. And not only that, but I wouldn't want any company that I own stock in to just spread money around wildly. I think they ought to pay me the money in dividends and let me decide. And that's what the law says. And so a company foundation is, in terms of a foundation as we try to understand it—of using the money in the strategic places—almost a contradiction in terms.

I think the company foundation and the family foundation—the incorporated charitable pocket—do serve a useful and valuable function, in that they get a little more money into charitable channels, and I think that's great. But I don't think they are in the public interest as much as something like the Rosenberg Foundation, which has no motivation whatever, except the charitable one. Is that being too stuffy for words?

Morris: No; I see the distinction. I'm not clear why a milk company foundation, for instance, is by law precluded from making a gift to, say, a pre-school trying a new idea in teaching techniques; but it can make a grant of the same amount of money to a university general fund.

J. May: All it's got to do is to be sure that it can stand up in court and claim that that grant of funds, to whatever it went to, is in the interest of the stockholders; and even if they can say it makes our community where we do business and where our employees live a better place to live, that's in the interest of the stockholders. But mainly you will find a chemical company will make grants for scholarships in chemistry. It's allied to the business from which
J. May: the money came. And you will find a family foundation, you know--the William Q. Smith Family Foundation, Inc., will usually be used principally to make donations to those things that Mr. and Mrs. Smith are particularly interested in, will pay their contributions to the United Crusade and to their church and to their college and to their school and all the rest of it.

Morris: Into general operating funds of established good works.

J. May: Oh, either that or for alumni funds or for special purposes, but it's not like the pure foundation looking for the best place to put its money regardless of whose back gets scratched. Awfully stuffy, I know. Well, I wrote an article about this recently, which is why I'm full of it. And that is available to you if you haven't seen it. It will show one maverick's point of view, and it is a maverick point of view, too.

Morris: It seems to be a point that needs clarifying, because it is confusing. When I started research on this project and went to the University library files and looked under "foundations," what I found was concrete and reinforcing steel.

Foundation Organizations

J. May: There is a much better library on foundations than the one you found in the social science graduate school.

Morris: It's the one that's over here.

J. May: That's right, in the business branch of the public library.

Morris: Yours is quite good. I haven't worked my way through it yet.

J. May: Is that so? I'm awfully glad to hear it.

Morris: I have the Peterson report, which I'm working on and which is quite interesting.  


J. May: The hearings before the Hartke committee would be good for you, too. And *The Big Foundations*.¹

Morris: That one I have read. There's also the proceedings of the British-American Conference,² which was—

J. May: Ditchley Park. That's one I'd love to have gone to. I wanted very much to be invited to that as one of the last really fun things in my career, but I wasn't.

Morris: That was unkind. Aren't you a founding father of the Council on Foundations? I gathered that you became involved in committees on foundations nationally almost as soon as you had your desk dusted off.

J. May: I am the oldest living member of the Council on Foundations. I'm about to go off its board. The Council on Foundations started because the people in community foundations, which is a very small sector of the foundation field, decided they should meet to discuss mutual problems. We began to meet annually and the eight or ten of us that decided to arrange for these meetings simply called it the National Committee on Community Foundations.

That remained as it was for a few years, with the eight or ten or twelve or growing number of people reading the same speeches to each other year after year after year, until none of us could stand it any more—about what do you do if; and how do you make your foundation known to the press; and all this kind of thing. So then we expanded our little group to the National Council on Community Philanthropy or something like that, and we took in foundations that are concerned with local communities, rather than like the Rockefeller Foundation and Ford and so on, concerned with an unlimited geographic area.

Morris: So this would include Rosenberg, for instance.

J. May: It would include Rosenberg, for instance, and lots of other foundations whose creators have made their money in a particular area in a particular state and wanted to confine their generosity to that area. And then gradually, as the foundations came under attack in

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J. May: Congress, we realized that there should be some organized voice that was speaking for foundations. Then the whole thing underwent a metamorphosis and became the Council on Foundations, with no foundations excluded except those which don't live up to some fairly easy standards. I personally think the standards should be much higher. And I've said so; as a matter of fact, I'm somewhat of a maverick in that respect, too.

Morris: When you were first reading each other's speeches to each other, were there things about community foundations in other states that you found useful to your work here?

J. May: Tremendously. First thing I did after I got my feet under a desk and was sure I was on the payroll in May of 1948, after a very few weeks I took off for a tour of the East and visited the community foundations that had been operating in Chicago, and Boston, and New York and Pittsburgh, and, I don't know, maybe one or two others, but I think that's it, to find out how these fellows that were already operating these things did it. This was really a how-to-do-it session. Most of it I did by train, by the way.

Morris: One did, in 1949.

J. May: Yes, and for some years after that when I went East on business I used to take the train. I liked it, and time didn't matter. I had more time than I had things to do. It's very different now.

I'm not in the inner circle in the foundation world, you see. Partly geography, and partly because I am a little bit inclined not to take the party line. I'm very much away from the party line on some things. For instance, the party line of the Council on Foundations is that the requirement for a 6% payout is not a bit too high, and that we get ourselves in a very bad position when we advocate its reduction. If we can't pay out a modest percentage like that, I don't think we ought to be in business.

Morris: That's interesting, that you find yourself not going along with the party line. Aren't you a founding father of the Council on Foundations?

J. May: Yes.

Morris: I see. You've been spurned by your child.

J. May: [Laughter] My resignation from its board was recently announced, but it came to me as news.

Morris: I see. Oh, that's unfortunate.

J. May: I was talking with them on the phone this morning and mentioned it to them; caused a certain amount of confusion.
3. OPERATIONAL POLICIES EVOLVE

Community Concerns, Ca 1950

Morris: You made a couple of comments about working with the Distribution Committee that I'd like to continue. We were talking about the evolution of granting policies and programs. You said that you felt that you were on the right track when one of your committee members said: I don't want to render an opinion until I've heard what Mr. May has to say on a grant.

J. May: Yes. That wasn't so much actually policy; that had to do with individual particular grants. And then we gradually began to evolve some policy after we began to get some money. Simple things at first, such as we don't ordinarily from unrestricted funds contribute to building fund drives, to the United Crusade, to the Red Cross, to annual campaigns of any kind. We don't ordinarily contribute to operating budgets. We'd rather do something that is going to have a multiplier effect—that is, take a risk, put our money where more standard sources of funding won't put their money.

I like to think, for instance—if the Telephone Company, Standard Oil, PG&E, and Levi Strauss, and the rest of the good corporate citizens take on the funding of a project, that's fine for them, but those that they think are too risky or too controversial, maybe that's where we ought to put our money and try some of these things out. That we ought to put our money into things with United Crusade agencies that those agencies can't use the United Crusade funds for—new programs that they want to try out that may or may not work. And if they don't work, then it's our money that has paid for the experiment, and I don't think it has really gone down the drain. At least it's had some negative proof value.

If it doesn't work, then the United Crusade hasn't put up its money for risk undertakings, but theoretically, if it's a good program and has been proved, then it'll be part of what the United Crusade funds in the future. I think it's tremendously interesting
J. May: that of all the new programs—new in the last, say, ten or fifteen years—that the United Crusade has agreed to fund, I should say at least 80% of them were launched with our money. At least. I may be wrong, but every time I see a list of new programs that the crusade is funding, I can see that little asterisk on it, originally funded by the San Francisco Foundation.

Morris: As a key to evaluation, that's quite a record, I should say. Going back to the first years of the Foundation, I was wondering how you and the board evaluated the issues that were in the community to decide which ones you wanted to fund when they turned up amongst your applications. Going through the scrapbook, I found various kinds of listings. For instance, the president of the Chamber of Commerce announced a ten-point program for 1949.*

J. May: Who was the new president? Do you remember?

Morris: Henry North of Metropolitan Life. I assume that this was what the executive committee of the Chamber would have been interested in. And at that point they were concerned with traffic and transit problems, housing, more factories to broaden local employment opportunities, increasing domestic trade through market development in the Bay Area, greater overseas commerce, San Francisco port development, and cooperation with districts of the community for their improvement, and then cooperation with city government for civic betterments.

J. May: I don't think any of those things except perhaps two would fall within the scope of what the early Distribution Committee thought was our business. One was housing, and the other, toward the end—

Morris: Cooperation with various community districts--

J. May: Yes. That kind of thing. Yes, we've been putting a lot of money into neighborhood organizing, but we didn't do it in those early days. And I think it's interesting that you picked this up in 1949. Of course, the Chamber had been operating for decades and had a basis on which to base its choices. We were new. We had no money at all, and I think, as I said to you last time we talked, that the members of the Distribution Committee thought that our job was the support of local charities, not things like neighborhood organization, not things like housing, though we did get into both those things later on. But really, the kind of thing that you would classify under social welfare in the old days. That was our business.

*San Francisco Chronicle, December 8, 1948.
Morris: Other clippings from the San Francisco papers in '49 and '50 that survive in the Foundation's scrapbook were proposals for an adult guidance center for alcohol treatment, a public child welfare agency, a recreation training camp; and also the fact that Stanford Research Institute was a new resource in the Bay Area, and a Building for Youth campaign which seems to have been a joint project of several agencies.

J. May: You're not talking about things that we funded in our grants?

Morris: No, these were community concerns. This is what was being recorded in the press in the years when the Foundation was getting started, and I was wondering which of these issues some of the Distribution Committee responded to particularly, and what kinds of discussions might have ensued.

Alcoholic Rehabilitation

J. May: Well, as I think I mentioned the other day, they were concerned in the early days with things like alcoholism, which was prevalent then, which really had very little attention in those days aside from the national council and AA; they were concerned with mental health, because that was really coming to be recognized as a major problem in society. In addition to which, one of the early trusts we had was specifically earmarked to be used in the field of mental health. It was the J. Downey Harvey Trust.* It wasn't very large, but it seemed like a lot of money to us in those days. It was between $150,000 and $200,000, and we've used it over the years. It's still a part of the Foundation. We've used it to try out programs for the reentry of mental patients into society, people coming out of mental hospitals. More for that than for preventive mental health work.

Morris: Any special reason?

J. May: Yes, the terms of the trust. It says something like 'for social programs aimed at helping the transition of former mental patients into society.' That's not quoting it exactly, but it's something like that.

*Funds from this trust were first available in 1954. That year, grants were made from the trust to start the McAuley Clinic, for the San Francisco Mental Health Society's new information and education program, and to help establish an after-care home for on-leave patients from Agnews State Hospital. Ed.
Morris: Had that trust been worked out with people from the Foundation, or had the family itself marked out this area as one of their particular interests?

J. May: The donor herself had marked it out and had talked with a man at the Wells Fargo Bank, who's no longer there, about how to accomplish what she wanted done. He told me that, really, he thought that the whole problem of alcoholism was very high on her agenda for family reasons. I don't think this is saying anything bad about a particular family. I don't know a family that hasn't had that problem somewhere, but he was a little bit reluctant to mention alcoholism in a public document, and so he said something about mental health. And she signed the will and later died, and so that became the terms under which we use the trust.

Morris: I think the state hospital statistics indicate that a good percentage of patients have been in state hospitals because of alcoholism. A sizable percentage.

J. May: Sure. Where else did you put them in those days? I think we're getting a somewhat more humane attitude toward alcoholism now. The revolving door thing in the city or county jail. I don't think people are looking on that as a very good way to handle a problem any more. Pick up the drunk, hold him in the tank overnight, bring him into court the next morning, turn him loose, pick him up the next day, put him back in the tank. Now they're trying not to consider the drunk as someone who has committed a misdemeanor, but as somebody who has got a health problem.

Morris: That statement was made in some of those press conferences in the late '40s.

J. May: Sure. Thoughtful people were thinking about it then, and it's people like Florette Pomeroy who were doing something about it. And Jerry Levin, the judge. He was first a superior judge, and then a federal judge. And he was very active in the Council on Alcoholism and in some other activities having to do with alcoholics. Jerry died about three or four years ago, I think.

Board Leadership

Morris: Did your board members have particular areas of interest or knowledge that they would contribute to--?

J. May: Well, some of them were very knowledgeable about social welfare, about philanthropy, in general, and some were not. I would say that Dan
J. May: Koshland and Helen Russell and Parmer Fuller and probably Mrs. McLaughlin were those who had the most experience in this area, and that Farnham Griffiths, who knew more about education—he was a regent of UC—and about the law and some other problems, was not as familiar with local philanthropy as some others were. And, surely, Ted Petersen, who was the president of Standard Oil, though a very distinguished man in the business area, was not really very sophisticated in terms of social welfare and charity and so on. Harold McKinnon was the seventh. He had been president of the United Crusade, or was at that time—I've forgotten exactly when he was—and he certainly knew his way around; and he was the Catholic on the board. A fair amount of our early money went to Catholic undertakings, one kind or another, and still does.

Morris: On any kind of a ratio basis?

J. May: None. Definitely not. We've never tried to do that, but there is now a move among some of the members of the committee to make at least a rough guideline about what percentage of our annual giving should go to education, and what percentage should go into health and/or mental health, what should go into child welfare, what should go into preserving the environment; but there has never been such a ratio adopted.*

I personally don't think it's a very good idea. I think it's better to take the needs as they come and try and fill those that you think are the most important and pay for those things that will have the most effect in the long run.

Morris: What would happen in a discussion of grants in the early days when you've got some board members who are knowledgeable in the community philanthropy areas, and then you've got some with more of a professional business background? How would they discuss?

J. May: I think those that were the recognized leaders in charity locally were the ones that the others allowed to take the lead. In our discussions about whether to give five thousand dollars or something, the two chairmen, originally—Dan Koshland for four years and Helen Russell for fourteen years—really used the position of chairman to exert some leadership. I think these two people were such leaders in this whole area that the others had some tendency to go along with them.

*Early annual reports did offer a percentage summary of grants. For 1957, this was: health and mental health 18%; child welfare 20%; education 19%; social welfare planning, coordinating and federated appeals 24%. Ed.
J. May: How did the discussions progress? I can't help thinking now that they must have been patient and awfully considerate. The fact that they had an executive director who really knew nothing about the whole matter of philanthropy and social welfare and charity and so on. So they trained me. Though I didn't realize I was getting the training from them, I'm sure they knew it.

Morris: In what ways?

J. May: In the way they made their choices and the reasons they advanced for it, and the questions they asked to which I guess they didn't get answers most of the time. If I'd had more experience, they would have been entitled to expect better answers.

Morris: Do you remember what the questions were?

J. May: Yes. The questions were: what other sources of support does this particular proposal have or should it have? Is it something that ought to be funded by government funds at any level? Is it being done elsewhere? Is this really a new departure? Are the people who are asking us for the money qualified to do the job they're asking us for the money for? All this kind of thing.

Morris: Have you then adopted these questions yourself in evaluating an application?

J. May: Yes, they're such obvious things when you really see what the job of a foundation is. These things are among the questions you have to have the answers to. The qualifications of the key personnel are a very important factor to us now. A lot of people in the foundation world talk about betting on people. In effect that's what we do a lot of the time. Somebody who has a really superb reputation, to put funds in his or her hands is a better bet than somebody who just isn't very good. Of course, you make all kinds of mistakes, too.

There was one grant that I was connected with, and I think I won't identify it, that brought this home to me fairly early on. It had to do with a project dealing with Indians. The money was provided. The grant was authorized, and then the person was chosen to deal with the problems of the Indians, and I was dismally disappointed. I thought that the man was really not as good as was needed for that job. My judgment couldn't have been worse. He was absolutely superb, and he did a marvelous job at it for years and years and years.

Morris: That's the kind of mistake one would like to make.

J. May: Exactly, sure.
Morris: That's interesting. Who had developed the original proposal?

J. May: The Friends Service Committee, and that's as far as I want to go in identifying it, I think.

Morris: Then later a person was selected?

J. May: As soon as the grant was authorized, a person to do the job was selected, and I was disappointed. That's just bad judgment on my part. It had no actual effect, because the grant had been made anyway. So my bad judgment didn't impede the good job.

Morris: It left an impression on you. Did it affect any later--?

J. May: I don't think I had any feelings of infallibility anyway, but I think it reinforced my feelings that mistakes are pretty easy to make.

Morris: The early applications that came in--were they primarily from established organizations in the community, agencies already in the United Crusade?

J. May: Yes, I think they were. They were from boys' clubs and hospitals and the Girl Scouts, neighborhood centers.

Morris: At what point did you start getting, I guess we call them innovative applications, from new groups for new purposes in the community?

J. May: I suppose as it began to become known than we either had money or one of these days would have money.

Developing Assets

Morris: There's quite a lot in the files about early activities in relation to making banks and attorneys aware of the fact that this was a useful way to dispose of your earthly possessions.

J. May: Yes. That was a very primary job of mine, because there was very little to do in what is the business of a foundation, which is the useful giving away of money. And so the means to that end, which we haven't yet reached, was this kind of public relations or promotional kind of thing--making attorneys and trust people and investment counselors and accountants, all these people, aware of the Foundation, because they and various other kinds of people, friends, priests, rabbis, and so on, are sometimes consulted about what to do with money. So it was an effort to make the Foundation known.
J. May: You mentioned that series of articles in the legal journal, I think, when we were talking last. That had some effect in bringing the Foundation to the attention of attorneys and so did that rather splendid centerfold piece in a book of gift forms that we put out in 1950, because it was beautifully written by a man who is now a federal circuit judge, and there were names signed to it—I think about ten or a dozen names. All of them among the great names of the bench and bar in San Francisco. So that caused some useful comment. I remember calling Gene Prince, who was later on the Distribution Committee and was a partner in Pillsbury, Madison, and Sutro, to ask him if he would consider looking at it, and if he liked it, adding his name to it. He couldn't have been more polite and more kind and more gracious, and said, "I've never heard of the San Francisco Foundation. What is it?" So, he found out and liked it and duly had his name on it.

Morris: What did you do to make the Foundation known, and yourself, in the grant requesting part of the community?

J. May: That's a terribly interesting question. I don't know. I suppose I spent a fair amount of time visiting health and welfare agencies. I began to be very active in what was then the community chest and which became the United Community Fund and finally the United Crusade. I gradually began to serve on boards and committees; my doing so helped to make the Foundation known. Whatever I did, wherever I was, it wasn't John May; it was that guy from the Foundation, and all this helped a good deal.

Morris: Did the Distribution Committee take a role in this?

J. May: In making the Foundation known?

Morris: Yes, and in scouting out likely areas of activity.

J. May: The individual members took some role in bringing the Foundation to the attention of their friends and financial peers.

Morris: So that the Foundation's Distribution Committee's role from the beginning has been primarily reacting to grant requests?

J. May: Well, it's been that, but its very composition has really been the strength of the Foundation. The fact that these names are the kind of names that they are is the reason why the community began to say: Well, this is obviously going to be an organization of great stature one of these days, because you don't get that kind of person on a little board of something new unless you've got a pretty good chance that it's going to be great.

Morris: This is purely by the way, but, going back to the kind of press support you had in the early days of the Foundation, did you have
Morris: contact with Lawrence Arnstein? He is a great advocate of the usefulness of a piece presented to the press at a strategic time.

Sources of Advice

J. May: Funny, I didn't know he was. Over the years I've had a great deal of contact with him: Mr. Public Health. Dr. Public Health, now. I think he finally was given an honorary degree. He should have been given it long before from the School of Public Health in Berkeley, whose dean, Chuck Smith, was one of the great people in this area, and was also a staunch supporter of the Foundation. He was on what we called our advisory committee.

Morris: When was that instituted?

J. May: I would say within five or six years after we began, maybe longer--maybe ten years. The idea being that since the staff of the Foundation consisted of me and a secretary, and I had no training in any of these areas, it would be helpful to have somebody who could advise us in matters of health and somebody in social welfare and somebody in education and somebody in the arts and humanities. So we got a very interesting bunch of people together, and they would occasionally have dinner at Mrs. McLaughlin's house. They were just great.

Morris: I find the first reference in 1953, at which point the advisory committee was Milt Chernin--

J. May: Okay, that was five years after we started.

Morris: --and Marjorie Elkus, J. P. Leonard--

J. May: That was Paul Leonard, the president of San Francisco State in those days. And Chuck Smith--

Morris: That's right, and Lynn White from Mills.

J. May: Yes. Smith on health, White on the humanities and the arts, Marjorie in social welfare, Chernin in social welfare, also. I guess Lynn was supposed to be helpful in matters of education, but that was a bit advanced for us in those days.
Educational Television Support

J. May: One of the first grants that that committee recommended was in the emerging field of publicly supported television. Paul Leonard had been active in the creation of KQED, and I'd had a lot of meetings with (What was the man's name who really organized it?) Vaughan Seidel, I think. He was the superintendent of schools in Alameda County.

That was kicked around over Mrs. McLaughlin's excellent liquor and beef for one rather long evening, and finally the recommendation of that advisory committee was that we make our first major grant to KQED to enable them to employ a person who would pull all the strings together that were necessary to make it a really good operating station. The Distribution Committee granted twelve thousand dollars, which was huge for us. Jim Day was employed with it. That was the first major money that KQED got.

Morris: Was Jim Day already in the Bay Area?

J. May: Yes, he was, and I think he was in the TV field, but I'm not sure. He's got a program of his own now, and his own production company. He's a TV personality interviewing famous people.

Morris: Yes, I should watch him for some professional in-service training.

J. May: Famous guy, now; a very, very good one. He was president of National Education Television for a while, too.

Morris: Do you recall what the rationale was on public television in those early years of the '50s?

J. May: I think that it would do a great many things for the Bay Area. That it, first and foremost, would be a useful tool to the public schools, because, you know, with the closed circuit system that they were talking about then, and have since developed, there's quite a lot of teaching that they anticipated doing in the public schools by television. That's why Vaughan Seidel was in it. That's why Paul Leonard was in it.

Then, educational, informational, and artistic programs, some of which aren't good for sponsorship, were thought of as very useful. Matters of public interest, controversial things—the kind of program that the commercial station is not in a position to present, but which has to be presented on a non-profit basis. Of course, since then, I know that people complain that KQED says it isn't commercial, but it has an awful lot of commercials on the air—commercials for itself, or else, "this program is sponsored by," which is pretty good advertising. I would call it a commercial.
Morris: There's the hard sell, and then there's institutional advertising. That might be the distinction there. Were there comments one way or the other from whatever commercial televisions there were at the time?

J. May: My recollection, which is hazy, is that they were very much in favor of it and very helpful.

Morris: There had been a governor's conference on educational television around 1951, I think. Did that have any--

J. May: Was there? Oh, it probably fired up the interest of some of the people on the Distribution Committee and certainly some of those on the so-called advisory committee.

Morris: Giving it support from the state level, as it were. Encouragement.

J. May: No, I mean the governor's advisory committee with all the publicity it had, I think, brought the idea of publicly supported television to the attention of a lot of people in key places. That's why it finally made itself felt among the Distribution Committee. They were ready for it when the advisory committee recommended it. That advisory committee didn't last very long.

Morris: What happened?

J. May: Oh, I think people sort of drifted away, and the Distribution Committee didn't find that the advisory committee as a group was helpful in many circumstances. We continued to use some of the members of it individually. I guess particularly Chuck Smith. Any matter concerning a health problem that came to us, I always went to Chuck with, and he was always immensely helpful, tremendously generous with his time, and always thought of the Foundation as "our foundation."

When we thought of disbanding the advisory committee, I got an irate letter from him saying: "You can't do that! That's one of the things that I use in showing my value to the president and regents of the university."

Morris: I see. In other words, this represented his community service?

J. May: Yes, one tiny part of it. He was running all over the country doing good things. Then Lynn White moved away from Mills, and Paul Leonard moved away from SF State, and so I think it just was allowed to sort of fade away.

Morris: Tell me some more about the dinners at Mrs. McLaughlin's. Was this a device that she used, or--

J. May: I think she offered to be the contact between the advisory committee
J. May: and the Distribution Committee, and she knew all these people, and they knew and respected her. There were some pretty interesting evenings when the discussion would start over cocktails in Mrs. McLaughlin's house. Do you know the house she had out on Clay Street?

Morris: Only through Caroline Charles' description of it in her introduction to Mrs. McLaughlin's memoir.*

J. May: Lovely old house. The dinner was almost always beef, for obvious reasons; her maiden name was Moffatt—Moffatt Meat Company.

Morris: Oh, I hadn't made that connection.

J. May: The service was good, and everything flowed very freely, and that helped the conversation to flow equally freely.

Morris: Was there a stated topic of the evening?

J. May: No, as a rule, not. There were questions that had come up in the Distribution Committee, and they were posed to the advisory committee. I tried to take notes and make some sense out of it.

Morris: Then you didn't have a tape recorder; that's too bad.

J. May: No, I didn't even know what a tape recorder was. I think there were such things even then.

Morris: Yes, those were the early days of the oral history field, too. Were these regular meetings?

J. May: No, irregular, just on call, and whenever we could get that busy bunch of people together for an evening. That took some doing, too.

Morris: What kinds of questions would the Distribution Committee refer to the advisory committee?

J. May: I think everything from the particular to the general— from questions about a particular organization or a particular application from that organization on the one hand, over to matters of policy on the other hand. Should we pitch in with other grantors to get something big done, or should we make a lot of little grants or comparatively few big ones? Should we go into brick and mortar? Is that a place that's a particularly useful area for support? Is education our bailiwick? How

*A Life in Community Service, University of California, Berkeley, 1970.
J. May: about the arts? Or should we continue to be, in effect, a kind of a supporting arm of the United Crusade? Should we make grants to the United Crusade itself? How about sectarian religious activities? How about the support of individuals, which foundations could do in that day but can hardly do now?

Morris: In other ways than through a fellowship or scholarship program?

**Health Care Grants**

J. May: That sort of thing. Should we go in for fellowships and scholarships? How about the whole area of medical research, when obviously we didn't have the kind of staff that could make any kind of sensible appraisal among various different requests for grants for medical research? The result was that we decided to stay out of it. So then, of course, somebody died and left us some money preferably to be used in medical research. That's one of the handicaps of a community foundation. You can't specialize. By specializing, I mean, for instance, what the Rosenberg Foundation does, the welfare of children and youth in California. But we can't do that.

Morris: Why did you eschew the medical research, because of the size of grants requested?

J. May: Excuse me, I used a bad word; I implied we didn't do any. I mean we avoided it, we stayed away from it. Well, because we--two reasons were the vast funds, both governmental and private, available for medical research and our little half a drop in a big bucket wouldn't have made the least difference, and because we didn't have any way of comparative appraisal of different proposals in that area.

Morris: Dr. Smith had some input on this decision?

J. May: Sure, and he agreed with the idea that that would not be a field for a tiny little community foundation. We could use our money more effectively in other areas. We got into some health things, but I mean, not really research in cancer or research in causes of different diseases.

Morris: Basic research. That's a fascinating list. I'm tempted to go back over it--

J. May: All right. Sure.

Morris: They're all issues that I think still continue. Did these meetings at dinner at Mrs. McLaughlin's go on after the advisory committee as such was dissolved?
J. May: No, I guess it was four or five years, probably, that they went on.

Morris: I think 1963 is about the last mention I came across of the advisory committee. So I was going to ask you what happened to it?

J. May: So that's ten years. Well, it just faded away. It was never officially dissolved, but even in our annual reports we stopped listing it.

Morris: Yes, that was my clue that something had changed.

J. May: Well, that was because the people themselves sort of drifted away, and we never appointed successors to them.

Morris: Would it also have reflected an increase in your feeling of confidence in your knowledge of the community and--

J. May: I think I'd rather slightly edit what you're saying; you're the editor, and I'm the interviewee, but it didn't reflect an increase in my knowledge of these areas. It reflected, if anything, an increase in my ability to know where to go to ask people the questions that needed to be asked, or even to know how to go to people to ask what the questions should be and of whom to ask them. That's the primary job of a generalist in the foundation business, anyway.

Morris: So that you developed your own group of people that you would go to on a specific area of requests?

J. May: Yes, and it's been fascinating to me that over the years people have been very willing and ready to read through a proposal and give us the benefit of their expert opinion on it. There are times, also, when we've wanted a job done requiring a specific skill where we've not done this as a matter of exploiting a friend, but have actually gotten somebody on the board for a few days as a consultant at a reasonable fee.

We had a trust a long time ago in which we were supposed to provide free beds in San Francisco hospitals.* So I recruited Julie Bloomfield, who was a medical social worker, I think, at that time. She had left Mount Zion and was doing some consulting work. Julie worked for us for several days at a fairly substantial fee, and came in with some recommendations which were very good, indeed.

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*Amy Bachman Trust. See also the Doris Martin Miller Trusts. Ed.
Morris: About how this could be carried out?

J. May: That's right. How, and where, and how much, to whom, and all the rest of it.

Morris: That's interesting. This would be back before the days of Medi-Cal and Medicare.
4. GROWTH AND DEVELOPMENT

Foundation Interrelationships: Babcock Endowment

J. May: Oh, yes. Julie's now in the foundation trade herself. She is the administrator of the Babcock Memorial Endowment in Marin County.

Morris: That's interesting. So she found the experience useful for her.

J. May: She must have.

Morris: That's interested in medical--

J. May: Health things only, and only in Marin. I think one day it will become a part of the San Francisco Foundation. I have reason to think so, because the board had some conversations with me some years ago about whether or not they should terminate their separate existence and make the Babcock Fund a part of the San Francisco Foundation. You may find it hard to believe, but at that time I advised against it, because they carry on a program of what is, in effect, individual casework in which they interview individual persons about whether or not they will put up money for individual medical care, and that's a very costly and difficult undertaking.

I told them that as long as they were doing that, that I thought they had no reason to worry about the fact that their expenses were rather high, because you can't do that without having skilled staff, which Julie is. But when they were willing to recognize that there are public funds now for that sort of thing, and to devote their money to grants to health organizations in Marin, then by all means, come back and we'd undertake to do the job.

Morris: In providing health care for individuals, they're almost in the category described as an operating foundation?

J. May: I suppose that would make them an operating foundation; that part of it would, yes.
Morris: Very close to it, rather than the more general grant-making for other people to undertake.

J. May: But it takes a very highly skilled person to screen applicants for individual aid, and it costs a lot to do it. They were worried about the fact that they gave away—I've forgotten exactly what their total available money was per year. It was something like one hundred thirty or one hundred forty thousand dollars, and it was costing them sixty thousand to operate, including everything. And they were very much worried that their ratio between disbursements and expenditures looked so bad. Of course, it was attributable to an individual casework program. You've got to have full time help to do it. Nothing wrong with it, either. So I told them to keep on as long as they were doing that; but I think they'll get out of it in a few years. I'll be sorry because Julie will be out of a job.

Morris: You may then have a medical division—

J. May: No, we're not the Rockefeller Foundation yet, thank you.

Morris: In the process of doing this over the years, have the Babcock people done any evaluation themselves on methods of case evaluation or the costs of it or—

J. May: Oh, yes. Indeed, they have, and some of those things are what made them worry about whether they were justified in going on. I personally don't think they are, with Medi-Cal and Medicare and all the rest of it.

Morris: I was thinking about it more in the area of whether they developed any materials which might be useful to these larger medical care programs, in terms of how you administer and how much of this kind of case service was available.

J. May: No, no. You probably better turn your microphone on for Julie and ask her.

Morris: Yes, I think it's an interesting question.

J. May: I suppose in this whole job that you're doing about foundations in the Bay Area, we're going to get into relationships between the two foundations you're principally interested in, because their executives are retiring, and a lot of the others.

Morris: Yes, indeed.

J. May: Well, with Babcock there's this relationship: they considered turning that money over to us for use under their terms in Marin, but there's also another relationship. When we have a program that
J. May: even approaches the health field in Marin, we invariably go to Julie for advice. So she has a very substantial effect on our grants in Marin, whether it's health, mental health, or anything allied.

Morris: In other words, you don't feel that you shouldn't make grants in Marin because the Babcock foundation is there?

J. May: Well, they've only got a few thousand dollars a year, and it would be a pity if we didn't. We sometimes share a grant with them; if they do the research, we'll do the implementation on a proposal. And if it costs forty thousand dollars, and if they can put in fifteen, we're quite likely to go the other twenty-five without doing much work-up ourselves. So that makes Julie really kind of a part-time unpaid staff member for us, which is great, because she's very bright.

Morris: Yes, and if you have confidence in her and would be going to her for the background work, too.

J. May: And it also helps the feelings of the trustees of the Babcock, because they think that Julie is performing a bit more service in getting a bit more money into Marin, which is what they're concerned with. So everybody's pleased.

Morris: That wouldn't be seed money or multiplier, per se, that would be more spreading the load of--

J. May: No; I mean, they do some project granting in addition to their individual assistance, and they do project granting on the standard kind of foundation idea of seed money and starting new things and demonstration and pilot and innovation, and all those nice words that we all love. And when they find something really juicy, they're quite likely to tell us about it and ask if we want to be big brother in it.

Morris: This is a way one foundation provides more money or helps to provide more money for a given project.

J. May: Yes, I think so, and that's what their trustees think, too. So everybody's happy. And we get an opportunity to use some money really well in Marin without putting a lot of staff time into it.

Morris: How extensive is this kind of mutual advice and counsel?

J. May: Well, we have a brown bag group that meets for lunch once a month, consisting of foundation people—usually staff, but one or two unstaffed foundations attend it, too. So there are some trustees, and whatever problems are common to foundations are discussed at those meetings. We do an awful lot of telephoning back and forth
J. May: among ourselves. The Rosenberg and San Francisco Foundations are the ones that over the years have done the most of this kind of mutual consulting, but that's because we were until fairly recently the foundations that were doing things. Now there are lots of others. You don't want me to name them, do you?

Sectarian Philanthropic Support

Morris: Not now. I'd like to come back to this later on, chronologically. I'd like to go back to some of these other areas that you chewed over along with Mrs. McLaughlin's prime beef. [Laughter] I think one that really sticks out is: what was the line of discussion on the sectarian activities?

J. May: It was very easy. Keep out of it. Since the San Francisco Foundation is a composite of funds of an awful lot of people in the community--Catholic, Jew, Protestant, Heathen, and everything else--it really wouldn't be fair to use that money for strictly sectarian purposes. I think everybody agreed to that, and so it's rather funny, I think--we adopted early on these almost-prohibitions against both sectarian religious activities and building funds. So we made what was then a very large grant to the Grace Cathedral building fund, which sort of proves that everything I say we do, you can challenge; and everything I say we don't do, you can probably find an example of where we did it.

Morris: Oh, this is an example of the rules on it being honored in the breach. Why?

J. May: Why? Well, now you're asking me a very delicate and touchy question. Helen Russell was at that time the chairman of the Distribution Committee, and Helen Russell was also a key figure in raising money to finish the building of Grace Cathedral which had been started fifty years before.

Morris: That's the way cathedrals historically were built.

J. May: Well, over a hell of a lot more time than that, really, but Helen was in the chair at the meeting at which this came up. The question was, do we even make a token gift to the Grace Cathedral building fund; and the answer from some people was, of course, that we don't. And so the matter continued to be discussed until finally it was moved by one person and seconded by another and passed by everybody that we give them twelve thousand dollars.
It's interesting to me to remember that it was the two non-Protestants, one Catholic and one Jew, who moved and seconded this motion. So then a few years later, of course, we had to make a token gift to "the Bishop's Bendix"—the new Roman Catholic Cathedral—which we did.

Have you yet had a request from a temple building fund?

I don't know, and I don't know what would happen to it if we did, but on the basis of fairness, obviously we ought to do something. We may have. I don't know. There haven't been temples built in San Francisco recently, except maybe the one on Brotherhood Way. Have there?

I haven't been watching.

On the basis of what religious group carries the greatest load of philanthropic support in the Bay Area, of course, then we ought to have started with the temples and gone next to the Roman Catholics and then to the Protestants. The Jews of this community do so far much over and above their proper share in the support of charity. And I don't mean just Jewish charity. They do that, and then they beat the Catholics and the Protestants in support of general charity, too. No question about it.

Have you and Mr. Koshland ever talked about this?

Sure. There's very little that Dan and I don't talk about. I've talked more about this particular matter, I think, with Walter Haas, Dan's brother-in-law, who's very much concerned every time the big givers' list to the United Crusade comes around. You can go down that list of the people who give really vast amounts of money, and the very heavy majority of them are Jews. And they are not in a majority in this community, and they do not control most of the money, either. Don't ask me why this is.

Maybe I should ask him. I've been curious myself. I've noticed this not only in San Francisco, but in other communities, such as Hartford, Connecticut.

Is it true there, too?

I would judge so. That was where I first was acquainted with the Jewish philanthropic community or the Jewish people in philanthropy. They seem to be marvels for fund raising in any manner, shape or form. I think it might be useful to discuss with them, if they were willing, what there is about either their religious training or family upbringing or general mores.

Yes. I'd be terribly interested to read the result of that. I
J. May: would think that if you're not reluctant to ask Dan to do any more of this kind of work, that he'd be the best to ask.

Morris: All right. I do want to talk--

J. May: Others would be Walter Haas and Frank Sloss.

Changes in the Distribution Committee

Morris: Why was Mrs. McLaughlin never chairman of the Distribution Committee, since she seems to have been--

J. May: What a fascinating question. Well, I suppose, leaving out of the question why Dan was made the first chairman—I guess it was because he'd been the key figure in the exploratory committee which put the Foundation together, and so it was just sort of automatic that he was elected the first chairman. After three or four years he began to say: This is long enough for me. And so the question was, who would be the next chairman. And Helen Russell with her rather vibrant leadership qualities was natural to be elected in his place. And then, that being a matter of eighteen years, with Dan's four years and Helen's fourteen, I think by that time Mrs. McLaughlin felt she was too old to be a good chairman. So I guess it's just a matter of the fact that Mrs. Russell was chairman for so long, more than anything else.

Morris: Mrs. McLaughlin was also a member of that first committee--

J. May: Charter member.

Morris: With Mrs. Russell and with Dan. It's interesting in this day of women's liberation that there were two women on that first committee of seven, and that--

J. May: At one time there were three.

Morris: Mrs. Benjamin Lehman was on the board with them in the '50s.

J. May: Thank you, ma'am. Okay, credit on that, but not full marks on some other areas in which it is said we ought to have a governing body more reflective of the community, racially, economically--

Morris: And how have you and the Distribution Committee debated those issues?

J. May: Oh, boy! Now you're getting into at least an hour's conversation. Well, I think in the first ten or fifteen years at least of the
J. May: committee's activity, it was thought that the kind of person that's needed on that committee is the kind of person who can inspire confidence in the community, and particularly in that part of the community that the money might come from. That would not lead you to ethnic, racial minorities, and it certainly wouldn't lead you to the poor. There are other reasons why the board should not be composed exclusively of the wealthy and privileged.

Morris: In terms of acting on requests?

J. May: Yes, sure. In terms also of knowing what is really important to the community, black or chicano or Asian. It was with that thought in mind that Bill Hewlett, about the time he retired from the Distribution Committee before his second term was up, made it very clear that here we are in a time when the black community throughout the whole country is pressing for its share of the good things of life, and is absolutely demanding that the handicaps under which it suffered for so many hundred years be eliminated. Bill said: There's no question in my mind any more that we ought to have a black on this committee, and that it shouldn't be a "super black" like our chief engineer at Hewlett-Packard, but somebody who really knows what the needs and aspirations and frustrations of the black community really are.

Morris: Was he acquainted with Mr. Hall?

J. May: He was acquainted with Mr. Hall. As a matter of fact, he had become very admiring of Mr. Hall when Ira Hall was, I think, the president of his class at Stanford. Bill met him a couple of times and then asked him if he would come to Hewlett-Packard, which Ira did. From there Ira went to the Urban Coalition, which was founded by Bob Hoover and Dave Packard. He went there sort of on loan from Hewlett-Packard, but liked the job and finally told Hewlett-Packard that he wanted to leave and take the job on a full time permanent basis.

Morris: As their staff--

J. May: As the executive director of the Urban Coalition down there, a post which he is about to resign, by the way.

Morris: Is he? And going where?

J. May: Yes. He's going to Stanford to take that course in which you come out with both a JD and an MBA.

Morris: That's interesting. What was his undergraduate background?

J. May: His background was engineering, which, of course, is what partly made him attractive to Hewlett-Packard.
Morris: Is this JD MBA program a recent one?

J. May: I believe so. I think it's a four-year course. To get the JD is only three years.

Morris: And an MBA in a year?

J. May: I think it is two, isn't it?

Morris: Perhaps it depends on what you come into it with from undergraduate--

J. May: I haven't talked with either of the two deans down there about it, but I would like to. If I had a little more time left in this job, I probably would. Three months from today I'll be out. Isn't it marvelous? The closer it comes, the better I like it.

Morris: You could go and sign up for that program at Stanford yourself.

J. May: Sure, and come tottering out in a wheelchair four years from now with an MBA and a JD.

Morris: Why not?

J. May: [Laughter] And commute from Marin County every day? No. Besides, I've got some other things I want to do--all planned out. Not all, but largely.

Morris: Letting no moss grow upon--

J. May: No, I'm only going to let moss grow for about three weeks. We're leaving here on July first to go fishing in Idaho, and I'm sure it's going to be traumatic as hell not to say: Well, I'm sorry, we've got to leave now, dear, because I have to be back in the office on Monday. It's really dreadful to say nobody wants me back.

Before that time comes, I will have moved my desk into an office in another building.

Morris: As a consultant?

J. May: Yes.

Morris: Are you and Ruth going to open an office together--

J. May: We are not. I don't know what Ruth is going to do. I've asked her once. I will not ask her again, because I didn't get an answer, but she simply has got to do something. She's too alert and lively and valuable and great just to stop all of a sudden.
Morris: I would think there would be an absolute clamor for consultation for both of you.

J. May: I should think there would be.

Morris: Particularly with the way the needs for grants have mushroomed—

[Tape off]

J. May: It doesn't seem to me that I've come out with any little pearls for you.

Morris: Oh, I think some quite useful ones. One thing you might want to do is define some areas that you would like to talk about.

J. May: I probably ought to do that after doing a little thinking about some things.

Morris: Would you like to do that? Fine, that's a good idea.

What we're doing now is establishing what it was like in the beginning—the base line, as they say at Stanford Research.

J. May: Answering these questions has made me think of things that I never thought of, such as the fact that the learning process by which I learned a little bit was a process that really was carried on by the Distribution Committee. And, of course, it was also carried on by people who had been in the foundation field and by reading and studying and all that kind of thing.

Morris: Before we finish today, I'd like to ask something more about Mrs. Russell. What kinds of changes in leadership transpired during her chairmanship that were different from the way Mr. Koshland did things?

J. May: I'd have to think about that.

Board Experience and Orientation

Morris: All right, hopefully we'll get back to it.

One of the things, I think, that is little understood is how leadership works and how a committee chairman exerts guidance or draws people out.

J. May: I made a few comments about each of the persons who's been chairman in the annual report for this last year [1973 annual report, p. 6-7].
J. May: You've seen it.

I remember saying about Helen that she did sometimes wheedle and persuade and drive the rest of the committee into doing certain things that she wanted done. She was a very forceful lady, indeed. And I'm sure that some of the other members voted with a little reluctance on some of the things that she was strong about, but also I think they recognized Helen as somebody who was immensely important to the future success of the Foundation.

After she'd been on the committee about twelve years, she began to show her confidence, in that she gave us five thousand shares of the family holding company. That gift, which we still have, is now worth six million. It wasn't exactly that; it was that it was under-valued when she gave it to us in the beginning, and when the Provident Securities Company, a beautiful name for such a thing, was finally liquidated, it turned out to be worth more than people had known.

Morris: How did Mrs. Russell and Mrs. McLaughlin work together?

J. May: They respected each other highly and were very, very different people, indeed. I think each had some reservations about the other. Well, Mrs. McLaughlin, wore Queen Mary hats, and she was much older. Mrs. Russell was very social and always in the midst of everything, her name on society pages all the time. I think they joked about each other a little bit, but had a basic very deep respect.

Morris: Had they worked together on various community committees in addition to their--

J. May: In the old community chest, and so on. Mrs. McLaughlin was one of its founders, I think, and Mrs. Russell had been its president just before the Foundation was established.

Morris: So they'd both grown up in San Francisco with a tradition of being involved in many charitable--

J. May: I should say so, and Mrs. Russell got it from her family; her father made it very clear to his children that he thought that their wealth was a public trust. Where Mrs. McLaughlin got it, I don't know, but she certainly felt an enormous responsibility to the public welfare. I never heard her call Mrs. Russell, Helen, or heard Mrs. Russell call Mrs. McLaughlin, Emma. Never.

Morris: That's an interesting comment--

J. May: They were not intimate friends at all.

Morris: Did the Distribution Committee ever come to Mrs. McLaughlin's brainstorming dinner parties?
J. May: I think one or two of them attended a session each. I think Mrs. Russell came once. I don't know about others. I can't remember.

Morris: Were there other kinds of things that happened to bring the Distribution Committee and you up to date on specific community issues or concepts?

J. May: Yes, I think the meetings of what became the national council did; I'd attended those every year, and sometimes a member of the Distribution Committee has attended. Mrs. Russell went once or twice. Dan Koshland went once or twice. Ira Hall has gone a couple of times. I think they've gotten something about desirable ways for foundations to operate out of these things. There's been an awful lot of reading matter that has helped.

Morris: It sure has.

J. May: You suffered only from a tiny fraction on it. There's a whole series of these books based on conferences on charitable foundations which are held every other year at the New York University School of Law and Taxation.

Morris: On the financial aspects?

J. May: Not at all. On everything. Financial, legal, grant making, all the problems of foundations, and they're very good, too. I've only gone to two or three of those. It's too expensive, too far away, takes too much time, too much money.

Morris: Do you find that after a while, as you said about the early meetings of the Council on Foundations, you begin to cover the same territory? Do the publications begin to repeat themselves?

J. May: No, I don't think so, because the field is changing so much all the time.

Morris: Do you ever use parts of the board meetings for general background discussion?

J. May: Now, that's an interesting question. I'm glad you brought it up. We used to have some discussion of policy at our regular meetings, and meetings were not very frequent in those days, because there wasn't enough business to draw those extremely busy people together. Only a few years ago we instituted what is now a policy of having one month a docket meeting, and the next month, what we call for lack of a better phrase, an off-docket meeting at which we discuss financial affairs, policy, all kinds of matters that have to do with the Foundation, but not with specific grants.
J. May: I think that's what you asked, isn't it? So we have one of those every other month now. There's one coming this Thursday, and we're going to discuss at that time some interesting questions, like what happens when a member of the Distribution Committee is an active participant in an organization which is applying for a grant.

Morris: That's one of the questions I'd like to ask.

J. May: Yes, we're catching up, and then we're going to have a discussion of policy in general.

Morris: I'll make a note to raise the question in some other interviews.

[Date of Interview: 15 April 1974]

Trustees' Committee: Investment Practices

Morris: I think we had pretty well finished an overview of the functions of the Distribution Committee in general and some of the people who served on it.

J. May: That's pretty good if we really did, because the Distribution Committee is really the heart and soul of the enterprise—the governing body—more than anything else is.

Morris: I'd like to get back to them when we get into the topics on this outline.

J. May: Some of the material you gave me here for reminders gets back to them.

Morris: Yes, but we haven't talked about the trustee committee as a whole yet.

J. May: Well, I suppose we ought to. The trustees' committee really hasn't got very many functions. One thing it does is appoint a member of the Distribution Committee every five years, as you probably know.

Morris: As a group?

J. May: As a group. They name a member of the Distribution Committee, and they cannot name an officer or employee of any of the banks. It's the only prohibition of that kind in the basic charter that we operate under. They nevertheless appointed Clark Biese the day after he retired as president of the Bank of America. He was
J. May: chairman of the executive committee, but somebody said that is not an officer or employee of the bank.

Morris: That's a nice distinction, and you said that Mr. Biese was--

J. May: He became chairman two or three years later--chairman of the Foundation's Distribution Committee, and a superb one, just a great one.

Another thing they do is when somebody leaves a million dollars or ten dollars or twenty million dollars to the Foundation and doesn't name a trustee bank that's to hold that money, the trustees' committee decides in any way appropriate to itself which bank is to get that money. It's usually a very routine procedure, very routine.

Morris: Does it rotate amongst the banks?

J. May: Not at all. No, it's that they're given notice in advance if there's any substantial amount of money, enough to fight over, and one of them will always come in and say, well, Mr. and Mrs. So and So did business with us for twenty-five years; and the others will all say, well, sure, that settles it. You ought to be the trustee.

That's what happened with the seventeen million dollars involved in the Oakes Foundation. The Crocker Bank pointed out that Mr. and Mrs. Oakes had done business with them all these years, and so the rest of the members of the trustees' committee said, okay, that settles it. And seventeen million dollars is a very nice piece of trust business. The fees run up toward six figures.

Morris: Annually?

J. May: Yes. It's interesting, at least. Then another thing the trustees' committee has done is to help in some ways to promote the Foundation. Two or three years ago (at Mr. Biese's suggestion, by the way), they prepared a booklet which you may have seen, called "A Community Trust for the Bay Area." They had that designed and written and printed and distributed all at their own expense, which was a pretty nice thing for them to do.

They sometimes have something to do with policy on investment, though they do not, to answer one of your questions here, act as a group in determining investment procedures. Each bank is trustee of each fund that it holds and acts quite independently of us or the other banks or anything else. It does its own determination as to investment, but sometimes there's a question, for instance, about what in general is the policy of corporate trustees in investing funds for the Foundation, and then they meet, and they talk about it.
J. May: They're a little bit skittish about revealing their trade secrets to each other, particularly when it comes to the basis on which they charge fees; but they have given me that information to pass on in turn to the Distribution Committee. There, of course, they also have another slight block, because two members of the Distribution Committee are rather high in the councils of two of the banks.

Morris: Even when the question of investment policy was raised within the foundation world in general? I understand that some authorities are suggesting that investments should be made with an eye to increasing the amount of return, so that more money will be available for grants.

J. May: The trust companies have certain rules that they've followed since the memory of man runneth not to the contrary, about what you do with a trust. In general, there are two persons to consider—the income beneficiary and the remainderman; but it's a little hard to say who is the remainderman of a perpetual charitable trust. They say they have two duties: one to produce income to be spent for the purpose of the trust, and the other to invest in such a way as not to decrease the corpus of the trust or the purchasing power by having it not keep up with inflation.

If we tell them we're not interested in having those trusts keep up with inflation as much as we are in having a reasonable amount to pay out to charity, they then fall back on the trust document and say: Yes, but we have the power of investing. The Distribution Committee has no power over investment, and we have no power over distribution; so let us, gentlemen, keep each to his own furrow.

Morris: So that, in general, their policies in handling funds for the Foundation would be the same as their procedures with any other funds they were managing?

J. May: They can't be, because, of course, with a trust for your grandchildren they would probably have some tax-exempt securities. Tax exemption is nothing to us, because we don't pay tax. So the rules are a little bit different. In my view, they ought to be still more different than they are.

Morris: What about the kinds of trusts which are set up to run for ten years or a liquidating kind of trust?

J. May: Yes. In that kind of thing it seems to me that you don't invest for yield over the long period, do you? Because there isn't going to be any long period if you invest for yield or fixed value over the short period and get all you can out of it. You figure you've got ten million dollars to be held for ten years, and whether you can spend eleven million dollars or thirteen million dollars or twelve million...
J. May: dollars, depends on how you invest. That's the only criterion, it seems to me. How much can you get out of it in the long run for charity?

Morris: Does this point of view have merit with the trustees?

J. May: Yes. Most of them are reasonable people. They have some difficulties about the fact that a decree will come down from on high. Invest all trusts in the common stock fund held by our bank, which is not an inappropriate thing to do if the assets of that trust are likely to be invaded at any point. So we don't give the banks as much helpful information about our intentions as we ought to do, and as I hope we will do in the future.

Morris: Do you meet with them?

J. May: I meet with the banks separately from time to time, and the trustees' committee meets once or twice a year, and I'm its secretary. I have been until the end of today. After that, that's another job I get out of.

Morris: When you had met with them, had you conveyed to them what the granting policies are and what--

J. May: Adequately, no. This is something, I think, that under Martin's administration has to be improved. That the corporate trustees, the banks, have to be told that with x trust, we will not invade the principle of this trust in the near future, or we will invade it to the tune of 50%, or we'll use it up in five years, or we'll invade it for 2% per annum. They have to know what they're doing so that they can do a good job of investing for us, with us setting the goals of the trust. We haven't done right by them in the past.

Morris: Have they requested additional information?

J. May: They have, and they haven't gotten it. They've been very patient when we've told them or failed to tell them what our intentions are for a trust, and they do a very serious best and invest the trust. Then we come back to them just after they've invested the whole thing in a portfolio of securities and we say, sorry, fellows, we want fifty thousand dollars out of the principal.

Morris: Under what circumstances?

J. May: We sometimes invade principal, unless we're forbidden to, because the Distribution Committee wants to make grants, and we haven't got enough income to do it with; or to keep up our disbursements at the level we think they ought to be at.
Morris: Do trustees give you an idea periodically of how much money you're going to have available?

J. May: Oh, sure, and we make a projection, and Doris Sams does a beautiful job of figuring out how much income is going to come in from our income trusts; how much we're going to have in the 6% trusts. Of course, that's something you can determine to the penny. And for trusts that are big, to be used over five years or twenty years or ten years, how much this will produce. And so how much money have we got to use during the next six months or the next two years.

It's very important to the Distribution Committee to have it—they're beginning to get it now—in some form that is useful. One of the penalties of getting big is that we have to do that kind of thing. The Distribution Committee used to just look through applications and say, let's do this and this and this; and, okay, we haven't got that much money. Well, never mind. God will provide.

And somebody would always die and leave us a lot of money, or else we'd invade corpus, or something of that kind. We never got into very much trouble. We went way over our heads about eight years ago—two or three hundred thousand dollars in the red in terms of commitments we'd made. And then we were suddenly advised that an additional five hundred thousand dollars of accumulated income in a trust in probate was about to come to us. Always happens. God provides.

Morris: That's nice. It's a matter of your faith and--

J. May: Is it? I'm not sure we really have that amount of faith. It's just worked very nicely so far.

Rising Bequests and Stock Market Activity

Morris: At what point do you know that such a trust is in the works to--

J. May: Do you mean when a fund is coming to us?

Morris: Yes.

J. May: Sometimes we have notice of it many years in advance when somebody tells us that he's leaving us some money, or his lawyer works out the deal with us. Sometimes we know roughly how much it's going to be, but not when it's going to come to us. That would not be considered quite kosher, because that's usually when somebody dies.
J. May: And we usually know what it's to be used for and so on.

We usually know a year in advance of when funds are to come to us, because it takes at least a year for probate of a large estate. We're able to do some fairly good planning, but on the major things—let me give you an example. I think I could, but won't, list pieces of money that will come to the Foundation in due course which total thirty or forty million dollars. All of these depend on when somebody's going to die. So obviously this is business that is just in a very confidential file which I'll pass on to my successor. Now, I don't know when that's going to come, and some of them will be changed by circumstances, but in general we know that the Foundation will continue to grow at a reasonably rapid rate.

Morris: How about telling me the story of some of the individual trusts that have come, and what they have meant to the work of the Foundation. I was thinking particularly in relation to an article in The Chronicle that Mr. Perlman wrote. This was back in 1953.

J. May: When he said that funds can be so badly used, what were his words that you quoted to me?

Morris: The quote in the paper was, "a lot of money can be wasted by bequeathing it thoughtlessly."

J. May: I don't think there's any question about it. You can leave money to charities that are overendowed, and that would seem to me a waste of money. You can leave money to charities that spend far too much on raising still more money, and that's a waste. The kind of charity that sends out unordered merchandise which costs eighty-four cents on every dollar that they receive. So there's only sixteen cents left out of every dollar to go to charity.

You can leave money to Boys' Town in Nebraska which already has two hundred million dollars. They won't refuse it, but I would say that's a waste of money. Two hundred million dollars is more than they'll ever, ever, ever be able to use. They're trying to find ways to use it now. The Seeing Eye organization in the East is another.

You can leave money to be distributed by trustees who don't know what they're doing, and that's likely to be wasted. I think Dave Perlman was trying to suggest that if you put money in the hands of an organization that is run like our Distribution Committee, you're more likely to get a good philanthropic return for the buck.

Morris: If you have your say in the matter, do you--

J. May: You remember your own questions awfully well. Yes, I try to have my say when somebody consults me about what to do with money, and if I
J. May: have an opportunity, I will usually say that our objective is to try to carry out your wishes in the use of your money; but if you ask me what kind of money is the most useful, I'll say unrestricted money. Some lawyers put careful restrictions on bequests, because of their duty to protect their clients—phrases like "only the net earned income of this trust shall be used for charity." I think that's poor judgment; I think whether the income or part of the principal or both should be used should be decided in the interest of good philanthropy. Congress has borne me out recently, I think, by saying there's got to be a reasonable pay-out from charity even if you don't earn it by income. You have to pay it out anyway.

So when I get a chance, I usually say: tell us if you want the trust to run forever, but don't restrict us to the use of income.

Morris: And permit us to use--

J. May: To use principal if we have to or to invest for total return—put the money in stocks that pay no dividends but have lots of growth; sell some of the stocks, pay out the proceeds to charities and still have the trust grow. It's a good system.

Morris: What happens in a time of financial uncertainty for the community?

J. May: Like the last three years of the stock market?

Morris: Yes.

J. May: It's interesting. Our principal assets of most of the trusts have gone down sharply, quite alarmingly, but the earnings of those trusts have as a rule not gone down. The reason being that though stock prices have gone down, very few dividends have been skipped or decreased. And so we still have roughly as much income from the trusts that we had three years ago as we had three years ago.

And, of course, we have new trusts that have come to us in that time, but that doesn't affect this equation in particular. You're talking about what we call our 6% funds, the ones on which we pay out 6% of market value whether it's earned or not, which is our preference, by the way. Then if you have a 25% decrease in market value, you've got a 25% decrease in pay-out, which is a very sharp decrease.

I don't know whether that answers your question about what happens to us in times of financial uncertainty. That's about it. It doesn't either hasten or slow down the process of people dying and leaving us their money, I think.

Morris: So that you have a cushion of income bequests--
J. May: If that's a cushion. But, for instance, in the fiscal year that is just about ending, in terms of everything we've received--gifts, bequests, and all that kind of thing--they've totaled less than a million dollars so far. Last year it was eight or nine; the year before it was twenty. All this has nothing to do with the state of the market or the financial condition of the country. It just depends on when people die and leave us money, or when a private foundation goes out of existence and turns over its funds to us, as happened two years ago with the Oakes Foundation.
5. A SAMPLING OF FUNDS WITHIN THE FOUNDATION

Phelan: Art and Literature

Morris: What kinds of circumstances lead a going foundation to decide to go out of business as a separate entity?

J. May: Well, let me be polite about it to start with, and then a little bit more candid as we go on. There are two prime examples, I guess. One is the Phelan Foundation, which was the foundation created thirty or forty years ago by Senator Phelan, who was also mayor of San Francisco at one time. He left a million dollars in trust, the income of which was to provide nursing care to the sick poor of San Francisco in their homes. And he left another fifty thousand dollars to provide awards in the arts and literature, and another little one--the ten thousand one--to provide some little prizes in poetry at San Jose State College and do one or two things at Montalvo.

Morris: As separate trusts?

J. May: Yes. Phelan named trustees under his will. They have died off one after another and named their successors. Three or four years ago they had a vacancy, and one of the trustees said: why don't we get out of this job, turn over our assets and our responsibilities to the San Francisco Foundation, which won't have to pay the excise tax on our earnings the way we do, because it's a public foundation, which we're not. It has a good reputation. Its costs of administration are fairly low, and it will accept responsibility for our retired employees, or else. All of which we agreed to. So we took over the Phelan Foundation at the initiative of its former trustees; and we're continuing all the jobs that they did at that time, but with the right to change them if we have to, to change the use of the money if what was originally specified can't be carried out.

Morris: In reading back through the newspapers, wasn't there at one point a challenge to the senator's will?
J. May: There was. Now, here I'm on not very solid ground, and I don't want this to be taken as something that I am saying out of my own knowledge. The heirs at law of the senator claimed, I believe, that his provisions for the use of Montalvo, his summer estate at Saratoga, isn't it?--

Morris: It's in that area.

J. May: That there wasn't enough money left to the art institute to carry out his wishes, and, therefore, the trust failed; and, therefore, that portion of the estate should revert to his heirs, his family. It was a hard-fought law case, but the rule of law that a trust shall not fail for lack of a trustee prevailed, and instead of the art institute which he had named as trustee, the Montalvo Association was formed. The heirs failed to get the money, and the money's continuing to be used for the purpose that he wanted it to be used for. That has been the case in the last fifteen years, at least. There's been no problem about it.

The only major legal matter that has come up is the effort of the trustees of another foundation that I mentioned to terminate their separate existence as a foundation and turn the money over to us. That kind of thing is happening all over the country, largely on account of the provisions of the tax law. It's awfully rough to run a private foundation now. The record-keeping is extremely onerous. There's a tax on your income. There are hazards on the trustees if they don't do exactly as they ought to do; if they make any mistakes, they're personally liable. So many private foundations are terminating. Thank God, a great many of the best ones are not, like Rosenberg. It would be a great pity if they did, because they do a superb job.

Morris: Is there any kind of correlation between whether or not a foundation has staff and--

J. May: Yes, I would say there probably is, though it hadn't occurred to me. The staffed foundation is not likely to go out of business, because it has accepted responsibility for doing a job responsibly, and it has recognized some difficulties in continuing to do it, but it will do it. Typically, Rosenberg. Anyway, that's one kind of case in which a foundation terminates its separate existence and merges with us or turns over its assets to us.

Oakes: University and Museum

J. May: The other is a case of which I have to speak with great circumspection: The Oakes Foundation was created under the wills of Roscoe and
J. May: Margaret Oakes, both now dead, and quite a long time dead. Two trustees survived Mr. and Mrs. Oakes and were the sole trustees of the foundation. The attorney general of the state filed a suit against them, alleging certain actions which the attorney general thought shouldn't have been taken. I'm not in a position to say whether the allegations were true or false, but the matter was in effect settled out of court, and one of the parts of the settlement was that the trustees asked the court for permission to resign, which they were allowed to do.

They resigned in favor of the Crocker Bank as trustee, and the Crocker Bank then went to court again and said: this trust will be better administered if you bring the Distribution Committee and staff of the San Francisco Foundation into the picture to do the distribution part of the job, and we, the bank, will continue to do the money management part of the job. They also suggested that it should become a part of the San Francisco Foundation which, in effect, makes it part of a public charity, so it's not a private foundation anymore. Therefore, the restrictions on private foundations, including the tax on its rather large income, don't apply. The federal and state authorities liked the idea, and two years and a quarter ago it became a part of the San Francisco Foundation. We have been spending from it about eight hundred thousand dollars a year since then.

Morris: Mostly for specified purposes?

J. May: Mostly not for specified purposes, but some for specified purposes. About a quarter of it to increase the Oakes Collection at the de Young Museum, limiting the accretions to masterpieces of great stature, because that is what the Oakeses were interested in. That's about two hundred thousand a year which goes there.

Morris: In something like that, where they're interested in masterpieces of art, do you and the Foundation staff make the selection?

J. May: Oh, goodness no. We haven't the skill to do that, just as we haven't the skill to make choices among medical research projects. We let experts do it and, of course, the museum itself has loads of experts available to it. It decided a couple of years ago that it wanted what it was assured was a Bellini of particular merit. The price was nine hundred thousand dollars and we agreed, after a good deal of discussion back and forth.

Morris: Within the Distribution Committee?

J. May: Yes, and between us and the trustees of the de Young Museum. We finally agreed that, if they wanted to buy it, we would foot the bill at two hundred thousand a year. They got it over here and looked at it and had a champagne reception and decided not to buy it
for reasons best known to themselves, of which I have some inkling. They recently asked us for another purchase, and we agreed to it; that was for a French painting of a rather later time, and a piece of furniture, too.

As long as the de Young Museum—which is now part of what is called the Fine Arts Museums of San Francisco, with a plural; the deYoung and the Legion of Honor merged—we will continue to make available money to them for the purchase of masterpieces.

Then the Oakeses also had some other statements in their wills about what their prime interests were, and we are following those to the very best of our ability. The first being something like the prevention or cure of illnesses and diseases which afflict mankind. So we're working in the area of health, and so forth. They were interested in education. They were interested in having the great name of Oakes displayed on major grants that they made, so we gave a million dollars recently to UC Santa Cruz for College Seven, which has now become known as Oakes College. Just for that reason, because they said they wanted their name on things. And if we make a major grant anywhere from that trust, and if there's an opportunity to make it known whence it came, that'll be done.

In this case, it sounds as if the workings of the legal system in California were to maximize the amount of money available for philanthropic purposes.

I'm not sure what you mean, but I know that under the former trustees, the private trustees of the Oakes Foundation, the expenditures for philanthropic purposes were far, far, far less than they are under our management. We are expending exactly 6% of the market value of the assets of the trust.

I was thinking that the Petersen Commission report, among others, comments that tax policy is often more concerned with collection of revenue rather than philanthropic benefits in situations like this.* You said that when the money was taken over by Crocker that the Crocker people went back to the attorney general and suggested that it be turned over to the San Francisco Foundation.

But with Crocker Bank remaining as the fiscal trustee.

Morris: As the fiscal agent in it, but, thereby, the funds were subject to much less taxation and fees which would have gone back to the state.

J. May: Because that trust became a part of the San Francisco Foundation, an integral part of it. And the San Francisco Foundation does not pay a tax on its income the way private foundations do.

Morris: My point, I think, is that the attorney general agreed to this arrangement, thereby depriving the state--

J. May: The attorney general's office was the major factor in getting this accomplished as a matter of fact. Charles Rumph, who is the deputy attorney general in charge of charitable trusts, as well as one or two other activities, was active in this all the way through, and really got it done in the interest of philanthropy in California. He had no axe to grind. He didn't get anything out of it.

Morris: Neither did the State of California, in the sense of the revenue they had received from the former trust.

J. May: The State of California did. The people of California are the clients of the attorney general in matters of charity. To put it the other way around, the attorney general is the people's lawyer, and the people are the beneficiaries of the charitable trust. The people have no other lawyer to turn to except the attorney general. So it's his duty under English and American law to look out for the people's interests in charities. His interest was to see that the charity be administered as well as possible to make maximum benefit to the people of California, and his decision was that this purpose would best be accomplished by turning the trust over to us, and I think it's proved. We're spending more than twice as much as they ever did.

Morris: That's a good clarification of the attorney general's role.

Bachman: Free Hospital Beds

Morris: There was another situation that was challenged, according to the newspapers--the Amy Bachman Trust.

J. May: Now, that was a different thing. That wasn't challenged by the attorney general. Mrs. Bachman (I suppose I should be careful, because I'm on tape) was supposed to have been a somewhat difficult old lady who was not very fond of her family, and so she worked out an arrangement under which a substantial portion of her estate was to be used for providing free hospital beds for people in San Francisco.
Morris: Was this the first of that particular kind of trust?

J. May: No, we'd had some litigation over bequests before. Charity, particularly a charity like the San Francisco Foundation, which hasn't anything to do with the blind, or the crippled, or anything nice and sexy, is fair game for any kind of litigation, and we don't usually make a great effort to fight. We're going to lose in the courts in any jury trial. If heirs come in and say that Aunt Susie wanted them to have the money, not that great ogre, the San Francisco Foundation—what does it do except pay a lot of high priced staff men. Yes, we'll lose. Every time.

In this case we decided at least to present our case to the court, and we finally settled for—I think we got $250,000, but we had to yield a substantial part in this case to the SPCA, which had a claim on the estate, too, though we didn't think it had a claim on our part.

That trust has been liquidated. We paid it out to Stanford and Saint Mary's and Children's and Saint Luke's, and one or two other hospitals, not a terribly useful thing to do.

Morris: It was the free hospital beds I wondered about. In going back through your annual reports, there seem to have been two or three early, sizable trusts which were designated for free hospital beds.

J. May: Well, this is really the only one that's exclusively designated for that. It's not like the Phelan thing, which is free nursing care at home. But when you give money for free beds to a hospital, the hospital is likely to use that money for paying bills which it hasn't been able to collect from somebody who has come in with a terminal cancer case and has died without being able to pay all the bill he's run up, or something of the kind.

Morris: In other words, they use it for care prior to the gift, rather than for making additional beds available to new patients?

J. May: That's right. That's right. It's almost impossible to stop it. Generally speaking, though not entirely right, we pay for care which would have been given whether we paid for it or not. The hospital would have had to absorb it, because they have to do some free work. So it hasn't been a very useful trust; though I guess I wouldn't want the lawyer who wrote the will to read my comments about it, would I?

Morris: It might be a thought that had not occurred to him before.

J. May: Yes. Lawyers don't like to be told, because they know better.

Morris: Well, we all feel we know better in some territories.
J. May: Oh, don't we. I certainly err in that respect. I'm sure I know better than lawyers on lots of things.

Morris: And a lawyer, unless he has been himself within a charitable organization, may be at a disadvantage in doing this kind of service for his clients.

Then there was the Griffith Trust.

J. May: The only one I can think of is Miss Alice Griffith, who died more than ten years ago, maybe fifteen years ago, I guess. She left us a modest amount of money—sixty thousand dollars, or something like that. And there was never any great controversy over it. Is there supposed to have been?

Morris: No, what I am doing is tracing the evolution of trusts. By 1963, you wrote in your annual report that trusts of substantial size were beginning to appear within the Foundation.

J. May: Yes, and, of course, then fifty thousand dollars was an awful lot of money. It is a substantial amount as I look at it, but as the Foundation today looks at it, I guess it isn't, really. We can swallow fifty thousand dollars and not have it make a bump in our neck as it goes down.

Thoughts on Growth: The Russell Trust

Morris: In 1966, you were writing that the Foundation was eighteen years old and ready to leave its adolescence behind.

J. May: Oh, I was terribly proud of that rather juvenile phrase, I remember.

Morris: You have a nice way with words—you went on that heavier responsibilities and greater growth were ahead.

J. May: Well, now, that's the same year that Helen Russell died, and, of course, I knew in advance, because I had discussed her will with Lloyd Ackerman, her lawyer, that something was coming there. I didn't know it was going to be six million bucks.

Morris: Then, between '68 and '70, a three year period as your fiscal years go, the growth chart shows that the assets made a great leap upward. You're saying that the Russell Trust was one of the big ones that came in to contribute to that upward—

J. May: Yes, and we began to be told of substantial pieces of money, because we'd been in business for eighteen years in '66. But it took us
J. May: about ten years to get our first million—maybe it was eight years—
and then four years to double that, and then two years to double that,
and so on. That's about the way it's gone.

Morris: That's a geometric progression.

J. May: You extrapolate that, and you get to infinity.

Morris: I was going to ask you this later, but are there limits to growth
in—?
J. May: I suppose public policy would impose limits, wouldn't it?

Morris: Would it?

J. May: I would think that it would not be healthy for a few community
foundations fifty years from now to have seventy percent of the
capital assets of this country. I should think the same thing
would have to happen here that happened in the Middle Ages in
England, when the church owned far too large a share of the capital
assets of Great Britain, and they finally just had to take them
away, to disestablish them.

Morris: That's right.

J. May: Now, I don't think it would be healthy, but I don't think there's
any real threat of that, either. I see no reason why a community
foundation shouldn't have two or three or four hundred million
dollars to work with—one has over two hundred million now, Cleve-
lan—so long as they are managed responsibly and so long as they're
carefully audited by the government.

Morris: Yes, it's an intriguing thought.

J. May: Sure, I think it's going to happen. I think that there are more
hedges around a community foundation to protect the public interest
than there are around a private foundation, because a private
foundation can now have Mr. and Mrs. Smith and their four kids as
the board of trustees. That's not going to be a very widely con-
siderate judgment of what's best for the community. The fact that
my four kids are my four kids doesn't necessarily mean that they're
brighter than any other four people I could find, or have more
experience or judgment.

Morris: I would think it would cut both ways. It doesn't necessarily mean
that they are brighter or more objective, but just because they
happen to be the children of the establisher of the trust doesn't
necessarily mean that they are not either.

J. May: Well, isn't it a little bit unusual to find five or six people in
the same family who are brighter and more experienced than any other
J. May: five or six people you could find in the country? Oh, come on now. Really. On the other hand, I would prefer to have my kids using my money after I'm gone, because they would know what my interests are. If I still think of it as my money. But if I've given it away, is it my money?

Morris: How about the Rockefellers? Haven't the succeeding generations been influential--?

J. May: Well, if you take a look at the board of the Rockefeller Foundation, you will find not more than one or two Rockefellers on the board of twenty odd, but you will find the succeeding generations setting up their own foundations. The first generation set up the Rockefeller Foundation, and it now has a second-generation Rockefeller or two on it. The next generation set up the Rockefeller Brothers Fund--Nelson, Winthrop, David, and the rest--and now the Rockefeller Family Foundation is fourth generation people, but they do not control the Rockefeller Foundation. I think it ought to be made clear that they don't. And Carnegies don't control Carnegie, and even Fords don't control Ford.

Morris: Do the recent changes in legislation specify this?

J. May: They do not--

Morris: They do not specify how many family members shall be on--?

J. May: Isn't that funny? No, you can still have a Morris Foundation with eight Morrisses and nobody else as the trustees. The Treasury's report in 1965 recommended in the strongest possible terms that a real foundation, a philanthropic foundation, ought to have a board with only a minority related in any way by blood or profession or anything to the donor, and I subscribe to it personally.

Morris: That was a recommendation that did not get into the legislation?

J. May: That's correct. It didn't, but I think the handwriting is on the wall. I think if you look at the major foundations around the country now, you will find that there are very few that are dominated by family. Sure, I'm not saying that they don't listen to Mr. Danforth at the Danforth Foundation or to the late Mr. Sloan at the Sloan Foundation, and so on.

Hoyt: Combatting Discrimination

Morris: I was thinking of the Merrill and the Hoyt trusts.
J. May: Well, let's take them separately and in reverse order. Mr. Hoyt was a charming, shy old gentleman who was a slum landlord in Sacramento. Many years ago, I now know, he had written or had written for him a very comprehensive will under which his fortune (since he had no children) was to be left to the League of Nations (which will give you an idea of the time) or the United Nations for the promotion and preservation of peace and this kind of thing.

His lawyer, somehow or another, got him in touch with me, God knows how many years ago; we can check it out if you'd like—a long time ago. And the two of them came down and talked with me a couple of times, and I went up to Sacramento, and so on. And then another will was drafted under which he wrote new provisions for the use of his money with two possibilities: with the preservation and promotion of peace being the second choice, since it was difficult to achieve; and the first being the mitigation of the hardships under which minority group people, and particularly Negroes, suffer in the United States, with some examples like the Legal Defense and Education Fund of NAACP, of which he had been a supporter.

I went to Sacramento and had dinner with him one night at a hamburger joint after the will was finally completed and signed, and I had the temerity to ask him why he, who was blue-eyed and Protestant and everything else, was so interested in the plight of other kinds of people—to whom, incidentally, he was not renting his slum quarters at the time. He was afraid to.

And he said: well, because I've been discriminated against so severely myself that I want to help people who suffered that way. I didn't know what kind of ground I was treading on, and I said: what do you mean?

I'm a landlord, and the OPA discriminated against me in rent control. I declined to tell him at that time that I had been in the OPA office here. He was a very dear old man, but he never got around to the idea that he ought to have open occupancy housing in his own properties, despite all this.

We've used the two hundred and fifty thousand; we've liquidated it now. And the first thing we did, and you refer to this in some of your notes somewhere, was give a hundred thousand dollars to set up a western regional office of the NAACP Legal Defense Fund. We carried them for three years, and we've recently made another grant to them out of other funds, and I think we're about to do another one. This one, by the way, in housing discrimination, of all things.

Morris: Yes, I saw that in your list of grants.

J. May: Well, we've got two or three grants running in that field right now—the prevention of racial discrimination in housing—at least three,
J. May: and the NAACP Legal Defense Fund is one of them. Another one is the Urban Coalition of Palo Alto. Another one is the Human Rights Commission, I think it is, in Alameda County. There are some others, too.

It was kind of interesting; I don't know whether this is too far off the record, but I'd been interested in the Legal Defense Fund for some time before all this happened, and when I found out that this was really very high on the late Mr. Hoyt's list, I was in New York, and I called the head of the Legal Defense Fund there, Jack Greenberg; said who I was and that I would like to come and see him, and I could hear him groan.

Morris: Why?

J. May: Oh, because he thought, well, just one more half hour wasted on some jerk from the boonies out on the West Coast.

Morris: Who's trying to keep himself up with the times?

J. May: That's right. Sure. He wondered what I wanted, and so I waited and finally got into his office. We talked, and I said that there was this little piece of money that we had, and it might be appropriate to make some kind of gift to the Fund.

He yawned and said: I guess so; and I said $100,000. He stopped yawning [laughter]. That was fun. It was a good grant, and I think the western office of the "Inc. Fund" will continue to grow, and they're doing a fine job. So much on Hoyt?

Morris: Yes, I'd like to come back to legal aid later on.

Merrill: Consulting with Heirs

J. May: Later on? Okay, fine. Merrill is something entirely different. Mr. Merrill, the one whose will it actually was, didn't leave anything to the San Francisco Foundation in his will at all. He left $200,000 to be given to such charities as might be chosen by his sons, three of them, and then he folded over that portion of his will above that bequest and increased it to $500,000 and asked the witnesses to sign it without seeing what was above. So this left $500,000 in control of his three sons to give to charity. And they worked out an arrangement with us which has never been a very satisfactory one, under which we would take the $500,000 and would apply it to such things as they suggested and we approved.
J. May: Well, in effect, this really meant that they control the fund, and most of that is gone now, too. There's one chunk of a couple of hundred thousand dollars remaining from which we're paying an annual 6%, split between the United Crusade and Planned Parenthood. It's not been a brilliant success from anybody's point of view, except it got half a million dollars into charitable channels.

Morris: Into things that wouldn't have gotten money—

J. May: No, they would have gotten it anyway. It was just a piece of machinery for several of the Merrill sons to use. Two of the three are now dead.

Morris: Was Fred Merrill—

J. May: No, no connection whatever. It was John Merrill, who was a mining engineer; Greg Merrill, who was with the State Department; and Bruce Merrill, who's a psychiatrist and still alive. They had a sister, Betty, but she was ill early in her life and not competent to handle this kind of matter.

Grants to Match Trust Requirements

Morris: When you get a trust that includes specified kinds of purposes—

J. May: Which we do very often.

Morris: Yes, it seems to be—do you apply those funds to proposals that come in through normal channels, or do you—

J. May: Emphatically, yes, but there are times when you can't. Your question, I think, is do we always go out and dig up something that's going to fit that proposal that we might not do otherwise.

Morris: That's a blunt way of putting it.

J. May: Yes. No, if it's a trust to be used in the field of mental health, we have ten times as many things that we want to do in the field of mental health that would fit that trust—ten times as many as we could possibly do.

Let me cite you another case. Doris Martin Miller died and left us about a million and a quarter bucks. The income to be used to aid cancer patients. It's a little bit more precise than that—pay the medical, surgical, and hospital costs of indigent cancer patients, or something like that. That's a pretty difficult thing
J. May: to do without wasting money. So we got together a committee of experts in the health field, headed at that time by Chuck Smith, who was the dean of your school of public health in Berkeley. Did you know Chuck?

Morris: No, I wish I had.

J. May: Marvelous, absolutely marvelous guy, who always referred to this Foundation as "our" foundation. He took great pride in it.

That committee worked for two years, and it finally worked out a deal with the American Cancer Society under which we would pay about fifty thousand a year, which we're still doing, to the American Cancer Society, and they from other funds would put up all the cost of administering the money. That is, paying social workers and administrative personnel to screen cancer patients who need financial aid, so that every penny of our money goes directly to help cancer patients—every penny of it, including any interest they earn on money they put in the bank when we pay it to them.

That has been a case in which a bequest to us for a specified purpose caused us to go out and find out the way to get something started and start it and do it. It's been a highly successful thing.

We had another bequest shortly after that, two or three years later, from a friend of mine who died in Carmel and left us another several hundred thousand dollars for aid to terminal cancer patients. This friend was a terminal cancer patient, and she left a good chunk of her money to do this, and we have used the same committee to use that money. So we're using about seventy to eighty thousand dollars a year now to aid cancer patients with their financial problems, and it's being done on a highly expert basis. I'm quite proud of it. It's a good job.

Morris: Is this something that community foundations in other areas have done?

J. May: No, we did this because we were given a piece of money to do a particular job and didn't know how to do it, and we had to find a way by which it would be done well. And as a matter of fact, about a year ago we reviewed the whole thing in great depth to find out whether we would go on. We make grants on a five-year basis to them—$250,000 at a time. We reviewed the whole thing and agreed, with some modest changes, to go ahead for another five years.

Morris: The problem of medical care for cancer patients is not limited only to the Bay Area. Has the American Cancer Society used the data they gathered from working with you in the Bay Area—

J. May: I think the only way they could do it would be to use it to pick somebody's deep pocket so that money would be available to do this
J. May: in another place. This money is all used in San Francisco, though it's sometimes used for people that come from Chico or somewhere else for cancer treatment here. Sometimes it's used for putting them up in a motel. Sometimes for transportation, sometimes for chemotherapy, sometimes for drugs, dressings—all kinds of things.

Morris: The situation you describe—the trust having come from a person who is dying of cancer themselves—

J. May: One of them. Mrs. Bunting was. Now, I don't think Mrs. Miller died of cancer, but I do know that her brother, whom she loved, had recently died of cancer, and it had cost a great deal, his terminal illness, and her concern was: what happens to people who are less affluent than we are? So she had her lawyer draw the will just that way. That lawyer's now a superior court judge here and takes quite an interest in what happens with this money, and I check with him every once in a while—Jay Pfotenhauer.

Morris: I don't wish to belabor the point, but it would seem that many people, with the money to do so, would be likely to set up a trust if they had had experience of cancer or other disease in their own families or were dying of it themselves. It strikes me as a situation which could be reproduced in other communities.

J. May: Well, the cancer society is not losing any opportunity to tell people about what a great job it's doing with this money. It sometimes sort of forgets where the money comes from, but we expect that. We occasionally remind them of it.

There are other funds, as you probably know, that are left to us for pretty closely specified purposes. There's one million-dollar trust that we pay entirely over to the Children's Hospital in the East Bay. We think we have a duty to ride herd on that one, and every two or three years we check into how they're using our money and whether they're doing a good job. As long as they are using the money well, we'll continue to give it to them. We might have to stop someday.

Morris: On what kind of grounds?

J. May: If the hospital turns into something far less good than it is now—now it's first rate, as you know—or if it should be overfinanced, or if government should take over all hospital care. Oh, it could be a variety of reasons. I don't anticipate any of them happening within my lifetime or even yours.

Morris: So you do have that much flexibility.
J. May: Oh, that's the key to the whole community foundation operation. I thought you knew that. It works this way. If the Distribution Committee finds by unanimous vote that the purposes specified for any trust—and I'm not using legal language here—have become impossible, then it's their duty to act for the donor as they think he would have done and use the money for something else—preferably something close to the original purpose; and if you want the technical language about it, it's the doctrine of *près*, and it's the only legal tag that I know of that doesn't come from Latin. This one comes from Old French. You know what it means? You speak French?

Morris: Not Old French.

J. May: "As close as possible." That's a free translation of it, but that's what the doctrine is. The court will find that if there's a general charitable intent and the particular charitable intent can't be carried out, the trustees shall use the money as close as possible, *près*, to the original intent. Well, we don't have to go to court to do it. This is built into our charter. So you can't bind us forever and ever to do whatever you say today.

Morris: That's an interesting arrangement.

*Awards Administered by the Foundation*

Morris: There's a subcategory among your trusts, I think. The awards that have developed over the years. Those are done by trusts.

J. May: Good for you! Yes,—

Morris: The first one I came across was the Kimber Awards in instrumental music.

J. May: Yes, and that was a headache. Dear old Mr. Kimber who raised chickens in the East Bay. You know the Kimber Farms down in southern Alameda County? He was firmly convinced that the Kimber Farms, Inc., would before very long exceed United States Steel in size, in financial power, and so on; and he thought we would really have many, many millions of dollars at our disposal in income each year with this fund, and Mr. Kimber was, well, to put it mildly, very interested in it.

Morris: He had been a music teacher himself before he became a chicken farmer?

J. May: Yes, good for you.
Morris: Oh, this is the sort of thing that fascinates me.

J. May: Sure. Someday I'll get out those programs for you and show them to you. I remember we held a competition in the Hancock Auditorium at UCLA once. We used to alternate between the north and the south. We had four judges—Rubinstein, Piatagorsky, the then-conductor of the symphony down there, and others of the same stature.

It went like that for a while, and some of the young people were extremely good and got a lot of good out of it. Got a gold medal and a $5,000 award and a certain amount of publicity, and all this was fine. But what a hell of a job for us to run; I didn't know anything about how to run a musical competition. Well, the Kimber Farms prosperity kind of petered out, and Kimber died; and I think we own a few shares of stock in it now, but it pays no dividends and we can't sell the stock, and it's a nothing.

The other awards are probably a bit more interesting, like the Joseph Henry Jackson Award which, incidentally, was started by the present director of the Bancroft Library. I suppose you know that?

Jim Hart called me up and said: Joe Jackson just died. Some of his friends are thinking about raising some money. Could we give it to you to establish an annual award in literature. And that's worked out over the years, and Jim has been the man who's always seeing to it that it's run right.

Morris: That, again, is a process of screening, isn't it?

J. May: Yes. Jim and his associates choose three judges each year who read something up to fifty manuscripts and choose the winner from among them. It's a hell of a job. And there have been some very good things that have turned out. And now we have another literary award which is run on exactly the same basis. That's one of the ones set up by Phelan, which we took over with the Phelan Foundation, and we advertise these at the same time on the same piece of paper; you might take a copy with you. There's the Phelan Award in Art, which we may turn over to some better qualified organization to handle, because what does anybody here know about the arts?

Morris: In the Jackson Awards for Western Literature, you do designate--

J. May: We get judges, and we pay them, and we do the same things in the arts, but it's still a substantial headache to collect works of art and display them and let the judges wander around and choose the ones they want and so on. It might be better done by the University Museum at Berkeley, by the Art Institute, by the Oakland Museum, by—maybe the LA County Museum one year and one up here the next year. We're open to suggestions about this, and we're dickering with it.
J. May: Then there are the social work awards named for Dan Koshland. Those were set up to honor Dan, to honor his fiftieth birthday, and he's now eighty-two. So you figure it out.

Morris: 1952.

J. May: All right. The responsibility was given to what was then the California Association for Health and Welfare, which is mainly social workers, and they handled it for many years. It became a coveted award among the social work trade, but that organization went out of business.

Morris: Did the award?

J. May: And the award: young Koshland, Dan Junior, didn't want it to go out of business, and so he asked me if we would handle it, and we are.

Morris: In other words, it didn't start here at the Foundation. It was started by another group.

J. May: It did not start here. We had absolutely nothing to do with it.

Morris: Do some of these—

J. May: And then, of course, there's the San Francisco Foundation Award, which I gather is the one that carries the most prestige with it. And that's for an unusual contribution in the realm of helping different kinds of people get along better together. Not forgetting their differences, but trying to make the differences helpful instead of harmful. What used to be called race relations.

Morris: Is there a new term?

J. May: Oh, I guess so. I don't know what. Kind of difficult these days.

Morris: The San Francisco Foundation Award presumabley did start here.

J. May: Yes. Well, I don't know whether Dan wants it known, but it was started fourteen years ago by a gift from his wife as a birthday present to him, but he absolutely refused to have his name on it. We have a very pleasant luncheon each year, and make the award publicly.

Morris: Does it serve to focus attention on where the philanthropic community is from year to year?

J. May: No, it's rather more on who's doing what in the area of inter-group relations. I don't know what the euphemisms are nowadays.
Morris: Yes, that's back a ways, too.

J. May: That's back a ways, isn't it; far away.

Morris: It's interesting the way the terminology changes over the years.

J. May: And there's an interesting group of people that have received it. Then, of course, there's the Kirkwood Award, named for Bob Kirkwood.

Morris: Did you say that was started by his will?

J. May: No, definitely not. It was started by a bunch of his friends shortly after he died; but his widow, who is now Mrs. Charles B. Kuhn, usually attends the presentation, and she takes a very great interest in it.

Morris: Is this more for public service?

J. May: This is principally public service, but it can be in the arts, or conservation, or anything that makes Northern California a slightly better place.

Morris: That's an interesting tradition, I think--the giving of awards.

J. May: Yes. You know, it's a terrific job to give a thousand dollars. It sometimes costs us a thousand dollars in addition to the money itself.
6. GRANTING PROCEDURES

Evaluating Proposals

Morris: I'd like to go back to about 1958 and talk about the process that you went through then--

J. May: All right. That's ten years after we started.

Morris: I assume that by then things had shaken down, and you were beginning to build up assets and beginning to be known.

J. May: Well, as you pointed out a little while ago, we had about a million dollars, and a million dollars would earn you about fifty thousand dollars. Out of that would have to come the costs of running the office, or else we'd have to find them somewhere else, or else we'd have to dip into principal, which we certainly did.

I don't know, but hand me that report, and I'll give you an idea of how much we spent when we had a million bucks. Well, this would show that in 1958 we had about a million, but we were giving away about $350,000.

Morris: You must have been dipping sizably into--

J. May: Not only that, but we had a lot of pass-through money, which we still have a lot of, as you know, which is not the thing for which we're in business at all; but it serves a public purpose, and so we do it.

Morris: In that period, '58 to '60, roughly how many applications were you receiving and--

J. May: Well, unless I went back into the files and studied our annual reports and our minutes and our dockets and so on, I wouldn't have any way of making a reasonably good guess; but we were not swamped with applications, believe me, and a great deal of the money we had going through our hands was money which was specifically earmarked for something or other.
Morris: General support kinds of gifts.

J. May: General support kinds of things, or else the kind of pass-through money that people would give us and then say, I wish you would make the following gifts for me out of that money. Or a scholarship fund at Shattuck School, Faribault, Minnesota. Not things that really required very much skull-rubbing on the part of either staff or the Distribution Committee.

But we were learning our trade, I guess, both of us. Both staff and the board. Sure. Of course, they knew a lot more than I did. When you think of the people that they were—they were people who had operated the community chest and all the other philanthropies in the Bay Area. They knew what they were doing.

Morris: The community chest in late fifties was a different kind of an organization than it has come to be. Was it then doing it's own studies and making recommendations to the community?

J. May: Yes, it was. It had a social planning department, but that was a part of the community chest which then became the United Community Fund. And then that merged with the funds from all over the Bay Area to become the United Crusade. The social planning part of it, the planning and study part of it, was at that time taken out of the fund raising and allocating structure and set up as something separate. And now it's being emasculated, I think.

Morris: Is it? What's happened to it?

J. May: Yes; well, it's been cut back by the United Crusade rather drastically in terms of support. So it can't really do a planning job, and it's doing what it calls problem-oriented studies for the crusade or for anybody else that will hire it—agencies, foundations, city governments, lots of people.

Morris: That's interesting. Going back to the applications, maybe my question is at what point did you begin to get into head-rubbing as to--

J. May: Oh, Gaby, I don't know. Really, I don't know. I suppose five years before that, I'd begun to try to find out what foundations are really supposed to do. I tried a little earlier than that. I guess I was beginning to have some idea from reading and from talking with older and wiser colleagues and from learning from people like Mrs. McLaughlin and Dan Koshland and Farmer Fuller and Mrs. Russell and some of those people.

Morris: Did you go out and visit everybody in those early days?

J. May: Oh, Lord, yes. All over the place.
Morris: Every application that came in. Were they all from people or organizations that you were familiar with?

J. May: Goodness, no. No, even then there were hundreds of charities in the Bay Area. If you take just the educational institutions alone, how many colleges and universities have you? Over fifty, and to get used to them and all their departments would be a full-time task in itself.

Morris: So it was a matter of calling on everybody and--

J. May: At first, it was a matter of getting acquainted with people so that they would know that we were here and trying, as you've seen, to get some publicity going about the Foundation. And then, as the requests for funds began to come in, to try to work out some kind of policy about where we were, and what we would do, and what we would prefer not to do. And then always, to the extent possible, site visits and talks with people who knew what they were talking about in the area of the application, whether they were connected with it or not, preferably not.

Morris: So you would ask people at one college for their thoughts on what was going on at another--

J. May: In another area, not necessarily in another college. But if we had something in the whole area of health, for instance—in those days Chuck Smith, dear man, was our principal adviser on health. And Chuck and I would kick something around, and he would say, John, I think you ought to talk to the following people.

This is the way a foundation man really learns his trade, finding out who are the people that it's most profitable to talk to and what are the questions to ask them. And I think most of us in this trade think—at first, or after a comparatively few years—that we really do know what questions to ask and where to ask them. It takes quite a long time or else an awful lot of wisdom before you find out that you don't know. And you'd better ask.

Morris: These questions about each grant?

J. May: Yes, or even find somebody who can say, well, here are the people you ought to go to to ask questions. That's the key.

Morris: The people are different in every area in every part of the world?

J. May: Oh, sure. Now, how can you have a foundation staffed with one man and a girl and a half and have any possibility of expertise in social work, and race relations, and education, and the arts, and conservation, and all the divisions within all those fields! You simply cannot expect anybody to know what he's talking about. If you're
J. May: lucky, you find somebody who will know where to go to ask the right questions to ask about a particular proposal and, possibly, even who are the people to ask them of. And if you've got that guy, you've got the beginnings of a good foundation staff man. It takes a long time, I think.

Potential Results and Proposed Leadership

Morris: What are the kinds of questions?

J. May: Oh, I suppose the kind of questions that you ask are: will this really make a difference in the way things are done? Does it have a possible multiplier effect? Is it something that, if it turns out to be useful in Alameda County, can be replicated in Tacoma and San Diego and Salt Lake City? The track record of the people who are going to do the job if the grant is made. Is it worth the money? Is the cost effectiveness right? What are the chances that it's going to go? Is it going to be a blind alley? And if the chances are that it is, is it nevertheless worth trying to find out that that blind alley really is blind? I don't know that I could answer what the questions are without knowing what the proposal is.

Morris: I'm interested in some of them, such as: what is the multiplier effect?

J. May: Well, I suppose if you do something at a particular institution that is going to benefit some of the people attached to that institution, that's worth doing; but if the proposal works there, and the results of it are useful to people in twenty other institutions and the people attached to them, that's, I guess, what I would call the multiplier effect.

Morris: How does that differ from seed money?

J. May: Oh, I suppose seed money is something which is going to get something started which, if you provide the seed, and if it's lucky enough to germinate, will then grow without your continuing to, excuse the phrase, fertilize it with more of your dough—like that thing that I just handed you a minute ago.* That was seed money, and it's now being carried on, and very successfully, with other funds. I guess the thing that you hope will have the multiplier effect is also seed

*See Appendix: "Narrative and Critique of Mental Health Services for the Deaf," Alexander Simon, April 8, 1974.
J. May: money. I would hope that most of the dough we spend is seed money, though not all.

Sometimes we have to step in and rescue something that, through no fault of its own, or even through its own fault, has gotten into a hell of a bad spot and needs to be pulled out and kicked in the behind and started off in the right direction. And I'm not saying that we know what's the right direction, but they sometimes persuade us that a little money is all they need to get out of the doldrums they're in, and it's usually forthcoming if they do. I guess seed money is the Exploratorium in the Palace of Fine Arts.

Did you notice, by the way, that there was a story about the latest batch of Guggenheim grants? And the headline was, UC Berkeley is highest on list? It is, always is. Did you notice the last name on the list?

Morris: Was that Frank Oppenheimer at the Exploratorium?

J. May: Yes. I guess seed money is the grant, the challenge grant, that we made to the Conservatory of Music here.

Morris: This is: we will give you so much money if you can raise so much elsewhere?

J. May: Yes. That's right. They wanted to start their campaign with a half million. So we gave them a hundred and fifty thousand toward the first half million, but we said this will be the last hundred and fifty thousand of that half million. And now they've gone on. They've raised fifteen million. They're turning the Conservatory into a real conservatory, as you know.*

Morris: That organization has had a struggle through many years, hasn't it? And hit some doldrums financially and--

J. May: Until Milton Salkind took over, it was a nice, polite, piano school, really. Couple of nice elderly ladies started it a million years ago. Then Albert Elkus, who was in your music department at Berkeley, ran it for a while, and he was a sweet man. And then a poor devil, a French Pole (I mean he was of Polish origin but he was in the French underground during the war), ran it, and he died; and then finally it got into Milton's hands, and he's turned it into something simply marvelous. The French Pole was Robin Laufer.

*See interview with Milton Salkind in this series. Ed.
Morris: When you're talking about the track record of the people who are coming in with a proposal, how do you judge this with a brand-new organization or a people's organization with little professional staff?

J. May: Frequently very badly, though that isn't the answer to the question that you wanted. You said what's the process, rather than what's the result.

Morris: Both. Your answer, "very badly," was the result--

J. May: Because I've made some awfully, awfully bad estimates of people. Some were given jobs when I thought, well, there goes the project, because that guy is so totally incompetent, and he's turned out to be the greatest man in the business. And sometimes I've thought somebody was absolutely great and he's just gone right down the drain. So I guess you don't really depend on yourself, if you're smart.

You try and get a composite picture of the guy from people who might know something about him in his field. But you go by the seat of your pants an awful lot, and I guess one thing you learn is if the seat of your pants is uncomfortable about a certain grant, you'd better think long and hard before you make it. There's a lot of those that I've felt uncomfortable about but have gone ahead with anyway that turned out to be donkeys.

Morris: Your discomfort was--

J. May: Something, yes, like it's going to rain day after tomorrow because my bones ache.

Morris: Do you convey this sense of unease or uncertainty when you're presenting proposals to your committee?

J. May: I'm afraid not. I'm afraid a staff man is more likely to want to sound as if he knows what he's talking about rather than to convey a sense of grave doubt. And if he's decided on balance that he wants the proposal to go through, I think he's going to tend to minimize the adverse factors and maximize the pro ones at least. Maybe it's not human nature, but I think that's probably one of the errors I've committed. It's hard to be objective if you really want something done.

Morris: When you prepare your presentation to your board, do you look for a balance of so many grants of a particular kind?

J. May: No, we don't, but our board is beginning to tell us that it really wants to do this. Perhaps at the beginning of the year, they may say: we're going to have something like four million dollars to
J. May: give away during the year. Let's put a million into education, give or take a couple of hundred thousand, and maybe half a million in conservation, and another half million in the arts; and let's have an overall flavor of helping the people that most need help, but let's have an idea of how much we're going to spend in each of these categories that we're interested in.

We've never done it up to now, but I think if you watch the Foundation from here on, you'll find that Martin Paley is told to do it, and maybe it's good, and maybe it's bad. I don't know. I think you can argue either way—that we ought to have a balance, it's a valid argument; or we ought to have a lot of money available for the thing that needs doing the most.

Morris: Yes. And it's not always clear at the beginning of the year what may turn up by the end of the year.

J. May: That's right, and you may get a couple of extremely expensive but absolutely unturndownable proposals, and they might both be in the same general area; and, okay, so you've spent your six hundred thousand in that area—so you can't look at that one? What a pity!

Executive Decisions

Morris: Does the staff have any discretionary power of decision?

J. May: Good point. My goodness. You remember your questions well, or have you got them written down there?

Morris: I have a copy.

J. May: As of now, I don't think it's adequate, but many years ago I suggested that there ought to be a little discretion vested in the executive director to make very modest grants between meetings. And I said I think these ought to be conditioned on his judgment that this is something that the Distribution Committee would do if it had time to meet and consider it, but that time is of the essence, and this can't wait; and it should be limited in terms of amount per grant which is a thousand dollars; and it should not be more than five of them between any two meetings. They should be reviewed at every meeting and if the director's discretion is being abused in the opinion of the Distribution Committee, it should cease.

Well, now that we're spending four million dollars a year, I don't think it makes any sense to bring in a lot of dinky little proposals to that committee and divert their attention from the
J. May: major things. And I think after they get used to their new director they ought to vest in him power to make grants up to a total limit of a number of thousands of dollars—twenty or thirty or something like that, and no grant over two or three or five thousand dollars—but to go ahead and do these things and report on them conscientiously and save the Distribution Committee's attention for the big things that really matter.

That's where they ought to put their time, and yet we ought to be in the position sometimes to take a couple of thousand dollars to pull that key log out of the log jam that's going to get something rolling and do it quickly.

Morris: And continue to report on this to the Distribution Committee?

J. May: Oh, yes. And be able to prove that he was right. And be subject to correction.

No, I don't think he will want this until he's been on the job for a while, but he may want it, saying that he will depend on his colleagues.

Morris: Is there any informal contact with various individual members of the Distribution Committee between meetings?

J. May: About this kind of thing? None. This is what the big foundations refer to as officers' grants. In some of the big ones, twenty-five thousand dollars is the maximum that can be agreed to without board approval. Oh, I don't think in a little shop like this that it ought to go anything like that. Well, maybe five thousand, twenty-five hundred; not necessarily things in which time is of the essence which can't wait for the Distribution Committee's next meeting, but just simply to take the small stuff to one side and go ahead and do it subject to policy decisions later on. "Well, now that really doesn't look very good; we'd rather you wouldn't make that kind of grant in the future, Martin. Okay, you've made it. It's okay, but we'd rather you wouldn't do it any more in that area."

Working with Applicants

Morris: Would you expand on your comment in the 1965 annual report that your task is to apply funds in the right amounts at the right time to achieve the maximum benefit to the community. This matter of timing, I suppose, is part of it.

J. May: Yes, and there's more to it than that. Sometimes getting a proposal and pointing out to the proposer what some of the difficulties are
J. May: with it can be more important than actually making a grant. It's one of the bits of serendipity of this trade, I think, that getting somebody to think through a proposal more carefully than he has when he just brings it in and chucks it on your desk will turn it into a far, far better thing—Sidney Carten, than I have ever done. [Laughter]

As to the right time and the right amounts and so on, I don't know how to expand on that. I think just getting too generous with an organization can sometimes hurt it. For instance, it seems to me that if somebody has a very important project to bring to you and comes in for three years' funding and wants fifty thousand dollars a year, and it's well worth it—you might do him a hell of a lot more good by saying, we'll give you fifty thousand the first year, but in the second year we'll expect you to have begun to move toward self-support, because we can't support you forever. So we're going to create a ten-thousand dollar vacuum in the second year, into which you have to draw some more money; and in the third year, we're going to drop you clear down to twenty thousand. So that you won't come up against the end of the three years and never have thought about the fact that you've got to get other support for this program, if it's worth supporting.

We'll do you more good by giving you all you ask for (that is, if you really need that much) the first year, and then beginning to create the vacuum so you have to go out and get support elsewhere. And, you know, we've been thanked for it over and over again. Now, I grant you that I'm sure I've been fooled about people who have been nice to us, because you don't bite the hand that might feed you. I'm well aware of this.

Then I think you can do an organization an injustice by giving it either too much or too little money. I think we are equally prone to say: that budget isn't big enough in our opinion. Or: you can't hire somebody of the qualifications you need for eleven thousand dollars a year. I think we're just as likely to do that as to say: that budget's got a lot of water in it. Let's wring it out. We do both.

Morris: You do negotiate the--

J. May: We suggest. And, of course, again you're in a terribly unfair position, because if you make a suggestion to somebody, it's practically like a royal command. If you make a suggestion, the person you suggest it to is going to comply with the suggestion and come back and say, okay, now give me the money.

Morris: Do you feel that this then creates a feeling in the supplicant that, if they make these changes, they are then going to be assured of receiving the grant?
J. May: Yes, but we try and try and try and tell them that even though we are making these suggestions, their proposal is still going to be in competition with ten other proposals, and only one of those ten's going to be granted by the committee. We're just suggesting that we think it would have a better chance if they thought through this budget a little better.

Incidentally, you used a word which is very common in this business, supplicant. And this is something I think the people in my trade have to steer away from like the plague. To get the idea that people are supplicants, or that we're doing them a favor. We're just doing our part of the bargain, and they're doing us a favor if they bring us an opportunity to put our one little ingredient, which is money, into something all the other ingredients of which are present. So that our part, the thing that we can kick in, is going to be a key factor in doing something that's really very badly needed.

Morris: Oh, it's the mother's milk, as has been said about politics.

J. May: Sure, but I think you're in real trouble if you're a foundation official and you think you're doing somebody a favor, or you begin to let that idea creep into you. I don't think you are. I think you're trying to do a job as a professional, and the fellow who opens the way to you to help you to do that job better by providing you with something that may turn out to be great, is doing you just as much good as you're doing him by trying to get his proposal through a board.

Morris: Going back to the point you made about the value of going over a proposal and talking about what's wrong with it--are there any spectacular examples of that?

J. May: Yes, I'm sure there are, and I'm sure either of my colleagues could come up with one or two, and I think I could if I had some time. None comes to mind, just right off the bat.

Morris: It does seem that in almost anything, when you've got an idea, it's improved by thinking about it, having somebody react to it.

J. May: You need to be fairly objective, too, and be able to recognize when somebody needs fifty thousand and asks you for eighty, hoping to get fifty. On the other hand, the fellow who needs fifty thousand but thinks that really there isn't any point in asking for that much, let's ask for twenty-eight, then shaves all the items down so that if you give him the twenty-eight, he can't do the job. I don't know which is more common. We really try to look for the budget that makes some sense.
Consideration by the Distribution Committee

J. May: Sometimes we're caught with our britches at half mast by our board when they ask, well, now, isn't this item in the budget something that ought to be taken care of by so and so? Oh, yes, it is. That's most embarrassing, because it's the kind of thing we're hired for, and it happens.

Morris: Well, you're covering a lot of territory. This means also that, between you and the board, you have to be familiar with things like salary scales and benefits and so forth for different kinds of jobs that turn up again and again in applications?

J. May: Oh, yes, and you'll find with a board as varied as the one we work for here that some of those people are going to know what are going rates in certain areas, and some of them are going to have pretty severe prejudices about certain kinds of things.

The child care field was one in which this came up recently. We had a few proposals, and I guess, being a mother, you know about child care. Most people who don't know about it think child care is just storage of children while their mothers are working, and that it really needn't cost very much. And one of our board members said, Oh, my God, I figured out how much this is per child, and I can send my son through Groton and then through Yale for just that kind of annual cost. Just thinking that this is just storage, whereas this really can be a critical period in a kid's life, where you've got to give incredibly expensive care.

Morris: And varied in all the support services.

J. May: Sure. But this is a case where you have to be prepared with the facts. I don't know anything that isn't. We get away with murder. I have for twenty-five years, but this board's now getting sharper, and the pressure on it from the community is getting tougher, and Martin is going to have a much tougher job than I've ever had, and it's one of the reasons why I will open champagne tonight.* [Laughter]

Morris: What happens when you get a number of proposals in a similar, related area--

J. May: Do we choose one over another? Do we sometimes do both? There isn't any rule. We'll sometimes take two proposals at the same

*This interview was recorded on Mr. May's last official day as executive of the San Francisco Foundation. Ed.
J. May: meeting in the same general area of work and grant them both. Not often. Generally, we'll choose the one that seems to us to have the best chance of making a major impact on the community. Perhaps because the guy who's going to be the key person in one of them is obviously a better bet than the person who's going to be a key factor in the other one. Sometimes because the agency itself has a better record. Sometimes because it's in a part of the community that needs it more; Marin City needs things that Piedmont doesn't need, and vice versa.

Morris: Is it ever: we haven't made a grant in this community in some time?

J. May: Oh, indeed. I don't know that that's a very good factor, but, indeed, it is one we consider. And sometimes, since both Lew White and I live in Marin [County], for the last five years the committee has been a little bit inclined to say: well, fellows, where do you both live, anyway? Marin has how many people? 200,000? Yes. And the Bay Area, in which we say we deal, has how many people? Three and a half million. Yes, and let's see, 18% of our money has been going to Marin. Yes, now where do you fellows say you live? [Chuckle]

Morris: In other words, Marin County suffers somewhat of a disadvantage?

J. May: It hasn't, but there's a certain amount of give and take about that kind of thing.

Morris: You all seem to have very friendly relations, to tease each other about that sort of thing.

J. May: Oh, sure. Well, you couldn't live in this kind of job unless you did. And, then, I think there's been a tendency to be fairly lenient with me ever since the prospect of my imminent departure became known. Pretty soon we'll get somebody else, and we'll be tough with him, but let's let John have it easy for a while.

Negotiating a Major Grant

Morris: I see. Did it produce in you any urge to suggest some far-out schemes that you might not have if you--

J. May: At a recent meeting I presented a proposal for a grant of a million dollars. Now, what absolute nonsense for a little foundation like this; but they said, oh well, all right, this will be his last chance. That's the one for Oakes College with Herman Blake as the provost.

Morris: Did that reflect your confidence--
J. May: It reflected two years of working back and forth with the people at UC Santa Cruz, and it reflected the fact also that I had told the Distribution Committee that I proposed to go ahead and negotiate with Santa Cruz on the grounds that we ought to make a major grant with the Oakes money down there; and, of course, if they said no, we don't want you to do it, that would end it forthwith. But if they didn't say no, don't do it, that I proposed to go ahead; and they said go ahead. So I worked it out with all those nice people down there, and I still think it was a first-rate grant. I hope it turns out to be.

Morris: It is a sizable grant in anybody's money, I would say. What does it reflect, particularly in ideas with regard to higher education, that would make this a worthy thing to the Oakeses?

J. May: Why the Oakes money? Because the Oakeses were interested in education. They were particularly interested in having major grants named with the name of Oakes. Here was an opportunity to fulfill both those things, to get an enormous bargain, as I saw it, of getting a college named for about fifteen cents on the expended dollar, because there are regents' funds of many, many millions going into the college, and we're just putting some of the trimmings in.

Then, on top of all that, you see, this is a college which is going to devote itself to the minority experience in the United States, meaning not just blacks or Mexican-Americans or Jews or Chinese or anything, but the whole spectrum of people, including thee and me—immigrants from Europe. And it has a black provost, and so this is kind of in line with the way the Foundation has been going anyway. Starting in the late 1960s with all the agitation over black studies and black colleges and black faculty and black students and black everything, it has finally come out with this very sensible thing, and I think it's going to be quite a major show.

Morris: Is the Oakes gift going into curriculum or into plant?

J. May: Well, part of our money is going in—we don't usually put it into plant, but about seven hundred and fifty thousand is going into plant in this case, because we know the Oakeses were fond of doing that, and we think their wishes really should have a very heavy weight with us. And the balance is going into a provost's endowment fund to enable him to bring particular speakers to the campus and to do things that he needs to do out of his own discretion.

Morris: Individual ideas that he wants to develop without needing to go through the regents and the legislature and all of that?

J. May: Exactly.
Morris: Had you worked with him on other things? Was he one of your--

J. May: Yes, I hadn't known Herman very well—not well enough to have very great confidence in him, to tell you the truth. I guess he was one of the many guys that I didn't judge very well; but I got to McHenry and Mooser and some of the other people down there, and then I got a different kind of line on Herman, and I think he's a pretty great guy. I hadn't realized it, but now I do think he is.

Morris: You have an open mind; that's good.

J. May: Well, if I haven't by this time, somebody ought to open it with an axe, I think.

Morris: Had the Santa Cruz people come to you to talk about what they were evolving?

J. May: Oh, yes, about some minor things; they had no idea that anything like this could be in the offing. And I started the negotiations without tipping my hand that it might come from the Foundation.

I said that there was a remote possibility it could work out—that I could engineer a major gift to a college. Now tell me something about some of the colleges.

And we talked and we talked and talked and we talked for a year or more, and then finally it turned out to be this one, which just fits so beautifully.

Morris: Would you see this as kind of a high point in terms of the Foundation's work in the minority--

J. May: No, I would say this is just one of the many things that the Foundation has done in the whole area of grants made to benefit in some way people who are handicapped, including those handicapped by race, language. It's just one of many. I don't think it's a summit at all. It's only a summit in terms of the amount of dough, and that was kind of fun.

And I got conned into this. I was going to recommend seven hundred and fifty thousand, and then the boys down there put the pressure on and said, we'll take it, and we'll name the college for that amount of money; but you'll be doing a lot better thing if you give us another quarter of a million for the provost's endowment. So I just reported that, exactly in those words, to the Distribution Committee. And they went for it, in that nice new conference room. We had pictures and models of the campus and everything all over the place. It was lots of fun.

Morris: Does this grant represent the Distribution Committee's idea about where education might best be and in Santa Cruz--
J. May: Well, no, maybe; does it, or doesn't it?

Morris: I'm asking.

J. May: Or would they perhaps have preferred to do something at Stanford, or Lone Mountain, or UC Davis, or Mills? Or San Francisco State, or USF, or State College at Hayward, or Diablo College?

Morris: Any of which would be happy to have an Oakes Memorial facility or laboratory building?

J. May: They just might, don't you think?

Morris: Okay, why was the decision to go to Santa Cruz?

J. May: Well, I suppose you've got to say this was a far too subjective kind of decision, mainly on my part, mainly because Santa Cruz is somewhat unique in its college cluster system, partly because Dan Koshland is enamored of the Santa Cruz campus, partly because they conned me into it. Curden Mooser is far the most skillful pickpocket I've known since the old doc died--Menninger.

Morris: You did make grants to Menninger--

J. May: Well, sure, we may have sent them some of other people's money--pass-through money. I never consider that really a grant.

Morris: What you're saying is that this was the right proposal or the right need in the right time in the right place--

J. May: Yes, though I am not saying that the same amount of money at the same time in another place wouldn't have done more good. It just seemed to me that this one was good. I'd like to be sure that we couldn't have done a better thing with that amount of money somewhere else. I'm not.

Morris: Was anybody else asking for that kind of money in the higher education--?

J. May: Sure, oh, sure. Now, of course, now that the word is out that we made a million dollar grant, you know what's going to happen.

Morris: Everybody is going to be asking for that kind of money!

J. May: Yes, but, you see, I'm off the hook.
7. GRANTS AND THE COMMUNITY

Continuing Concern for the Justice System

Morris: Shall we continue where we left off last time, with the accomplishments of your regime in some areas that struck me as particularly significant, both from the point of view of their evolution over the years and from what they might reflect of your reading of the community and the board's. The areas that stood out in gathering my notes were various legal aid projects over the years and grants to the black community, which overlap juvenile delinquency and planning.

J. May: Yes. I don't think there was any deliberate plan on our part in those grants to the Legal Aid Society. I think that came about because the Legal Aid Society had a job to do, and we began to recognize it.

We thought that the organized bar of San Francisco really ought to put a bit more money into it than it did, rather than leaving it all to what was then the community chest. So we made that grant to the Legal Aid Society, but I think we required that it be matched by the bar, and we have tended to do that ever since. We've got a grant running to the Legal Aid Society today for the Employment Law Center, which is made on the basis that we will pay out, I think, about $30,000 this year, if the commitment to the Legal Aid Society from the lawyers of San Francisco will go up. We will pay a little less next year, provided they go up further; and we'll pay still less the third year, provided they go up to almost complete support. I think several members of our Distribution Committee think that the bar ought, really, to support some of these programs that are providing legal services; and the bar is doing a bit better, but they're not really very good givers.

Morris: Was it the Bar Association that came to you in the first place?

J. May: No, it was the Legal Aid Society itself; its board of directors was largely lawyers.

Morris: But not necessarily active in the Bar Association.
J. May: But not as the bar, no. They came with the blessing of the community chest, which it then was, which means it was back in the dark ages, practically. We said we'd give them money, provided the lawyers began to do a bit of fund-raising themselves.

Morris: An article in The Chronicle in 1954 included a statement that one of the society's purposes was to counteract the communist teaching that law is a class weapon used by the rich to oppress the poor.

J. May: Where did you get that?


J. May: I'll be darned. I don't remember it. Of course, I would subscribe to that, except that I would not like to see it labelled communist: "to counteract the teaching..."--then I would subscribe to it wholeheartedly. I don't see that that's communist teaching, is it?

Morris: This was 1954, which was the end of the McCarthy era; I wondered if that had anything to do with it.

J. May: Read it again.

Morris: "To counteract the communist teaching that law is a class weapon used by the rich to oppress the poor."

J. May: Yes, I'd be willing to spend any amount of money to counteract the teaching that law is a class weapon used by the rich to oppress the poor. I just wouldn't characterize it in 1974 as a communist teaching.

Morris: There are notes also about other community-based legal services--

J. May: Notes where?

Morris: Notes in your scrapbooks and in the annual reports; this is primarily where I went looking, because things were organized chronologically there. The San Francisco Neighborhood Legal Assistance Foundation and California Rural Legal Assistance--now, did those relate to the Legal Aid Society or are they separate projects doing similar work?

J. May: They're totally separate projects, and we haven't had much to do with the Rural Legal Aid, because that's pretty much out of our geographical field. I think you'll find that the Rosenberg Foundation is more concerned there. With the Neighborhood Legal Assistance Foundation, sure, we've been mixed up with them two or three times.

Morris: They also had some federal funding--
J. May: Indeed, they have had. I don't know whether they have it now or not, but it really was a federally-funded project. We put a little bit of odd money into it here and there to fill out some of the gaps that federal money didn't take care of.

Morris: Do you get involved in helping seek federal funds or advising for some of these projects when they're getting started?

J. May: We don't, but I think we should. I think we will be, probably, from now on, more than we have been in the past.

Morris: There's another development that turned up in 1964, the--

J. May: Ten years ago.

Morris: Ten years ago, the Own Recognizance Bail Projects. I find a record of the San Francisco Foundation making a grant for an OR project here at about the same time that Oakland was getting-- [phone interrupts]

We were on the legal aid, and I'd asked you about the Own Recognizance project which--

J. May: This is something that's been done pretty well all over the country, lots of places, to try and correct this situation in which somebody has to go to the pokey, and there's nobody to support his wife and kids; whereas it might be so much better if the court can establish the probability that the guy will show up for his trial, better to have him earning the family's living than costing the state money by being in jail and having his family not supported.

Charlie Rumph in the attorney general's office here has been instrumental in this. Irv Reichert was, and quite a lot of people, and there have been four projects started by the Bar Association. There was one started by Stiles Hall in Berkeley. We've been in quite a number of them trying to move in that direction. There have been other efforts, the Northern California Service League has done some. They've done prearraignment programs. They have done programs of trying to have somebody not serve time, but report to the Northern California Service League from time to time. You have to get a judge's cooperation to do this kind of thing, but it's awfully well worth doing.

Acting and Reacting

Morris: Ford had put a fairly hefty sum of money into Oakland. How did they decide on Oakland, rather than San Francisco, if there were people already interested in OR on this side of the bay?
J. May: I haven't the remotest idea, but Ford got pretty fond of Oakland a good many years ago. They picked communities in strategic locations around the country that had particular problems, and Oakland was one of those.

Morris: Yes, I know Ford funded a cluster of projects there.

J. May: That's right, with its population mix and so on. It was pretty interesting to Ford, and I think they poured a lot of money into it over the years.

Morris: Were there any negotiations with Ford as to which community they would pick?

J. May: I'm sure there were, but I wasn't in on it. We weren't in on it; the Foundation wasn't in on it. I think they had people out across the country to pick them, and I suppose many communities were fighting for the chance.

Morris: At the governmental level, or--

J. May: Sure, and at the private level, too.

Morris: Yes. On something like the OR projects, if Ford goes into it, does it make it easier for your board to decide that they should put some money into this kind of project?

J. May: Oh, I think they are susceptible to the argument that there's good precedent for us to do it; but, on the other hand, if Ford is putting its millions into something, wouldn't we do better if we took our tens of thousands, instead of millions, and put them into something else? Let Ford have the OR field. With the 50-50 job (you know, one elephant, one flea)--we're not very significant in a situation like that.

There was one case in which we put a lot more money into a project than Ford did, which we shared with them. I've forgotten now what it was, but I thought it was quite impressive.

Morris: Do you keep a file on this kind of thing? In other words, legal aid as a category including all related kinds of proposals--

J. May: No. I'm glad you asked me that, but I'm ashamed to give you the answer. No, we don't, but I'm sure if you ask Martin that question in five years hence, he would say, of course we do.

Morris: Then how have you kept track of--

J. May: I haven't. That must be clear from our conversation.
Morris: No, it's not. The annual reports indicate an orderly progression through the years of kinds of projects. Patterns do emerge.

J. May: You're probably more aware of that than I am. But they haven't emerged because they've been planned. I think we've reacted. We've responded to demands and pressures and needs, rather than doing what I think we're increasingly inclined to think we ought to do—and that is to sit down and plan where our moves ought to be in the next few years, at least with regard to a lot of our money. We reacted instead of doing some acting.

I can think of only one case at the moment in which we have actually gone out to seek a job to do. Did I tell you about this? The sickle-cell business?

Morris: No.

J. May: Three or four years ago—three years ago—when suddenly we all became aware of sickle-cell anemia as a disease that affects blacks—50% of those that have it will die before they're twenty, and 90% will die before they're forty—it became something in which suddenly the country got very interested, even to the extent that the Nixon administration took an interest in it and put some money in it. And at that point I asked Rudy Glover if he didn't want to do some digging around the community with the carrot held in his hand. Then we would put some money into a good sickle-cell project if he could find one. He dug up five or six or seven, and we made a grant, and we're about to propose that another grant be made. This is a case where we actually went out to look for the best thing we could do in a certain field. We had committed ourselves in effect to do something in that field—do something about sickle-cell.

Morris: Because nothing else was visibly being done in that area?

J. May: Because very little was being done, and if we did something visible it might help. So Rudy dug up a half a dozen things and finally one was picked on his recommendation. We made the grant, but usually we don't do enough of this.

Morris: Have you been aware, in the course of the years, that the Foundation did this two or three years ago, and this new kind of proposal is coming which is in the same line, and it's another step along the way which should be encouraged? For instance, going back to the legal system, you were doing OR grants in 1964, and then in '68 there were grants for the San Francisco Committee on Crime, on selection of probation officers, and—
Efforts to Strengthen Prevention and Rehabilitation

J. May: Yes, we never did very much for the San Francisco Committee on Crime. We gave a little money on the selection of the chief juvenile probation officer here. Really, this was just to enable the city to pay travel expenses in order to look all over the country to get the best man that could be gotten for the job, because the city hasn't got funds to do that. It's only a few hundred bucks.

The whole area of the administration of justice, both justice at the adult level and juvenile justice, has been something that I think we've been more and more interested in as the years have gone on, and I think we'll continue to be. I think we ought to be. The penal systems, the court systems, the police systems, and so on, are so bad; and some private money can't do much except perhaps to monitor what government is doing and make some suggestions about what might be looked at and then, perhaps, even pay to have it looked at and that way make a contribution to the improvement of the administration of justice.

I think you can class in this the kind of grants we've made for Operation Sentinel, which, as you probably know, is an effort to make it possible to enforce the law against racial discrimination in housing. It's all part of the administration of justice. If there is a law but no way to enforce it, then it ain't much of a law. If you make a loud noise in the desert, and nobody hears it, was it a noise?

Morris: What about the Institute for the Study of Crime and Delinquency, which is now the American Justice Institute? There was a $22,000 grant for '68-69, and then a couple of later ones.

J. May: Yes, only we never got very much money's worth out of it.

Morris: That was not one for some work you were interested in seeing done?

J. May: Well, I've forgotten what the terms of that grant were, but it was not one that turned out to be a very good investment. I think it was one of those that we here in the staff thought, by the seat of our pants, didn't feel very good; and it would have been better if we hadn't made it. We've done lots of that.

But back in those years and before, we were dealing in other areas that are akin to this, such as halfway houses for released prisoners, such as working with prisoners both before and after release to help them adjust into the problems of the bigger society when they're freed. We've done innumerable things like this. We funded a couple of chapters of Friends Outside which, as you probably know, is an attempt to work with the families of men while they're in prison or jail.
J. May: We've also tried to do something about this situation in which the juvenile delinquent is sent to "juvie," to the "joint," and he comes out, graduates from that with a pretty sour attitude about society; and then his next step is probably the county jail. Unless you have people working with him there, the probability is that he'll wind up in San Quentin, or Folsom, or somewhere.

To try and do something about this situation—we're in the middle of it now. We have a proposal under consideration. We've been working about a year on it to try and do it right, to provide an alternative to the situation in which the dependent and neglected child is sent, for God's sake, to the Juvenile Hall, which is the juvenile jail. It would be much better if such kids were put in a setting which hasn't got the flavor of incarceration, of wrongdoing.

Morris: This has been a long battle through the—

J. May: We're not going to win it for quite a while. We'll win it eventually, not in my time.

Morris: Or mine?

J. May: Oh, yes, in yours probably.

Morris: This very point appeared back in the fifties, in the press reports about the need for a child welfare agency.

J. May: Sure, when I came on the scene here, there had been a community committee on juvenile problems, and it was funded by the Columbia and Rosenberg Foundations. It was headed first by Lloyd Dinkelspiel and then by Morty Fleishhacker, and some of the same problems were being discussed then that we have now.

Morris: When you say that you worked with the Northern California Service League and Friends Outside over the years, was it the same program, or were they trying different approaches to young people and adults?

J. May: Well, I think, in a broad sense you've got the same objective, and that is: okay, you've got people in jail or prison; what are we going to do that is going to give them the best chance of being reabsorbed into society as useful, productive, good citizens? The Northern California Service League did it, wanted to do it, tried to do it, and did some of it through expert professional social work, counseling with men when they're in prison. Working directly with the guy who's behind the bars.

They thoroughly encouraged the formation of Friends Outside, which was a far less expert but rather devoted group; which was working with the wives and children of the guys who are behind the
J. May: bars to try and prevent the break-up of families; to encourage the
guy to make a new start when he does get out; to give hope to the
families, and more than help in some cases—food, clothing, and other
things. But we don't treat that population very well. We really
haven't made up our minds in this country whether prison is punish-
ment or an attempt to rehabilitate. Have we?

Morris: It seems to be still a question. The Distribution Committee is
willing to go along with these efforts which go on for years and
years?

J. May: Willing and eager, and to try one thing after another; and sometimes
some of them will work. Sometimes it will have been worthwhile to
try something and find that it doesn't work; but that would be a
pretty pragmatic judgment in this field, not like trying a certain
chemical in the attempt to eliminate a disease and finding that it
doesn't.

Morris: Would the people in the organizations, then, come to you and say:
we've tried this, and it doesn't seem to work very well. We'd like
to try it another way, and will you keep us going?

J. May: Oh, we'd be terribly pleased and proud if they did, but you don't
very often have a grantee coming to you and saying, thanks a lot,
but that was a lousy operation that you helped us to do. I had a
man call me this morning with just exactly that in mind.

We gave twenty-odd thousand dollars to the American Jewish
Committee two or three years ago for a study of ethnic problems:
what the different communities want and why, and how these problems
are handled. And the man, whom I've known for many years, called
me up and said, I just want to know if it's true that you gave them
that twenty-odd thousand dollars. I said, yes.

He said, well, if you'd just opened the window on the sixteenth
floor and thrown the twenty thousand out the window, it would have
done just as much good, maybe more.

It was just a dreadfully poor job that was done. And I don't
know why we made the grant, except that maybe ethnic problems—the
problems of ethnic minorities—were so much in all our minds that
anything that said it was an attempt to solve any of them was ipso
facto almost bound to get a grant. We will be a little more sophis-
ticated today.
The Inc. Fund: Seeking Ongoing Support

Morris: What made 1969 the right time for the Foundation to put a fair-sized chunk of money into the Legal Defense Fund of the NAACP?

J. May: Nothing as nice as you would like to hear. The fact of the matter is that that was the time when we had received the $250,000 bequest from Mr. Hoyt, who asked us to use his money—principal and income—all within ten years at most, in attempts to—these are not his words, but something like it—to mitigate the hardships under which minority group people in this country, particularly Negroes, live. And he mentioned particularly his affection for the NAACP Legal Defense Fund.

Morris: Which didn't have a west coast operation?

J. May: And it never had. This was the case when I went to Jack Greenberg in New York, and he was very patient, as I told you; but when I said a hundred thousand, he kind of perked up. And that's what we gave them to run the office for three years, with our support on a declining basis, like $5,000 and 35,000 and then whatever the balance is—20,000.

Morris: Did Mr. Greenberg come out and set it up, or did he use local people?

J. May: Both. They sent staff out, good staff, from their New York central office and left them here for a year or two, and then had them recruit local people. The thing they didn't do adequately was to set up fund-raising machinery, which would have been very easy to do, to continue the support of this western office—help it to raise western funds, some of which would even have gone to the East. But after three years of experience and the fact that we raised a little hell because they hadn't done anything about raising money for this office to match our money as our withdrawal from supporting it created a vacuum (they hadn't done anything about this, and we pointed it out to them rather strongly two or three times), they eventually did.

Morris: When they were recruiting and developing local people to work in it, did they recruit black people?

J. May: Both black and white.

Morris: Who were some of those—were they people already in the legal profession?

J. May: Oh, sure. They got lawyers, and good ones—damn good ones. The kind of lawyer that it's much easier to find than it used to be—the guy who's got a splendid legal education but doesn't want to
J. May: spend his time doing a corporate law practice or a probate practice, holding widows' hands and writing installment contracts, but wants to do something that has a little bit more sex appeal to it—that will give him a little better feeling when he goes home at night that he's done something in the public interest; that he's helped to enforce the law which prohibits racial discrimination in housing.

We've got a grant going to the Inc. Fund now for forty thousand dollars a year to help them do exactly this—to bring cases in the housing field against landlords that discriminate against blacks.

Morris: How did the Legal Defense fund relate to the general civil rights movement and to your work with the black community in general?

J. May: Intimately. The Inc. Fund has been responsible for winning a great many of the major decisions in the U.S. Supreme Court in the whole field of civil rights, and particularly civil rights as they apply to minority group people.

They went on from that kind of thing to devoting a great deal of their time to capital punishment. Of course, part of the theoretical justification for their doing that was the fact that an undue proportion of the people executed for crime are black, and so this becomes a matter of legal defense of the minority community; and you know the Inc. Fund was very influential in the move away from capital punishment throughout the country.

Now they're getting into things, as I say, like housing discrimination, women's rights, all kinds of things like that; and they have been, and I'm sure will continue for a long time to be, right out in the forefront of the whole fight for civil rights, but entirely by means of using the structure of law that we have in this society—put the law to work in its own defense, in other words; see to it that people have the rights which the law entitles them to and that they get them by means of the law.

Morris: And thereby affect the general community attitudes and opinions?

J. May: Yes, that, too. Sure.

Morris: Would you translate Inc. Fund for me?

J. May: Legal Defense and Educational Fund, Inc. And it's known in the foundation trade and elsewhere as the Inc. Fund. Sorry about that, but how are you going to say every time: the National Association for the Advancement of Colored People Legal Defense and Educational Fund, Incorporated? That's its name.

Morris: I was looking for an acronym. Yes, a long title like that would slow down discussions and thereby increase the irritation level,
Morris: possibly. [Laughter] That was the period, '68-'69, when your annual reports begin to list whole batches of projects that seem to me to be related. In other words, in '68, '69, and '70, there were grants to the Constitutional Rights Foundation, a job fact-finding study through a grant to the San Francisco Human Rights Commission, another bail project, books for the San Francisco Law School, San Francisco High School legal education project, West Oakland Legal Switchboard, and Youth Advocates.

J. May: You're doing a very great thing for us in telling us all these. May I have your notes after we're through with all this? This will be helpful to my successor.

Morris: Of course.

J. May: All right, let's state some factors that lead to this grouping of grants. That was about the time when we began to have a hell of a lot of increase in the amount of money we had, and hence the amount of money we could spend. So we could begin to think of where some of the areas are that we really want to have an effect in. And certainly the area of civil rights, and enabling people to get what is due them under the law, and preventing their suffering from things that are against the law, and so on, began to be very much in our minds as something that the Foundation ought to do. That's two factors. First we had a lot more money, and second, okay, we've got some more money; let's see where the important places are to go.

And then third, I suppose, is the fact that our staff changed, because up to that time there had been me and a secretary and a part-time secretary; and then we got Lew White, who had marched at Selma and who's got some fairly strong beliefs. And then we got Rudy Glover.

Morris: When did they join the staff?

J. May: Three and a half years ago, and Lew joined five and a half years ago. And so it began to develop as a normal progression, and we had people on the Distribution Committee who had an interest in this area, the area of civil rights and justices—equal justice—and, okay, now we're beginning to get some money. We don't have to put it all into the dear old social welfare things that we used to think were our bailiwick. Let's do some of these things where it'll make some difference. Let's back up our grant to the Inc. Fund. Let's do some more things of that kind. And I think there are a number of reasons that kind of converged that make us do that kind of thing. I think we got a little more courage, too.

Morris: Why did it take courage?

J. May: Because you get a lot of criticism when you get out ahead of the
J. May: dominant society as a whole.

Morris: Where does criticism come from?

J. May: Well, it seems to me that if you support something which is really militantly active in the area of fighting against racial discrimination in housing, you're likely to have a rather bad reaction from the people who are making their money out of refusing to rent to blacks.

Morris: Would this take the form of phone calls, letters?

J. May: Not very much. We get some of that kind of thing. We occasionally get a letter from, get a phone call from, a lawyer: well, I just read the paper this morning, and you lost a million dollars. Some client called and said, cancel my bequest, because I don't like what they're doing. I think I could dig some letters out of the files saying that you seem to have no interest in anything except Negroes; and I can understand how you might give 10% of your money to them, but you're giving too much, and I don't like you.

By the same token, we get attacked by the minority groups saying that we are inaccessible to them, particularly to the black community. There have been attacks on me in press and radio and all kinds of things, because I won't talk to them, which I find a little hard to understand; because, as you know, my telephone calls aren't screened, nor do I ever refuse to see anybody who comes in the door unless I'm busy with somebody else, and if I am, then I'll see him if he wants to wait.

So I don't quite get this, and I think it's evident from your studies of our reports that an overwhelming proportion of our grants goes to support efforts to try to equalize opportunity in every way.

Corporate and Foundation Philanthropy

Morris: When did that emerge to the point where you could state it as a policy?

J. May: I don't think I can put a date on it. I think it's been growing over the years. I think it's been growing (perhaps this is all too conceited of me) as it's become more and more firmly fixed in my mind. This probably has been reflected in my recommendations for grants, and that, in turn, has been reflected by some of the grants that have been made, but that's probably a gross overstatement. I think it's more due to the fact that people (including our board
J. May: members) have become more and more aware that there are gross inequalities, and in our present society they're illegal, unconstitutional, intolerable, shouldn't be there. Let's do something about it. What's our money for?

I think you have to respect these people, because they're not people who themselves have suffered from it. Most of them are very privileged people, and most of them in their own occupations have been very hesitant to take the lead about employing blacks.

Morris: That's interesting. There's a difference between their professional life and their community service?

J. May: Well, they've taken very different attitudes in lots of ways about what they would want their companies to do and what they think it's appropriate for us to do, and I couldn't agree with them more. If I were giving away Standard Oil's money in charitable contributions, I would have an extremely different set of guidelines from what I think are appropriate here. I think here we ought to be out in the forefront. We ought to put our money into things that are not going to be done unless we put our oar in.

I think if Standard and the Crocker Bank and Wells Fargo and PG&E and the telephone company are putting money into something, it's good reason for us not to; but I think if I were giving for one of them, I would want to be in the things that the others are in, too, and I would not want it to be in the risky things. I don't think you ought to take stockholders' money and put it into risk capital kind of ventures.

On the other hand, I think real foundation money ought to do just that, and really ought to stay pretty far away from the things that you can get money for if you exert a little effort by going to individuals and corporations. All right, this is from members of the Distribution Committee: well, I don't think we ought to do it in my firm, but I think it's a great thing for the Foundation to do. And the reverse of that: oh, I don't think this is anything for the Foundation to look at at all, but I'm going to go home and write them a check.

Morris: To the organization directly?

J. May: Yes, I've seen that happen, too.

Morris: Because it's out beyond what the Foundation should be doing?

J. May: No. Oh, no, no, no—that it's something the Foundation doesn't need to do and, they would say, this is what people people like me ought to do, and I don't think it's any of the Foundation's business.
J. May: Let's save the Foundation's very modest money to be out on—these euphemisms we use—the cutting edge, all that kind of thing.

I don't care what the wording is, that's where we belong. And I think most of these people see it, except when they get something that they're very hot on themselves.

Morris: For instance?

J. May: Well, I wouldn't like to say the opera, because our recent chairman was the president of the opera. So I won't say it.

Morris: But you do occasionally get into the area of--

J. May: Personal interest, certainly, and that colors anybody's judgment. I imagine it does yours. I know it does mine.

Support to Minority Organizations: Militant and Grassroots

Morris: Maybe we could go sideways, then, into what happened in terms of the Foundation's work with the black community on other kinds of projects. The first such gift I find is to the Urban League in 1953.

J. May: In 1953 we didn't have a million dollars in capital assets. I don't know whether somebody suggested it to us and that we do it out of the money that that person gave us or not, but I think even in those days the Urban League was considered to represent a less fortunate segment of society than the people who made up the Distribution Committee, for instance.

The director of the Urban League in those days was an extraordinarily fine guy. Do you know Seaton Manning?

Morris: No, that's a name that I do not have.

J. May: He's become a very close friend of mine. The Urban League was really trying to do some of the things that most of us found very easy to do later on, but the Urban League was really leading the way. I don't remember what this particular grant was for, but I'm glad we were doing it as early as that. I think we were kind of taking a leading role in this whole business of equality of opportunity. We were stumbling. We didn't know what we were doing, but we were beginning to find out.

Morris: The Urban League now is considered, I believe, more conservative in the range of black community organizations.
J. May: It's not one of the wild arm-waving ones but, a few years ago, the Urban League nationally made the decision that it was going to be an activist organization. It's taken some pretty tough stands.

As a matter of fact, one of the times when I was attacked for being a racist and a few other things the then-director of the Urban League, who is still the director of the Urban League, had his name attached to the letter attacking me--Percy Steele. Something he would decry and say, well, he was a little careless or something.

Morris: In the heat of battle.

J. May: He wasn't in the battle. I was kind of puzzled by some of the people I thought were my friends who added their names to it. I talked to all of them over the years, and they all said, oh, well, I was on so-and-so's board. I couldn't say no.

Morris: Was this a specific incident?

J. May: It was a specific incident.

Morris: Part of a larger community crisis?

J. May: No, it was an attack made on me by the head of an organization which had before us at the time a request for a rather large grant. It seemed to me a rather stupid time to make an attack on me, but--

Morris: This was while the grant was under consideration, not a reaction to not being funded?

J. May: Yes; and, incidentally, we made the grant, which I think is a great credit to the Distribution Committee because, since the charges weren't substantiated, they didn't believe it was true. I think they thought I erred on the other side, if any, and they made the grant.

Morris: And they didn't hold it against the people for having attacked the--

J. May: Yes, I think they thought that was pretty stupid, but the project was worth doing, and they went ahead and did it, and the man left town, and it all got smoothed over. But it was irresponsible as hell on the part of the people who allowed their names to be used, because all of them later told me that that really wasn't their opinion on the matter. I don't understand that kind of thing myself.

Morris: The use of verbal personal attack and the flamboyant approach seem to have become a technique in some minority community agencies. Is this something that you can trace in the way people made their
Morris: proposals, or the way they negotiated, or what they then did with grants?

J. May: Gaby, I don't know how to put this, and probably it's going to need a lot of editing since the tape is still on. I don't want you to turn it off, but it seems to me when you're dealing with a community like the black community, which has gotten so much more demanding since the '54 Supreme Court decision, that it's not going to pattern itself on the way the larger community or the establishment community behaves. It's going to be very abrupt and militant and forceful and defensive—and offensive, too; and it's just to be expected, it seems to me. The standards that we would expect of an organization run by and on behalf of the middle class establishment are just not going to apply.

Minority group demands for financial support from the establishment community shouldn't be couched in the same friendly and, I don't know, polite terms that Children's Hospital would use in asking us for money, but rather like: you've got it, we want it, we've had it coming for three hundred years, now give it to us. Absolute demand with threats attached, all this kind of thing, and we simply had to expect that. We're sure getting it.

We were picketed not too long ago by an organization that wasn't pleased with our failing to listen to its recommendations about something; there were handbills demanding the firing of Lew White and John May, but not Rudy Glover, and the immediate hiring of a third world executive and a few things like that; and picketing of Emmett Solomon's office (he being the chairman) with handbills passed out about how he was unresponsive to the needs of the poor, and then picketing his home—a lot of fairly rough stuff which doesn't really accomplish much, I think.

Morris: Is this militant attitude in the nature of the grant applications that come in, and in the way the proposal has been worked up?

J. May: Yes, I think we've got to assure ourselves that if we make a grant, we've got a duty to the people who have given us the money to have reasonable probability established that the grant is going to do some good. We are not likely to give money to people whose track record looks bad unless we have reason to believe that, given new circumstances, they're going to do better. I think it's kind of an obligation on our part. That sounds awfully stuffy, but, okay, so many of these things are.

Morris: How do you evaluate what's also part of this, proposals from new organizations coming in and saying, we would like to do this or that for our neighborhood, without much prior experience? The kind of self-help—
J. May: It makes it more difficult, doesn't it, because you haven't got somebody's record of accomplishment to suggest to you that if you give him this twenty-five thousand bucks, he's going to do a good job.

So then you have to go on rather more subjective judgment that everything he says sounds good, and I like the way he says it, and his attitude appeals to me, and the people around him seem to have considerable respect for him, and out through that community where he's going to work he seems to have acceptance, and the goals he states are in our view good goals. We agree with them. The methods he's going to use are not methods we think will work, but they might. And so let's give him a chance; he's not going to get the money if we don't give it to him, because nobody else is going to take such a risk as we do. So let's go ahead. We've done that.

Morris: Have you kept track of how they've done?

J. May: Not very well. Not nearly well enough. That would take at least a doubling of our staff, and it's already costing us more than a nickel for every dollar we give away just for the cost of giving it.

Morris: This is a hypothetical thing, but is there any indication that the noisy arm-waving stage that we're going through now was to be expected after the intervening stage when things like the Inc. Fund were set up to reassert, restate, reemphasize the fact that justice was for everybody equally, and that civil rights and liberties possibly had been overlooked by the mainstream institutions and their leaders? I added my thoughts, too.

J. May: I don't know whether I can answer that, but it seems to me that you've got several tracks leading toward the same objective, which is civil rights or equality under the law, or something like that. Equality of opportunity. You've got the sit-in demonstrations which were strictly illegal--the Palace Hotel things. And you probably were kind of turned off by it. I don't know whether you were. I was, because the tactics used were pretty offensive tactics, but it's pretty clear now that if those things hadn't been done, progress wouldn't have been anywhere near as good and as swift as it was. So you've got this strong-arm stuff.

Then you've got the thing which is perfectly legal, the demonstrations and the protests and the picketing and the signs and handbills--perfectly legitimate, but a lot of it pretty wild.

And then you've got the totally non-violent kind of thing, the Martin Luther King business, in which the power of non-violent action was just completely irresistible.
Morris: Does that depend on somebody with the personal charisma to make non-violence effective?

J. May: Yes, it does. What a dreadful word, yes, but all right, some quality of leadership that can get people to do it. And, of course, that was only partly King. There was the woman who actually led that bus boycott who did it. And then going with that, I suppose, are the very militant users of the law as it is, like the Inc. Fund. It seems to me that all these tracks lead toward the accomplishment of the guarantee of civil rights. When you say, does one stage lead to another? I don't know. I'm sure there are people you could ask that of, who'd have a perfectly confident answer for you, but I haven't got it.

There are other kinds of things that are happening in the same way. There are attempts to equalize equality of opportunity in education, in employment, in housing. There are attempts to say: well, this country really has a heavy commitment to the business world; let's get the disenfranchised into the business world, and not just as token people, but on the ladder to management; let's put capital into minority-owned enterprise.

And some of that has been successful. I own stock in a minority owned bank. I, personally, because I think it's a good move for me to have some, and I think at this time it's a good thing that there should be a minority-owned financial institution in the Bay Area. I think eventually there isn't any need for us to have a black bank or an Oriental bank or a Jewish bank or a Catholic bank or anything else so separate.

Minority-Owned Business

Morris: How was the Foundation's experience with minority-owned business?

J. May: Tolerable on the whole.

Morris: You went to A. D. Little, or did A. D. Little come to you and ask for a grant?

J. May: No, no. We didn't actually go to them. We made the grant, and A. D. Little was employed to do a study about what to do about black entrepreneurship. A few of the investments made at that time have turned out to be pretty good, but I guess I believe from the experience we've had there and with the Local Development Corporation and with PACT--

Morris: Are they the same thing or are they two different--?
J. May: No, they're all different, and with a few other things, that putting up capital for minority-owned and operated enterprise is far too complicated a thing for a guy who works for a foundation and hasn't any special training in that to touch. He'll get his fingers burned.

It takes the kind of expertise that you would have if you're in the venture capital field to start with, to know whether a business is viable and then to be able to judge the qualities of the people that want to operate the business; and then you have to know what kind of capital is needed and what it's going to cost you to get that capital, and this is just not the kind of thing I or anybody in this organization has the capacity to do with any skill.

If we're going to do this kind of thing, it would seem to me today that we ought to take a million dollars and put it in the hands of an organization that we know has this capacity to judge things on their pure economic viability. Otherwise, most of this dough is going to go down the drain, and a few decent people will have been ripped off, and a few people will come out with some useful enterprises.

Morris: Did the business-oriented people on your board raise this kind of question when these proposals were discussed?

J. May: Indeed. Yes. They were rather polite, rather too polite, to say: John, what the hell do you know about this. But it was quite clear. There were two bankers on the board at the time, and each of them is in the business of determining what is something to which you will or won't make a loan. Is it a viable enterprise?

This is something that the government has worried with, and it's got pretty large numbers of personnel working in this area--minority enterprise--and they didn't get guys like me with no specific training in this. They got people out of the business world and out of the venture capital and out of the management consulting field, and the banking field, mortgage field, and this kind of thing.

I think we really don't know enough about this, just as we don't know enough about medical research to judge five projects in order to pick one. How do we know?

Morris: Then, in other words, the grant to the Local Development Corporation was to give them the capital with which to start operating?

J. May: No, we made them a small grant, if I remember properly, to help them get into business. We didn't have the money to put up the hundreds of thousands necessary to enable them to have a revolving loan fund. We gave them a grant for two years when they were under joint black/
J. May: white, but mostly white, management, and then that management decided that it ought to have black management, and they reorganized. And they came back to us, though we'd made a terminal grant, and said: give us some more money. I think they asked us for twenty-five, and we gave them forty.

Morris: You increased the amount that they asked for?

J. May: That's right. We gave them more than they asked for.

Morris: That's neat. How did that come about?

J. May: And then we were excoriated for being stingy a little later. And again this was for management itself. This wasn't to provide the capital with which they could make the loans. That takes a lot more money.

Morris: I see. In other words, they wanted to act as a broker to find money for other minority enterprises.

J. May: Yes, and it's always been pretty much teetering on the thin edge. The president of that corporation was also one of the five who signed the letter damning me.

Morris: This was that recent, 1969-70?

J. May: Yes.

Morris: Was the Local Development Corporation a result of the material in the A. D. Little study?

J. May: I don't think so. I think the material in the A. D. Little study was confined to rather small business operations—a launderette, a restaurant; the one that I kind of liked the best was the delivery service for electronic instruments. And I think it's still going. I've forgotten its name, but you see one or two trucks around the streets today. Terribly delicate stuff that had to have great care in the delivery. So they set it up; this is unique.

Morris: Were many of the business enterprises suggested by that study actually put into operation?

J. May: Yes, quite a lot. I'd have to get down in the basement to get that file out to tell you which ones.

Morris: Was that Foundation money, or was that other sources?

J. May: Other sources.

Morris: You're a determined group. I find a grant in 1973 to the Golden
Morris: Gate Development Corporation. Is that another in the same line?

J. May: Yes. We'll probably keep on doing it; we'll be persuaded that it's worth doing again, too.

Morris: Is there anything about the Golden Gate company that uses the lessons learned by Local Development Corporation?

J. May: I can't tell you. I don't remember it, which means it must have been handled by either Lew or Rudy.

Staff Growth: Responsibility Divided

Morris: How did you sort all that out when you had two more people to work with? How did you divide things up.

J. May: Well, when there was just one more, when Lew came on board, we gradually divided that load between the two of us, and he took on more and more. Then, as other affairs got more complicated—as Parkinson's Law took its inevitable course, and the Tax Reform Act came along, and the growth of assets and the problems that that has created, and so on—I was able to do less and less in the real business of the Foundation, which is grant-making.

Since Rudy came on board, and in the last couple of years, I think an average docket has had thirty or forty proposals under intensive review, and of that batch three or four have been mine, and the balance Lew's and Rudy's. Hardly an equitable distribution, is it?

Morris: It's an interesting thing to hear you say that other responsibilities came along so that you had less and less time to be involved in the granting.

J. May: Now I hope that Martin Paley is not going to fall into this same trap, because I have thought since we began to look for my successor that what we ought to look for is the guy with the brains and the compassion and the hard nosed, discriminating ability to improve our grant-making and realize full well that everything else is a means to that end. I've been devoting too much of my time to the means, to the administrative problems of keeping the place running. I really mean too much.

Morris: Is that a function of the beginning of the Foundation?

J. May: I think that you're very shrewd to put your finger on that. In the beginning years of the Foundation we didn't have any money to make
J. May: grants with, and so I was busy elsewhere. Maybe that is the key to why now, at the end of my period, too much of my time goes into working with the banks and the potential donors and with tax matters and lawyers and with accountants and all that kind of thing. That is clearly a means to the end, which is doing a good granting job. So I'm kind of hounding Martin about that.

Now, this may mean that in due course he will say: well, we've got to have somebody devoting his time to seeing to it that we continue to have a lot of money to use, so maybe we need to hire an associate director for administration, and I'm going to hang everything on him.

But the trouble is, you see, when somebody's got a few million bucks, and he wants to talk to somebody in the Foundation,--

Morris: He want to talk to number one.

J. May: He wants to talk to number one, not the associate director for administration, as he wants to talk to the college president and not the guy who is better qualified to answer his questions.

Morris: That's a tricky organizational problem. I don't think it's unique to foundations. I think it occurs, as you say, in universities and also in industry.

J. May: Even the archbishop has to go out to dinner [laughter].

One Man's Accomplishments: Youth for Service

Morris: I have a couple of other questions about the black community. One is about Youth for Service. They've been around for some time as grantees, have they not?

J. May: Indeed, they have. What do you want to know?

Morris: Who has been its guiding spirit? That's Percy Steele, isn't it?

J. May: There's nothing to do with Percy Steele, absolutely nothing. It has been for most of its time Orville Luster. Well, I can't tell you, but this is easy to find out. It started ten or fifteen years ago—twelve or fifteen years ago—with the idea of a young man whose name was May.

Morris: Was that you?
J. May: Not me. No relation. Carl May was worried. He was a young Quaker. He was worried by the fact that the youth gangs were getting wilder and wilder around San Francisco, and he thought their energy could be diverted into something useful instead of into something destructive. And that was when Youth for Service got its publicity about the bunches of young kids who would go out and paint a church or a store or somebody's house or something as a public service.

We put some money into it; Rosenberg put some money into it. The American Friends Service Committee got it going, and then said, we want to shuck it off; we don't want to continue to run it. And so it was cut lose as a wholly disowned subsidiary, sort of, only not even a subsidiary. Got its own board and articles of incorporation, and then hired Orville Luster.

Morris: Was he one of the young street people?

J. May: He was not one of the gang kids, though many of the people he hired later were, and they turned into great people. Orville did great things in this town. There wasn't anybody who could take a bunch of youngsters of any ethnic background and just simply jawbone them together and say: you think you're going to have a rumble tomorrow night. I know all about it. You're not going to have it, because I won't let you have it.

And he would get one gang together with its rival gang, the leaders around a table called the "A" table, and he'd work out a solution between them. He rode around the toughest parts of the community at night for years, and I think innumerable riots and deaths and murders were prevented by this guy. And I think the police department thought so. During the Hunter's Point problem I think he was a great factor in keeping that from really exploding.

That was called street work, of course. Then Orville branched out into lots of other fields—employment, education, various—

Morris: Through the Youth for Service organization?

J. May: As parts of Youth for Service and under massive federal grants far above what the United Community Fund and United Crusade were giving after we stopped funding. So it became a program with a seven-figure budget.

Morris: This sounds like it would have started in the early sixties and been ready to go when the Economic Opportunity money became available.

J. May: Yes, yes; sure, that's right. And then I don't know whether this is appropriate to say or not, but we can decide later. You remember
J. May: the parking concession at the San Francisco International Airport was taken over by a group of black business and professional men?

Morris: Yes, I do.

J. May: Luster was one of them. So there he broke into the business world, and the world of some financial power, and so on. And it may be that that wasn't the best thing for him, and a couple of years ago, after a lot of shadow boxing, Orville's connection with the Youth for Service as its executive director and spokesman and everything else--he was really the boss--ended.

Orville is now, I understand, writing a book about Youth for Service, and Orville has been working on acquiring a McDonald's concession--hamburger.

Morris: From newspaper accounts, McDonald's is a curious contrast: they hire many young people, but the unions are cross because they pay such low wages.

J. May: And Orville's been right in the middle of the labor movement, among other things. Funny thing.

Morris: Yes, isn't that.

J. May: Well, Youth for Service is now at kind of a crossroads as to where it's going to go. It's lost its street work component. Percy Pinkney split off from it and has started a Community Streetwork Center, which we are also funding, and they've lost some of their federal grants, as has everybody. They're being backed by the United Crusade.

Morris: Youth for Service is?

J. May: Yes. And they don't know where they're going. They don't know whether they're going to last or whether they'll break up or what. Maybe writing the book should be deferred until the last chapter is written. I don't know. Perhaps until the present gang in the City Hall isn't there anymore. It's been pretty influential. I've got another man coming in to talk with me about it next week--about writing the book on Youth for Service.

Morris: It sounds like it would take some time to do, and by then the last chapter might have evolved; or from an historian's point of view, going over the early chapters might give one some direction in one's thinking about how you would like the last chapter to go.

J. May: I hope you'll ask Ruth Chance about Youth for Service, too.
Morris: I'd like to. In fact, both of these men, Percy Pinkney and Orville Luster, occurred to me as people who might be valuable to talk to, to describe the grantee's point of view in terms of what the Foundation has meant to them.

J. May: You weren't really going to do that? Then I'd like to give you a list of people that you might consider talking with.*

Morris: I'd very much like that. It's one of the points that I don't think has been covered as--

J. May: Well, wouldn't you like to talk to some of those who say: oh, that outfit; the hell with it.

Morris: You mentioned PACT in this connection.

J. May: The man who ran PACT and who attacked me is no longer here--Everett Brandon. But there was a time when Everett Brandon used to introduce me at their meetings, saying: now, here's a man who's been a real friend to us. Funny, isn't it?

Morris: Is it purely because the money runs out, or is it differences on--?

J. May: I just don't know. I couldn't figure it.

Morris: Youth for Service and the Urban League were still receiving grants in '65-'66, with the Skills Bank.

J. May: Yes; well, that's another attempt at job finding, not a very exciting one, I think.

Glide Foundation and the Counterculture

Morris. Okay. Then we have in the late sixties the Glide Foundation appearing.

J. May: We gave money to the Glide Foundation because that was the way to get money to Huckleberry's.

Morris: The Glide Foundation was--

J. May: Was bankrolling Huckleberry's to start with, and we channeled money through the Glide Foundation to Huckleberry's. Something we

*As liaison officer to this project, Lew White prepared a very useful list. Mr. May added several suggestions and Rudy Glover was also consulted. Ed.
J. May: probably wouldn't do today. We'd make the gift direct.

Morris: Was Huckleberry's then an incorporated--

J. May: We would do it direct today if I had my way. That's correct, though. It had not established its proper tax exemption. We gave them a house.

Morris: Did you? That someone had left to the Foundation?

J. May: That someone had left to us, yes.

Morris: Are you in the real estate business very much?

J. May: Not very much, and the less the better. You know that marvelous story about the house on Green Street? Don't you really? Do you want that one?

Morris: Certainly. Green Street is a marvelous piece of San Francisco.

J. May: Well, this is the best block on Green--that flat block on the top of Russian Hill where the firehouse is and where the Octagon House is. You know that one?

Morris: Yes, that's marvelous.

J. May: Well, my memory for names is very bad; but, anyway, a four-story Victorian was left to us there with all its contents, and the man who had owned it had been station KFRC. Some time back, he had come on hard times, and he had broadcast an appeal, you probably heard it, for his listening public to come to his assistance; and they did, with money. He got back on his financial feet again and became quite wealthy. He died at about thirty-nine or forty or forty-one, a bachelor, and he said to his attorney: I owe everything that I have here to the nice people that responded to my appeal; now, how do I get it back to them?

The lawyer said: well, you can't do it directly, but why don't you give it to the San Francisco Foundation? His name was Levitt, Al Levitt, and he left us this house, including that fourth story upstairs with fabulous electronic radio equipment and a lot of interesting antiques and a lot of junk--a queer place. Some of the things around this suite of offices we picked up there at the time. I went out there with the bank man and the lawyer. The lawyer, who's a friend of mine, said: why don't you move your offices out here. The house is yours.

Morris: That's a very appealing thought.
J. May: It was quite appealing. It's a nice house. It would be fun, but where do people park when they want to see you? And how do lawyers and bankers and all the guys that we deal with get to us out there with convenience, and so on. Then the problem of appraising the contents came up. So we got Butterfield's, and they came in and appraised everything. Everything in the place that was worth--

Morris: Junk and all?

J. May: Well, the junk they said, no. And then we got the bright idea. I guess I have to say I got the bright idea. Why do we let Butterfield's make ninety-five cents on every nickel?

Morris: You had an option?

J. May: No. We got in touch with about a dozen charitable agencies and said: come around to the house and take a look at some of these things, and if you want that table or this desk or that typewriter or that electronic equipment or that figurehead, and you can use it for the benefit of charity, it's yours.

Some of us around here bought one or two things at the appraised price, which is the most that we could have gotten out of it anyway, because any profit would have gone to Butterfield's, not to us; and we brought some things down here that we wanted. We gave quite a lot of things to KQED for its auction that year, including that Excalibur—that yellow modern model of a 1927 Mercedes Benz. That beautiful car.

Morris: Oh my, yes.

J. May: It was worth about sixteen thousand and went for eight or nine. And a figurehead from a ship. All kinds of marvelous things. So we had a lot of fun with that, and then the house finally sold for $142,000, and we got an interest in a little electronics recording company; and that picture on the wall, I don't know whether it's a Mozart sonata or what.* We got a stock interest in the company which we sold and some securities and several dollars in cash and a record collection. Oh, I don't know, all kinds of things. That was one of our more interesting dealings in real estate.

Morris: What a pity that Mr. Levitt died, if he'd accomplished all of that by his early forties.

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*Showing a graphic representation of music.
J. May: What a terrific pity, yes. Maybe you would like to talk to his attorney. His name is Ralph Coffman. He's on Post Street. Ralph himself said: there's one thing in this house that I covet, John.

I said, good, it's yours—which I didn't have any right to say.

And he said, you can't do that. It's not yours. It belongs to charity. He said, if you do that you're a thief.

I said, I stand corrected. I'll sell it to you. So he paid the appraised price on an overstuffed brown leather chair that he'd always liked that was his friend Al's property.

Morris: How marvelous.

J. May: So that was a kind of a lovely experience. This table, that table, was in the Levitt house. So was the green couch out in the waiting room, and so was that wooden lamp that's out there, and so is that big plant, and so is the little TV that used to be in my room. Oh, we gave things all over the place—to the Conservatory of Music, to KQED, to the Council on Alcoholism, to theater groups. Lord, we really did loot that place. It was awful.

Morris: But then the other house you deeded to Huckleberry's for its youth hostel.

J. May: Forgotten how it finally came out. We may have let them use it and then sold it. I don't know.

Morris: To them?

J. May: Yes, because Huckleberry's moved. Moved out to the Avenues.

Morris: I think of Huckleberry's as relating to the counter-culture, post Haight-Ashbury days.

J. May: Just post.

Morris: And then I think of the Glide Foundation in terms of Cecil Williams, who is a very strong spokesman for the black community.

J. May: Well, there's the difference between the Glide Memorial Church and the Glide Foundation. Glide Foundation was run by Lou Durham, and there are seven ministers on the Glide staff, I think. The church itself and the foundation are somewhat confused.

Morris: I'm a walking example of the confusion.

J. May: Yes, sure. But the Glide Foundation was endowed with seven million
dollars, which was supposed to enable the church to increase its ministry among the poor, or some such nice pious phrase. What they did with it was to hire a substantial staff, most of them clergymen, to go out and move into the community and get new things started. Huckleberry's was one, and Hospitality House was another. I'm sorry to tell you the Museum of Erotic Art is another.

Does the Glide Foundation predate the church?

No, Lizzie Glide left the money to the church.

Both the church and the foundation appeared on the public consciousness right after the Haight-Ashbury--

The church had been there for a long time, right where it is now. It owns the hotel next door, the Californian, which is a very good hotel but hasn't got a bar because it's owned by the church.

When she died, then the foundation sort of gradually became known, and I got in touch with it after some things began to happen. I met Lou Durham and I said: what's the Glide Foundation? What does the Glide Foundation do?

He said, we meddle.

In other words, they were from the beginning an outreach--?

Literally. Yes. He said, we meddle. And I thought that was just great.

Do they classify as an operating foundation, as opposed to a grant-making one?

They're a grant-making one to some extent. I don't know what their classification is. They do make small grants, but a large part of what they do spend on their own staff to aid the community--to meddle.

Do they come to you with ideas or requests?

They have, sure. We've had some difficulties dealing with them, I have to admit, and I'm not keen about repeating it.

Because their approach is different, without going into any details?

Yes. Their approach is very different. They're very avant-garde in terms of society, and they got off an attack that was intended, though not by them, to be pretty damaging to us. One more of the many attacks on us which came through Glide, actually. The people
J. May: that attacked us based their information on something that they got from Glide which was supposed to be private.

Morris: That's unfortunate; a measure of your success?

J. May: At least, and so we had to kind of say that from now on we can't discuss things with Glide if we don't want them widely known. Which is too bad.

But you asked about Glide. We really haven't made any grants to Glide. Glide has on one or two occasions accepted money from us to be used for something that both they and we were interested in—specifically, Huckleberry's.

Morris: And there was a two-year grant to help stranded teenagers in 1966, but it was cancelled.

J. May: That was probably more of the Huckleberry's thing.

Morris: Yes. Okay. That would figure.

J. May: There was a book about the Huckleberry's, written by the Reverend Larry what's his name? Okay, it doesn't matter. The guy who ran it.

Morris: It's now an independent agency, isn't it?

J. May: Yes, either that or it's working under Youth Projects, Inc., and I think it's independent.

Morris: The Haight-Ashbury, as the code word for the whole drug culture and the youth counter-culture, apparently created a great demand for foundation help.

J. May: Yes, and Glide was very much, I think we said, into it.

Morris: Right, that's the right phrase.

J. May: And the rest of us saw the need for getting interested in it, and Glide arranged an afternoon for Ruth Chance and me, and maybe one or two others, in the Haight. Ask Ruth to tell you about the Black Hole of Calcutta. We went to the Black Man's Free Store, and we were taken down to an airless room in the basement, and there we were told a good many things.

Morris: About life in the Haight.

J. May: And about us. And I think Ruth was pretty well terrified. I certainly was.
Morris: Was this your first contact with the counter-culture scene?

J. May: With that militant black type, yes. First contact with somebody against the door so nobody could get out. It was kind of terrifying.

Morris: And this produced--

J. May: We made quite a lot of grants in that general area, and I don't mean just the geographical area. All of this, I suppose, is a learning process.

When I came to the Foundation in '48 from the business world, I certainly had no idea of any of these things. It's a damn good thing we didn't have any money to spend for a number of years; but all this thing is a learning process, and I suppose some of it percolated through me skull, and we began to do some things that were useful, and there was always Dan Koshland on the board, and there was old Mrs. McLaughlin, some pretty fine people.
8. NEW PERSPECTIVES: ARTS AND THE ENVIRONMENT

The Good Life

Morris: The other area I wanted to talk a bit about was the Foundation's work in the arts, which, again, has evolved dramatically in ten years, and the environment.

J. May: In the very early days of the Foundation, I think we didn't think of anything but social welfare, and the board members used to say: well, you're not a social worker, but probably you can get some training and learn a little. Then we branched from pure social welfare into what you and I talked about before, into a little more of equal opportunity, particularly in the matter of blacks. Then we began to think about if people are going to have a decent life, they need space to have the life in, and hence the environment thing. We need good environment, and then finally the absolute necessity for a good life is the amenities of life.

I don't think we put it into those terms, then, but they began to crystallize over the next ten years, and we began to go a little bit into the arts; and I suppose you could trace this to a number of factors. Shall I suggest some of them? Helen Russell, with her enormous interest in the arts; Bill Roth, who came on the board somewhere around then with a very knowledgeable interest and devotion; Dan, a patron of the arts; Mrs. Lehman, who used to be Mrs. Durham (you know she was married to two of your department of English in Berkeley); and others.

And then, just to make sure that all this doesn't seem to come from within the Foundation, Osgood Hooker first gave us some money and then left us a million and three quarters. He said: this money is unrestricted, but since you ask me what I'm interested in, I'm interested in the arts. I was trained as an architect. I like the visual arts and the performing arts, and if you want to know what it would please me most to have some of this money used for, that's it. So that pushed us a little bit in that direction.
J. May: And then we began to realize that we should have been there anyway. I feel very strongly, myself, that just providing money for the essentials and just eliminating inequality of opportunity, which we'll never do—-even this wouldn't do the trick of providing people with the good life unless they had access to the arts, which have been a key to the life people have lived in all the civilizations we've ever known; and, as I said in my stuffy way in one of the annual reports, I don't mean just the arts at Civic Center and in the Opera House, but out there in Hunter's Point and in North Richmond.

We began to do this by helping the Neighborhood Arts Program of the San Francisco Art Commission, and in putting money into struggling theater groups, quite often under minority auspices—-black auspices. One of the early ones was the Poetry Center out at San Francisco State College.

Morris: Yes. It goes back to 1957.

J. May: Really, as far back as that. Good, it's interesting to have somebody tell me what we did when.

Morris: Not only that, but Glenn Dumke shared your pleasure in the grant. He said in this clipping from a January, 1958, newspaper that the money to start the Poetry Center was as significant as Carnegie's gift for the work that was done in the social sciences.

J. May: He better not let the Carnegie people hear that [laughter].

Morris: Was this the beginning of the Poetry Center?

J. May: No, we didn't start it; but we gave it some money, I think to greatly expand its program at one time. But I think this has been a terribly good use of our funds, and in modest proportions over the years. We've had an absolute obligation to do some of it with Hooker's money and with Helen Russell's money, and so on. One of the best grants we've made was to the Conservatory of Music--I told you that story of putting in a hundred and fifty thousand bucks, and it went on from there to gather millions.

Morris: Certainly. That related also to a new leadership in the Conservatory.

J. May: Milton. There's a guy you might want to talk with, and if he doesn't tell you I can walk on water, I'll go out there and cut his throat [laughter].

Morris: Well, this is interesting, because not only the energy and ideas he's put into it, but the business of using your gift as a springboard for--
J. May: That's what it was for, and I worked this out over about a year and a half. Incidentally, this is one case where the Foundation did take some initiative.

Morris: Because of interest in the music life of the city?

J. May: Well, I had found that Milton had a good chance of turning it into a real conservatory. So we talked and talked, and the question was: how do we help you do it? This seemed to be the best way—a challenge grant.

Morris: Have you made much use of this device in grants?

J. May: Fair amount, though the next big grant in the arts we made after that was when the Museum of Art found out about the Conservatory grant and came to us and said: well, we were about Helen Russell's primary interest; now give us a hundred and fifty thousand. And we did it there in contravention of most of our principles, since half of it was to renovate the building and half was for endowment, and we don't give to buildings or endowments.

Morris: Is there anything that is simpler or different that characterizes grants that you make to the arts, as opposed to grants in--?

J. May: God, no. They're dreadful, because how do you gauge talent in the first place, and what kind of assurance have you got that your money is going to be used really well? On top of which you have the problem that many arts organizations are abominably organized, haven't any sense of administration at all. We'll pick your pocket and then tell you to go to hell. The ballet is the worst example of the whole lot—the San Francisco Ballet.

Morris: I've enjoyed their performances.

J. May: It's gotten better. We gave them fifty thousand last year in the hope that this would really get them a little bit over the hump so that they wouldn't be teetering on the brink of disaster all the time, but they've been most unsatisfactory to deal with. You never get a statement out of them, financial statement or anything else.

    No, I would say that we have more trouble in our grants in the field of the arts, as far as dealing with them goes, knowing what's done with our money, being able to satisfy ourselves that it was used as they said they would use it, and being able to satisfy the IRS, which we have to do. I'd say we have more trouble with grants to the arts than we do with grants to grassroots minority group outfits or anything.

Morris: Are the judgments on people more difficult than with grassroots--?
J. May: Well, I don't know. That's tough, too.

Questions of Communication

Morris: Was part of the difficulty in getting started in the arts that there wasn't anything like a neighborhood arts or a city arts commission or arts council--

J. May: I guess it was more the fact that we were kind of the third arm in social welfare. There was the community chest and its planning organization and then the Foundation--this is the social welfare funding setup of the town--and groups in the arts just never came to us, but it didn't take long after we started.

Morris: I could believe that.

J. May: The word gets around.

Morris: Did you get a negative reaction from the social welfare and justice--?

J. May: You mean, what are you wasting your money for in frills like the arts? Sure.

Morris: Yes, and how come you're giving money to the arts when we need more money for our--

J. May: Sure. Sure.

Morris: And what did you say?

J. May: Of course, well, I guess I'm a coward, but I said: no use your telling me this, because I don't make the grants [laughter].

Morris: And what happened with the Regional Arts Council? You gave them some money.

J. May: Total and utter disaster. Complete flop. Very dear guys. Mel Scott still on your campus?

Morris: Yes; was he the director of the Regional Arts Council?

J. May: Yes, an absolute total failure. They got some of the organizations talking to each other, and they had a couple of annual meetings or something which were so abominably organized. I remember I went to one. It was scheduled for 8:00 in the evening, and the principal speaker was Al Frankenstein. At quarter to eleven they introduced
J. May: him. Well, it didn't do anything. It just completely flubbed out, and we need a regional arts council so badly.

Morris: I should think so, particularly with the proliferation of ethnic
groups and cultural groups and their different arts just in--

J. May: And with the fact that government at all levels has changed totally
from those days, in that government at all levels is now supporting
the arts. Do you remember Nixon boasting day before yesterday that,
contrary to the trend of anything else in his administration, more
than six times as much money was going into the arts. And then
yesterday I went to a meeting of the State Arts Council. They've
got a million dollars to give around the state. That's tiny.
There's the hotel tax fund here which is going into the arts in
quite substantial chunks. So now they badly need a regional arts
council for coordinating, I think.

Morris: I would think so, and for communication as well. Even more than in
the clusters of projects that we talked about in the black community
and in the legal aid area.

J. May: Of course, we may get to that time where we have a staff person
whose duty will be to handle the field of the arts and another
field, environment, and the board will appropriate a million, too,
and tell that person what she or he--what the limits are within
which it can be used: now go out and use it, only don't make any
commitments until we okay them. Then there would be somebody in
health. There will be somebody in education. That might be the
way we go, you know.

Morris: In terms of what the national foundations define as program areas?

J. May: Sure. And what we define as categories, which are utterly absurd.

Morris: Yes. They overlap in very fascinating--

J. May: Man, they does; indeed, they does.

Morris: Well, so does life.

J. May: Sure. How much did we spend in health last year? Well, depending
on how you figure it, it could be $500,000 or two and a half million.

Morris: In 1967 you made about fifteen different grants in the area of the
arts, and then in 1972 there were about twenty-five. I would imagine
that for this year it would go up some more.

J. May: Yes, only we've begun to make some bigger ones.
Morris: Yes. Does the fact that arts grants increased from fifteen to twenty-five in a two-year period mean that there are that many more applications in that area, or just that more of the applications that come in--

J. May: It means more the former than anything else, I think; and then, of course, it reflects the fact that (the number doesn't, but the amount does) the Oakes Foundation is to be used, in substantial part, in the arts. Couple of hundred thousand dollars a year for acquisitions at the deYoung.

Morris: That's marvelous for the--

J. May: It will give us more trouble than anything else. When the militant minority communities read someday: the Foundation announces a gift of a million and a quarter to purchase a Goya, they may think: now, that's community money, and what right have those establishment bastards got to use money that ought to come to us, to the poor, for a frill like that, for the rich. All they'll do is have champagne parties to hook at it.

You can hear it.

Morris: What do you do if that happens?

J. May: Martin has got to be in a position to say: well, now, come on in and let's talk about it. And; what do you think we should do?

If somebody offers you fifteen million dollars from which you can give away five or six hundred thousand a year, provided you will use to hundred thousand dollars of it to provide major acquisitions for a first-rate museum which is open free to the public, does the Foundation turn it down, thereby turning down the six hundred thousand which we can use for the areas you are interested in, or do we take it? Those are the facts. Martin's going to have fun.

Morris: Do you actually get into situations where you can sit down with people and talk about what they're--

J. May: If they're willing to talk, and I'm sure we always are; and if Martin doesn't follow that line, I'm going to make a wax image of him and stick pins in it once a night.

You're very patient with the way I wander.

Morris: It's delightful. It covers a lot of territory and brings in side-lights we wouldn't cover otherwise. That about covers my notes. And you've said I may come back with further questions when I've interviewed others in the series.
[Date of Interview: March 14, 1975]

9. FURTHER REFLECTIONS ON PHILANTHROPY

The State of the Art of Grant-Making

Morris: Most of the questions I have today come from the transcript of our earlier sessions, plus some points that have come up in talking with other people.

J. May: That sounds reasonable to me.

Morris: Early in our discussion of how the San Francisco Foundation grew, you said that at the beginning you didn't have enough money to really worry about who you were making grants to, and that it was later on that you began to have enough money to argue over what to give grants to. I wondered if you--

J. May: If I said it quite that way, I ought to be ashamed of myself, I think. We didn't have enough money to do very much granting.

Morris: That's right.

J. May: But even if you're giving away only a tiny amount of money, you ought to worry about it, I think. The sense is the same. I know what you mean; you know what I mean.

Morris: Yes. Then, at what point did you begin to have enough money to argue over who you should make grants to?

J. May: Oh, I suppose after four, five or six years, but it took us eight years before we had a million dollars, I remember.

Morris: Why would an increase in money available for granting lead to an increase in discussion of how to make grants?

J. May: I suppose it really shouldn't, when you put it that bluntly.

In those days, there was no substantial money over which we had control, as opposed to the money which came to the Foundation with somebody else saying how he or she would like it to be used. When
J. May: you have only a tiny bit of money, relatively, to do what you think is most important with, it's kind of hard to get a full-dress meeting of a Distribution Committee of seven people to devote a lot of attention to what to do with that very little amount.

It somehow isn't, in their view, important. It should be important in the view of one person, the staff person, if there is only fifty thousand dollars this quarter or this year, to at least do something which is going to make a difference.

Morris: Did you, then, go looking for things to fund in those years, to make those smaller amounts go further, in a sense?

J. May: Not as much as I should have, in retrospect. I should have gone looking for the best way, in the community's interest, to spend twenty thousand dollars. But, of course, I wasn't skilled enough.

Morris: It seems to me also to be a matter of the development of the art of seeking support. There weren't as many requests for money coming in, were there?

J. May: No, there weren't, but there were plenty to cover ten times the amount of money we had. Eight times, twelve times—I don't know, many times anyway.

Morris: That relates to my question about the increase in grants. In a memo written in 1972, on the revised Rosenberg Foundation guidelines, they were reporting five to six hundred written applications per year, of which forty to fifty applications were funded in that same period, and I wondered if this ten to one ratio was similar to the San Francisco Foundation experience.

J. May: I can't give you any very factual answer to it, but I would guess that vastly more than that came to the San Francisco Foundation because the Rosenberg Foundation was known to be dealing only in one area, projects relating to the welfare of youth and children in California, and only rather forward-looking, innovative, experimental kinds of things. Whereas the San Francisco Foundation, dealing with community money, was open to everything that's within the IRS code definition of charity.

Morris: Would it be about the same ratio: one funded for every ten that came in through the mail?

J. May: No. I think it'd be even a smaller percentage funded. In a typical meeting in the last few years, I suppose there were a couple of hundred proposals reported to the Distribution Committee, but not considered in great detail because they were for things which weren't, in the opinion of staff, at a very high priority for the Foundation
J. May: to do. There would be thirty or forty proposals summarized for real consideration by the Committee, and there would be six, eight, ten, twelve actually granted.

Morris: Were the larger number reported to give the Distribution Committee a sense of what was coming in?

J. May: Partly that, but I think more importantly, because—at least, I think—it is important to be able to tell anybody that your request for funds has not just stopped here at this desk, but has been reported to the entire Distribution Committee. Once in a while, one of those routinely handled things would be picked up by a member of the Distribution Committee, saying: I don't think this ought to be declined in this brusque kind of manner. I'm interested in this one; I think we ought to consider it. Get some more dope, bring it back at the next meeting, please.

Morris: Can you recall any specific examples?

J. May: No. I ought to be able to, but I can't. But I could get them for you.

Morris: This would be from a one-line presentation?

J. May: No, out of a one- or two-sentence presentation. It's what we used to call—though we didn't let the term get outside—"a routine list." It was handled in a routine manner. You know, the Boys' Club requests $110,000 for new construction.

Morris: Would that be presented verbally, or would that be in a--

J. May: That'd be listed in those words, or something like it, and that would be a list of a good many pages. All right, those are proposals that have come in to us through the mail, and then there would be the forty or fifty mentioned that would actually be in the docket in detail, with documentation for the Committee's consideration. Probably less than half of those would be recommended by us for grant, and of those a reasonable percentage would be granted, but not all.*

Varieties of Fund-Raising

Morris: When it worked up to that kind of a load of applications, did you, in talking with other foundation people in town, get any sense of how many of these might be multiple applications?

*See samples of docket materials in appendix.
J. May: Sure. I think most of us would agree that the routine stuff, particularly, would go out to every foundation on the list, or to a group of foundations selected from what is said in their entries in the foundation guide. Are you interested in youth work? If you give any indication that you are, that application for new construction at the Boys' Club is going to go to all those, and in the same terms.

Morris: The users of the foundation guidebooks, of which there are now several, comment that using the foundation guidebooks and sending an application to a list of foundations interested in left-handed pussycats produces very little results.

J. May: Yes, I think it does, too. I've never been able to understand, really--to sort out in my own mind--the whole matter of fund-raising as it applies to foundations. Of course, it is fund-raising, and the paid fund-raising expert on the staff of any substantial organization is going to treat it just like fund-raising: we have to get money; foundations have certain prejudices, and so we have to comply with those prejudices and even dream up proposals because they won't give money except for projects. So that's the way you deal with foundations.

It's just one more source of funds for an organization needing funds. And yet, from my side of the desk, I've always been troubled with the idea that the pot of money was just considered by everybody--and I guess quite rightly--to be something that they wanted to dip into.

Morris: Public money, in a sense.

J. May: Sure, sure.

Morris: How about the new organizations, the ones with the professional fund-raiser?

J. May: It's a lot more productive, as far as I'm concerned, to deal with anybody other than the guy who is paid to raise the money. We have to be polite and sit down and talk with him, but I don't think that he's very productive in getting money out of foundations. If a foundation really wants its money to do some good, it wants to talk with the person whose reputation has been created in a field other than picking pockets, particularly the foundation pockets. I don't want to talk to the vice-president for development if I can help it.

Morris: You mentioned Dr. Menninger as one of the most skillful pickpockets [laughter].

J. May: Absolutely amazing. Ask anybody in town who was around here before he died, and who was subjected to his fund-raising methods, and
they'll all agree--Dan Koshland and all Dan's peers--they loved the man, absolutely loved to have him come and see them. They knew it would cost money, but they still welcomed his company.

What was he doing in the Bay Area?

Raising money.

For his operation in the Midwest?

At Topeka. The Menninger clinic.

What puzzled me was that a grant was made by the San Francisco Foundation to Dr. Menninger.

Was there a grant made to him?

Yes, about three thousand dollars, in about 1953.

Oh, then that was somebody's money, somebody that asked us to make the grant. It would have to be.

There were a number of things going on in this community that related to mental health. You know, half-way houses and outpatient clinics.

Okay, then. We'd been in business five years, and maybe we had a couple of hundred thousand dollars.

But you were getting into mental health grants.

Sure, a little bit.

I wondered if they were related--if somehow Dr. Menninger had come out here to offer advice and counsel to people trying new things.

Gaby, I really don't think so. I think he was here to talk to the wealthy people in San Francisco.

To raise money for his affairs in Kansas.

Exactly. And that since I was beginning to be in touch with some of those people, he thought it tactful to spend a half hour with me. I know he would always have his little black book in his pocket, and before he came in to see me, he would thumb through it: John May, John May. Who's John May? Oh, yeah, sure. And he would have all these facts at his fingertips when he came in, but the book would be back out of sight, in his pocket.

Oh, marvelous.
J. May: He was tremendously skillful, and everybody recognized that he was a very skillful fund-raiser, but he was so above and beyond anybody else that everybody loved it just the same.

Morris: And gave him some money.

J. May: And gave dinner parties for him. And helped him to get to their friends.

Morris: Is he another variety of the species, as fund-raiser and also an operating practitioner?

J. May: He is not what I referred to as the "vice-president for development," because he was a psychiatrist. He was a major factor in making the decisions at Topeka. He and his brother, after their father died. They ran the place, and he was a man of immense stature in the whole field of mental health, psychiatry. He was turned to by state governments all the time. Now, this is the kind of guy that you can talk with and you can really have a feeling that if you work out a grant with a guy like that, he knows what he's talking about and he has a skill other than grantsmanship (which is a ghastly word).

Morris: A sign of the times.

J. May: Sure.

Morris: In other words, you're saying that what you look for is somebody who has the skill of grantsmanship, but it's not their priority--

J. May: No, I don't look for somebody who's got the skill of grantsmanship. I really feel that it's more satisfactory to talk with somebody who knows perfectly well he doesn't know anything about raising money from foundations but knows his business absolutely cold, who's got a great idea, can explain it well, can give you some confidence that it's worth putting some money into. I don't care how good a fund-raiser he is. He can't do that if he's just a fund-raiser. Also, I always have been turned off by the volunteer fund-raiser who sends out a letter signed, "Chairman, Foundation Solicitation Committee."

Morris: Are there such letters?

J. May: Sure. Lots and lots of them.

Morris: Oh, dear.

J. May: Now, I can't blame the people that do it, but it's not a very exciting thing to deal with them.

Morris: When you say you get letters signed that way, it sounds as if there has been an increase in community awareness of the existence and
Morris: possibilities of foundations.

J. May: Oh, sure. No question about it. Twenty years ago, there wouldn't have been such a thing, but now there is so much money sitting around in things calling themselves foundations that this is one part of every major fund-raising campaign: now, who's going to take on the whole foundation job, fellows? Well, maybe you better do it.

You know: we'll make you chairman of the foundation solicitation committee. It's a beautiful way to turn me off.

Morris: Are these personal calls, or are these generally a letter that is sent to all the foundations in the book?

J. May: The latter.

Morris: So those go into the category of: they've been referred to the Distribution Committee, but not for serious consideration.

J. May: Of course, Gaby, you can't blame them, because what percentage of foundations (I would say ninety-five)—of the things that are foundations and are perfectly legitimate ones and have just as good charters as the Rockefeller Foundation—are just the alter-ego of somebody who set them up? We've discussed this before. And so, when you go to see John Smith, you talk to him just as you would if he hadn't set up a foundation. You say that you want a contribution from him and/or his company. And you probably get the check from the John Smith Foundation, Inc., and you don't care because it's at least equally good. It's not going to bounce.

Morris: It has the label "non-profit" on it.

J. May: Yes. So I think you solicit the majority of foundations just as you solicit what they call in the major fund-raising campaigns "advance gifts" or "major gifts" or something like this.

Morris: Which has also become a very refined art in recent years.

J. May: Yes, it sure has. Some of it's unrefined, too. [Laughter.]

Morris: Of the percentage, then, that falls within your guidelines, and in a sense is a real operating proposal, how many, roughly, do you feel need to be re-worked before you feel they're possible, in terms of—

J. May: Out of the blue, 90%.

Morris: Is it possible to have much contact with 90% of the possible segment?
J. May: If you submitted a proposal, then I call you up and say, "I don't think this is going to get much attention from the Distribution Committee, but maybe the idea is good; can't we sit down and talk it over and perhaps make some variations in it that will appeal to the Committee," you're not going to say, "No, I haven't got time, John." Right?

Morris: Yes.

J. May: You are?

Morris: No, I'm agreeing with you.

J. May: [Laughs] I'll say you're not.

Morris: So, in general, people are agreeable to this kind of re-working. Is some of it horse-trading: do you really need this much money to do this? Or: what is it you really want?

J. May: Oh, no. It isn't that so much as the fact that the proposal really doesn't have the information in it that any good board of trustees is going to require, and: our interests and priorities are in such and such areas; now, let's see what we can bring out in your proposal that's going to touch on those areas. That kind of thing.

But I think here you're touching on something--I don't know whether you and I have touched on it before--and that's the fact that the man running--the person; excuse me!

Morris: [Laughs] The women's movement thanks you.

J. May: The person running the foundation has got to have a pretty healthy dollop of self-suspicion, of humility or something like this, in addition to his rather brash characteristics, because people are going to do what he suggests, because he's in such a strong position. He's negotiating from a position of strength. It's he who's sitting on the money. I'm not putting this very well, but there's a tremendous occupational hazard in the foundation staff position. To think that you really know what you're talking about because people treat you as if you do. [Laughs.]

Morris: I don't know that "suspiciousness" is the right word--

J. May: I don't either.

Morris: Perhaps a certain skepticism in talking to people who are going to present themselves in the best possible light, as being not only skillful, but concerned for the community, and dedicated to working twenty-four hours a day to make sure that this is the very best project in this community that has ever been?
J. May: I'm not sure I've followed you; but do you mean, does the foundation's staff person look for these characteristics in the person who is applying and is going to be the key figure if the grant is made?

Morris: Yes. And also that applicants may tend to maximize their accomplishments.

J. May: Sure. Emphatically yes. And that's another way that the foundation person ought to have a good deal of concern about himself. Because this is kind of playing God, you know, to say: this fellow can do it, but that fellow can't.

Innovative Projects v. Operating Budgets

Morris: Now, reading the San Francisco Foundation 1973 annual report brought into focus a question that I wanted to ask you. There's a little box which lists the grants by purpose; it breaks down to 67% innovation and demonstrations, and 33% building and equipment, special programs, and operating budgets. I wondered if this breakdown is sort of at the core of philanthropy: what is the responsibility to maintain and support ongoing institutions and activities?

J. May: I'm sure it depends on who you ask.

Morris: Right. Did you and the Distribution Committee chew this over?

J. May: Yes, I should say so. I don't think we ever had enough meetings talking about what our policies should be, but we couldn't help having some. Foundation people, whether trustees or staff, are terribly in love with the whole business of innovation and experimentation and risk capital and venture capital and all these euphemisms.

Morris: Oh, good stuff, yes.

J. May: But at the same time, and particularly in a community foundation, I think you cannot escape a duty to keep some good things going, even occasionally a rescue operation. And this involves breaking your own rules for your own guidance, but we don't usually make grants to capital fund programs and operating budgets and that kind of thing. So somebody, before that '73 report, said: let's take a look and see how much of this we really do. It's quite a lot isn't it?

Morris: Depends on what your point of view is. [Laughs.]

J. May: All right, okay. Sure.
Morris: It was about a two-to-one breakdown in favor of innovation and demonstrations.

J. May: But, Gaby, who made the classification? Who said: let's put this grant in this column. Or: let's put it in that column? We in the staff did.

Morris: Well, as an objective, outside observer, I ran through the grants--

J. May: Did you, really?

Morris: And broke them down myself.

J. May: Did you come out there, too?

Morris: I came out close to it.

J. May: Oh, that's really terribly gratifying.

Morris: Again, I was going by the report's one-line description of the projects. Therefore, I made some arbitrary assessments.

J. May: No more arbitrary than ours.

Morris: I figured they balanced each other out.

J. May: The whole business of classifying, categorizing grants is pretty phony, I think. You can put a lot of grants in any one of half a dozen categories.

Morris: That's true, both in operating area as well as--

J. May: Yes, yes.

Morris: Would you say that this kind of a ratio more or less held steady, or were there periods when you swung more to innovation or more to capital support?

J. May: I wouldn't want to make a guess on that. We have never done very much in capital support.

Morris: Capital and operating budgets?

J. May: Oh, yes. Sure, there'd be great ups and downs in that case. Of course, there's one thing that is bothering the Foundation now, and has since I left, and that's that largest grant they ever made—that they made just before I left—which put three quarters of a million dollars into capital expenditure.

Morris: At UC Santa Cruz?
J. May: At Santa Cruz, yes.

Morris: Why is that bothersome?

J. May: Because it enabled people to come to them and say: don't tell me you don't make big capital grants. Look! You just did.

Morris: Didn't the Distribution Committee discuss this before they made the grant?

J. May: Indeed. And so did the staff, in presenting it to them. We don't need to go over it again, but you know there were some very special reasons for doing that one. I know it's in the transcript because I read it just this last weekend.

Morris: Yes, it is.

J. May: That the Oakes family had indicated that they like to have the great name Oakes appear on things, and the only way you do that is a capital expenditure.

Morris: You also mentioned that you sometimes do a rescue operation. Is that something that goes on all the time, or does it relate to what the economy is doing?

J. May: Fairly rare. I'm talking about an organization--take a specific example, the World Affairs Council. They made some pretty bad errors in judgment, and they got into a very bad financial bind. They came to us for a two-year grant of fifty thousand dollars several years ago to enable them to reorganize and get on a solid basis again, to make a major step toward a new center that they wanted to establish for themselves and other internationally-minded organizations. But, basically, it was a rescue operation because they'd made a lot of mistakes, and they were in a financial hole. I reported all this to the Distribution Committee. I said: I think it's outside our policies. We don't rescue organizations that have just come on hard times. That's what this is; so my recommendation is to decline it.

So the grant was made. [Laughter.] On the grounds that this is an agency that we just can't let go down the drain. It's likely to do so if we don't make this grant, and this'd be really worthwhile in the interest of the Bay Area community to give this organization a chance to turn in new directions and pull itself up by the bootstraps and get going again--which it has done. The grant was a very good grant, and the staff recommendation was against it. Incidentally, the member of the staff that did it was me. [Laughter.]

Morris: In negotiating this, both with the Distribution Committee and the World Affairs Council, did you make some stipulations as to either
Morris: how they handled the money or what the directions of the program might be?

J. May: It was a really very standard kind of thing. They submitted a budget to us as to how they would use the money, and we said: we'll give you the money to be used in accordance with the budget you submitted.

And I guess you've seen our grant letter. It's a similar letter from almost any foundation now--that the money's to be used in accordance with the budget that we agreed to, and any changes from it have to be approved by us in writing. Practically any foundation does it now, unless it's just a gift for general purposes.

Morris: From any of your advise and consent funds?

J. May: No. Anyway, a lot of foundations still do that: okay, here is our contribution of fifty thousand dollars for your program this year; check enclosed. They're still doing it. Thank God they're still doing it. It's pretty useful kind of money for an organization to get.

Morris: It certainly is. Most organizations wish they had more of them.

[Laughter.]

J. May: Sure, and that's why they have to grind their teeth and put on their plastic smiles and develop something that looks like a project and go and see a foundation officer and say: this is what we want to do. [Laughs] Because they still need money.

Morris: Is it more acute now that there are fairly major changes in the economy? Are organizations having more difficulty meeting their budgets and relying more on foundations in the last two or three years?

J. May: Yes. I think the answer to that is flat. They're relying more on any possible source of money, and in the last few years it's come to be known that foundations have to be a part of that. Foundation money looks like big money, but in terms of the money that has to be found, it's still no big share. What is it, nine or ten cents on the philanthropic dollar?

Morris: Just about.

J. May: Now that you're a foundation expert?

Morris: [Laughs] Well, it varies, depending on who you talk to. That's another good answer.
Morris: Going back to your transcript, you talked about things you really wanted done and funding grants that seemed to have the best chance of making an impact on the community.

J. May: That's a lot of verbiage, isn't it? Or "garbiage"?

Morris: It's a very interesting concept. How does the Foundation make an impact on the community? Now that you've had a couple of months to mull over your previous career, have you evolved any ideas of what kinds of things the San Francisco Foundation did that may have made an impact and how you go about it?

J. May: I have not mulled it over. I'm willing to mull it over in conversation, of course.

Morris: Is it "impact" in terms of other people taking up the idea, or "impact" in making the whole community take a look at a segment that they may not have--

J. May: That and lots and lots of other ways. Even impact in saving an organization that you can't spare, like the World Affairs Council. And even if it means going against what you say are your policies. "We don't try to breathe life into a dead horse." No, it wasn't dead, as they will tell you.

Morris: Is there a point at which you say: this organization or this idea we do not think is going to go any further; therefore, we don't fund it any more.

J. May: [Laughs.] "You betta die. You betta off." Sure, I think you have to be able and willing to be very tough. If you think that an organization has outlived its usefulness, then no matter how many influential appeals are made, you've got to stand up against them. And even if it hurts you to see it die, you can't keep on pouring money into something that you think really isn't going to make it.

Morris: How often does this happen?

J. May: More often than an agency is allowed to die when it should. I think agencies are kept alive longer than is justified, lots and lots of times. Suppose it's a social agency in a part of town that's been taken over by industry. Suppose there are not the people living in that part of town any more that need the services of the agency; but it's been there a long time, and it has a lot of devoted people on its board and so on, so it keeps on, against the handwriting on the wall.
Morris: In an instance like this, do either the organization's board people or the staff people ever respond to suggestions that there are related needs in other parts of the community; do they ever move the operation?

J. May: When they have to, sure. This is what a good social planning organization in the community has to do—if it's working hand-in-glove with the United Way—what used to be the community chest. Then sometimes the planning process is implemented with a meat axe by the funding organization. Also, when agencies do things that the planning people think are not the things they ought to be doing, the result after a few years of persuasion can be cutting back on their funds.

Morris: Is this what happened a couple of years ago, when there was quite a lot of publicity about the United Crusade budget decisions?

J. May: I think it went a little further at that time. I think there were people in the United Crusade who felt that it was time for the United Crusade to do what I personally think is the job of foundations, and that's to move into the area of innovation and experimentation and so on. And to do that, without raising a great deal more money to do it with, you have to cut the budgets of agencies which really are your old customers and participants and partners.

I don't happen to agree that that's the way the United Way ought to go. I think that if they think it's very important to try something new, they ought to do what they historically—and quite rightly—have done, and that's to go to the foundations and say: we think this is terribly important to try out, and you fellows have got the risk money, and we fellows have got the money that can't be used for risk, or shouldn't be. So why don't you put your dough into this; and if it works out, then, of course, we're going to have to take it over after a while. After you've put up the money to take the risk, to see whether it ought to be done or not.

Morris: --And whether we're right that it does work.

J. May: Sure.

Morris: You sort of observed the San Francisco scene while a social planning structure was being set up by UBAC.

J. May: I was president of it at one time—the chairman of the social planning committee of the old community chest, way back in those days, and the United Fund.

Morris: When it was being set up, the social planning—?
J. May: Before the present organization was set up.

Morris: As a separate entity?

J. May: That's right. When I was the most concerned with it, it was a part of the community chest, then the community fund.

Morris: Why did they decide to set it up as a separate entity?

J. May: Ten years ago, there was a good deal of concern about whether the fragmentation of these services around the Bay ought to continue, or whether something centralized ought to be established. And they looked at the whole business of planning and fund-raising and fund-giving in the United Way, United Fund, United Crusade area. And they decided that it made more sense to have a partnership—fairly equal partnership—of a planning organization and a fund-raising and allocating organization. They set up the two pretty much as partners, in an effort to handle the community's problems in the area of health, welfare, and recreation. The partnership very quickly developed into a most unequal partnership.

Morris: Which way did the balance swing?

J. May: To the purse strings. The planning organization now gets two-thirds of the dollars that it got in 1965, when it was set up, instead of twice the number of dollars, which would enable it to buy about the same amount of services, since the dollar has dropped off substantially in value and costs of services have gone up.

If it got $600,000—which it did in its first year, after the reorganization—then if it's going to continue to do a similar job it ought to get a million dollars now, maybe a little more. It gets $400,000 and is really not allowed to do a planning job at all. I'm probably wrongly on its board now, because I don't think it's doing what it ought to do. It's not planning. It's responding to requests for studies, for which it's paid, unless they happen to be United Way agencies or the United Way itself.

Morris: So it's performing a consultant service?

J. May: It's performing a consulting service on a non-profit basis, supported slightly by community dollars and still behaving like a consulting firm which is employed to do a job and does what the client tells it to do. I don't think that is right for a planning organization supported by community money.

Morris: Was it that separation of social planning and the United Fund into two separate organizations that disturbed the balance with the foundation community?
J. May: Disturbed the balance with the foundation community?

Morris: If I heard you correctly, you said earlier that you felt that the social planning structure was perhaps moving into the innovation territory, which you thought was better left to the foundations.

J. May: No, I meant the funding structure—the United Way, the United Crusade; they decided that they wanted to get into this business of facing up to the community's most important problems. That seems reasonable. But to do that, you have to test out new services, and I think they could get those new services tested out with other people's money and that they are really required to continue to support the agencies that still need their help and are necessary in the community, rather than saying: we think you're a low priority. We're going to cut you out so we can get into some nice, innovative things like drug programs and tenants' rights groups.

Morris: Which get a lot of publicity, which then in turn makes the funding job easier. Is that a line of thought?

J. May: Or tougher. The fund-raising job is made an awful lot tougher if you get into controversial areas.

Morris: It is? It's easier to raise money for non-controversial subjects?

J. May: Sure, and even for programs that perhaps shouldn't be enjoying as much support as they get from community funding sources. Let me be specific. Boy Scouts. It's a fine program, but they deal principally with kids whose parents can afford to pay for the service. So I don't know why my bucks, few as they are, ought to go into that program. [Laughs.]

Morris: And yet, so many people were Boy Scouts in their youth, or Girl Scouts, as the case may be.

J. May: Sure, but the money ought to come from the classes that are served, if the classes can afford it. If the Boy Scouts and the Girl Scouts and the rest of them really start moving into the underprivileged communities, then it's fine. Then let's give them community money to do it with. But not to have Boy Scout troops in Pacific Heights.

Morris: I gather that the consensus of opinion, professionally and organizationally, is that the middle-class agencies and kinds of programs don't really transfer very readily to low-income groups.

J. May: [Laughs] I think so, too.

Morris: They need to develop their own approach, which works better in most cases?
J. May: Sure, and they don't want an organization like the Boy Scouts, dominated by the white middle-class, to move into their underprivileged, probably racially segregated areas and tell them what they need and what they want.

Morris: Hearing you describe it, it sounds as if it's also a matter of territoriality.

J. May: Turf.

Morris: Turf, yes.

J. May: Sure.

Morris: That's an interesting thought.

J. May: Sorry if I've digressed.

Morris: That's quite all right. I think we're close to the territory of my next question. You mentioned that over the years the San Francisco Foundation funded a fair amount of neighborhood organizing, and I was wondering if that was a SPUR neighborhood council kind of thing?

J. May: Indeed, it was. We put quite a lot of money into quite a lot of SPUR neighborhood programs, but it wasn't only that. We've done some things that got us really roundly criticized. Some work done in Visitacion Valley, for instance, which was carried on by the Saul Alinsky method; there's still some industry down there, primarily Schlage Lock, you know. The methods used were fairly rough, to do what Alinsky-trained people consider proper community organization. [Laughs.] We've done quite a lot of it in various places. In areas outside of San Francisco, too. Sometimes it's very nice and polite and reasonable and gentle and effective; and sometimes it's rough and--

[Tape turned over]

Morris: Was Mr. Alinsky himself involved in some of these neighborhood projects?

J. May: No, he died some years ago. I don't know how many.

Morris: I have heard him speak—I didn't think too many years back.

J. May: So have I.

Morris: Yes, out here.

J. May: Yes, in a school auditorium. Six, eight years ago, something like that?
Morris: In the Berkeley High School community theater. We wore "observer" tags so nobody would think we were some of those "Reds."

J. May: [Laughs.] This is one of the tough areas to get into--this whole neighborhood organization thing.

Morris: That's why I brought it back to you. It's cropped up a number of places. In going through the papers, I've come across a symposium on community development that was put together by the Rosenberg Foundation, and a Ford pamphlet on what it thought it was doing in community development, which also relates to things that were happening in the Bay Area since Oakland was one of the Great Cities funded. [Copies in project supporting papers.]

Did you think of it as community development, in the theoretical sense?

J. May: Yes, sure. I would think so. Efforts to help a geographical part of the community get its citizens together and work jointly instead of separately, sometimes to fight city hall, sometimes to persuade city hall, sometimes to work with city hall, to get the things that they needed--transportation, schools, whatever.

Morris: Why did it become so controversial?

J. May: Because, primarily, the people in the very effective Alinsky method got tough about it. They used tactics that were not considered polite by the people they were used against.

Morris: City hall?

J. May: City hall, industry, and property owners, and those who disagreed with them. They're pretty rough characters, but as is so often the case, effective.

Morris: Did this also cause problems for the more moderate practitioners?

J. May: Sure. Sure.

Morris: Were there political overtones?

J. May: Or undertones? Yes, I suppose there were. I'd have a hard time expressing that, except I've heard on occasion, of course, that this whole thing is in one area of the city—which, I guess, is just as well left out of this, as far as identification goes—that this whole thing was "a Communist thing, and I'm kind of sorry to see the San Francisco Foundation putting money into it."

Morris: Was there some suggestion that there were Communists involved?
J. May: Oh, yes. Sure. And I think you know our board well enough to know that that would not be something that they would go for.

Morris: What's interesting in reading the community development literature is the fact that it seems to have been almost a crusade. It was practiced and exported by Americans to various other parts of the world, and then brought back to the United States.

J. May: There's so much that's good about it, too. I think it is pretty clear that for the little people in a community--like most of us--they're really not going to get anywhere in what they want to happen to the community unless they get together and work jointly. That's an awful truism, isn't it?

Morris: It seems obvious when you say it, but then you read the descriptions of some of the projects--nobody had gotten together to get water to some of the little towns in the Valley, or to register the voters in the East Side of Fresno--

J. May: Sure, and it takes organizing, and you do run into vigorous opposition when the people that are going to suffer from it--if it's in the Valley, for instance, those who are going to have to pay higher wages and health care and all that sort of thing to farmworkers--they're going to get real tough in return.

Federal Legislation and Funding

Morris: Did some of these community development ideas work their way into federal legislation that came along in the sixties?

J. May: Can't answer. I don't think anything that we did here had any such effect because we didn't do it very long ago.

Morris: It was being done in the fifties by foundations in the Bay Area.

J. May: A little bit with SPUR and so on.

Morris: Yes. And then it was in '64 that we had the Economic Opportunity Act, and later the Model Cities Act, which seems like it might have some connection.

J. May: Maybe. Maybe as half a drop in the big, nationwide bucket or something.

Morris: When the San Francisco Foundation was making that kind of grants, were you aware of other foundations in other parts of the country funding similar organizations?
J. May: Oh, unquestionably, because there's so much trading-off of ideas among foundation people and meeting at the annual three or four-day conference of the Council on Foundations, reading each other's reports, all that kind of thing. Sure.

Morris: All right. Well, maybe somebody else will pursue that—where the federal legislation ideas came from.

J. May: Try Ruth Chance.

Morris: I did, and I would say there is some indication of a connection, nothing conclusive. It's a topic for another study, really, beyond the scope of this one.

On the other end, when the federal money did begin to be available for community projects and neighborhood activities, did that then have any effect on the kind of grant the San Francisco Foundation was making?

J. May: I guess I've got to say that I don't think that there was enough study money—where it was available, where it ought to go, where the gaps were where it couldn't go, where we ought to go in. And so I think probably the answer is little, if any.

Morris: I talked with Dick Foster in Berkeley about the kinds of grants that were going to the school district over there. The San Francisco Foundation made a number of grants to organizations like Black House and Casa de la Raza.

J. May: I'm not very proud of that Black House one.

Morris: The Ford money was already there, and the federal HEW money was on its way. Why aren't you proud of going in on a piece of Black House with them?

J. May: I went over to look at the Black House program with Dick, and I was really kind of appalled. I didn't think it was doing what it ought to do. I was really kind of dreadfully shocked, in my old, conservative, white man's way. I sat in the back of the room in a creative writing class, and to hear and see a perfectly charming, teenage black girl get up and read her contribution to the class, which was poetry, and all the four-letter words and all the rest of it tumbling out, and not just the words, but the actions they implied.

I just thought, in my view, that was doing at least as much harm as it was good. Now, it may have gotten some black kids, dropouts from the school system, back into the educational groove, I don't know. But I sure didn't like what was going on. Not because
J. May: it was revolutionary and that kind of thing, but because the deliberate obscenity of both the thought and the words I don't think add anything. I think they didn't want to be good.

Morris: This was before or after the Foundation had made the grant?

J. May: After.

Morris: In other words, it didn't work out the way it had sounded in preliminary discussions.

J. May: Yes.

Morris: It was part of the whole project that was funded by Ford.

J. May: Was it? I don't remember.

Morris: It was part of Black House, which was funded by Ford, and then the San Francisco Foundation came in, in addition.

J. May: You obviously know more than I do about it.

Morris: I'm curious about the shift in this twenty-five year period from a local foundation funding all of a new program getting started to (with the increase in Ford money and then federal money) the major support for the projects coming from national sources with the local foundation doing a piece of it.

J. May: Oh, well, that, I guess, leads into the whole business of: are we going to let Ford or the federal government or anybody else, in effect, tell us where to put our dollars by putting the kind of pressure on us that happens when either makes a grant 'provided 20% local funding can be found'? So the pressure on us is: look, give us $20,000; you're giving us $100,000, in effect. We can't get the rest without yours. How can you turn it down, if it's a good program?

Morris: How do you deal with that?

J. May: You give it. You turn up your toes and roll over on your back. Wave your paws in the air.

Morris: Because from the Distribution Committee's point of view this is a good investment, in terms of money?

J. May: Sure. It's more than you can do to say no, if you've got the money, if you believe in the program, and if they come to you and say: give us $10,000; in effect, you get us fifty.

Morris: Do you ever say: regardless of the fact that it's HEW or Ford, we don't think the program's that good?
J. May: Oh, sure. Sure: go somewhere else; it's not our cup of tea.

Morris: And then what happens?

J. May: Then they go somewhere else. They get the money. After, of course, telling us: there isn't any possibility that we'd get it, unless we get it from you. And then the foundation staff man goes home and has a sleepless night because he's wrecked the program, and three weeks later he's all buddy-buddy with the people: oh, sure; we got the money.

There are other kinds of matching problems, too. I became pretty well convinced, toward the end of my career in the San Francisco Foundation, that it didn't make good sense for us just to pick up a piece of a program if we could afford the whole program and liked it. Instead of picking up a quarter of each of four different programs, better to do one out of the four, and let other funding sources do the others. It's better use of staff time in researching the proposal and in monitoring it as it goes on.

The Foundation Community, Local and National

Morris: This line of thinking would lead to fewer, larger grants.

J. May: Exactly. You know; you've read my reports, which is very flattering to know. I have questioned a good deal whether that shouldn't be, in general, the trend--fewer and larger grants, even though the pressure for many grants is awfully heavy.

Morris: Is this possible because there are now more foundations in the Bay Area?

J. May: Yes. Sure.

Morris: If you can say: we are not the only ones.

J. May: But you could also read that the other way. You could also cut the amount that you're going to give to anybody because there are more foundations from which they can pick up the balance. And there is always the argument that the San Francisco Foundation is known to be [in exaggerated tone of voice] "so careful and so judicious, so wise and so wonderful in every way," that if it's into the program, then that enables the program to pick a lot of other pockets from the other 80%. An appraisal that I don't subscribe to. [Laughs.]
Morris: Does that, then, work also from the other foundations' point of view? Do they tend to think: if the San Francisco Foundation has worked it over, with all their staff and their expertise, then we can safely go in on a piece of it. We don't have to do any staff work.

J. May: Oh, sure. There's been a great deal of that. It's also worked the other way with one or two foundations. If it's an innovative, experimental program in the area of the welfare of children and youth, and if Ruth Chance—with her CIA-type investigation into it—bought the program, but they put in forty and it needed another thirty, or something like that, that was enough for me right there.

Morris: So that it's a reciprocal kind of an arrangement.

J. May: Only if you have great faith. But if some other foundations—that I won't name—had bought a part of something and asked us if we wouldn't come in on it, we'd not necessarily have that much faith in their investigative work. Would we? You know how some of them operate.

I had one foundation trustee tell me a good many years ago—and they spent a great deal of money—that: well, I don't know where the money goes. Matter of fact, I don't think most of us do. There's one member of the board who takes more interest in where the money goes than the rest of us do. The rest don't know, really, anything about it. At our recent meeting (and I'm quoting pretty nearly verbatim) somebody wanted $25,000, and none of us trustees had ever heard of him. But we knew a couple of people on the board, and so we gave them $50,000.

Actual case.

Morris: Because the money was sitting there and they had to make grants?

J. May: No explanation given: 'we knew a couple of people on the board.' Well, I don't think that's going to happen now, after all the attention that's been paid by government to foundation irresponsibility.

Morris: It's fascinating, when you consider that most trustees are tigers in the business world.

J. May: Yes, but charity isn't that important to most of those guys, is it?

Morris: If they're trustees of a closely-held family or business foundation, it was either their money, grandfather's money, or 'my good friend Charlie's money' that went into setting it up. Once it's in the foundation it's not theirs any more, so it doesn't really matter what's done with it?
J. May: I'm not sure that it would matter to that guy that you're talking about very much anyway. It doesn't affect the business of this country, which is business. And this gets into the whole business of motives other than philanthropic ones for creating foundations. [Laughs.] Doesn't it?

Morris: Yes, it does.

J. May: And maybe we shouldn't, hm?

Morris: Other than to comment that this study is focussed on the innovative grant-making foundations, which, by definition, seem to be committed to visibility and accessibility.

We didn't talk about the Council of Foundations to any great extent. You touched on it a little bit. There was an earlier one--

J. May: Of about ten or twelve people, all community foundations.

Morris: What led you to decide that there should be something more formal, which became the Council on Foundations?

J. May: Because the little committee of community foundations began to realize, not too many years after it should have, that there were other foundations concerned with philanthropy in the same areas that we worked in, and so: shouldn't we communicate with them, and shouldn't we therefore bring them into our organization if they want to come? And shouldn't they come to our sessions? And that kind of thing. So then it became the National Council on Community Philanthropy, or something like that. We've been over this, I know--

Morris: Yes, but just briefly.

J. May: And then it obviously needed some staff work done, and this required more organization than it had; and, finally, it had to be incorporated for a lot of legal and other structural reasons. Then, with the criticism of foundations, it became very large, indeed, and even got major support from the giants, and then it had to have an enormous staff and a big budget; and now it is trying to persuade the Congress to cut back on the payout requirement, which is only six per cent.

Morris: That seemed to be the line it was pursuing. Now, what was the attack in Congress?

J. May: Oh, there've been several over the years. The first one was in 1915, an attack on the Rockefeller Foundation, principally because, obviously, it was going to be just a strengthening of the most reactionary part of society--you know, the oil trust--and the things they believed in.
J. May: The next few tended to concentrate on the other side—that these foundations were dominated by us left-wingers, and we're going to pour our money into things that tend to tear down society and send our money overseas to help un-American things.

And then, of course, it got into matters of not just ideologically objectionable things, but the abuses and the control of corporations by foundations—the unfair business competition of businesses owned by foundations: not paying taxes and competing with taxpaying businesses; the dealing between foundations and their creators and trustees, to the advantage of the creators and trustees and the disadvantage of charity; the delay in payment of tax-deductible gifts to charity—

Morris: Yes.

J. May: All right. I don't need to explain. And practically all of this has been corrected damned well in the '69 Tax Reform Act.

Morris: Did the Council on Foundations, or you yourself, testify in regard to that act, or were you aware of the hearings while they were going on?

J. May: We were all very much aware of the hearings going on. I personally never did testify. If I had been on the East Coast, I think I would have, but there were plenty of people who could testify at least as well as I, probably a hell of a lot better, and they did. The records of the congressional hearings are filled with people testifying—

Morris: From the foundation point of view?

J. May: From the foundation point of view, and also people who were put on the stand to answer questions about the sins of foundations; and some of them were pretty arrogant in their responses and didn't help foundations very much.

I really think that some of the things said by foundation people just set the senators' and congressmen's teeth on edge: "we're going to fix these fellows" was their reaction; and, indeed, they did.

But to get back to my point: to have the Council on Foundations, officially representing the responsible foundations of this country, trying to get the payout requirement reduced below even six per cent, I think is doing as grave a disservice as you can do to the foundation field itself. I'm all for their trying to get the tax on our income reduced.

Morris: That was to cover the cost of monitoring and auditing and that sort of thing?
J. May: Exactly. And I think most of us would agree that that's a good thing, but it shouldn't be in the form of an excise tax. Now, when we know from experience what the costs really are of monitoring us and the rest of the tax-exempt sector, it shouldn't be two or three times that amount. Because it's not the foundations that pay it, in the long run. It's the universities and hospitals and other charities that are the beneficiaries of the foundations' money.

Morris: What's the thinking on why the payout requirements might be reduced?

J. May: The thinking goes something like this—that inflation is a continuing thing. If you can get a total return on your money of nine per cent (total return being both the income you get and the capital gain you can achieve), that's pretty good. If you require a payout of six per cent, and if inflation is, say, four to five or more per cent, you're already above, in those two factors, the nine per cent of your total return; and this means that your ability to sustain the things which you are in business to sustain is going to shrink. Not in terms of the number of dollars of your assets, but in terms of the purchasing power of your dollars. Therefore, it isn't right to force foundations to pay out six per cent. It ought to be reduced to four-and-a-half, or something like that, a point with which I vigorously disagree.

A: I don't think the nine per cent figure can be sustained over the last hundred years. B: I don't think the perpetual life of foundations is necessarily something which can't be argued with. And, C: I think for the foundations to come in, for reasons which are pretty suspicious in my view, and say that foundations shouldn't even pay out six per cent of the funds given to them, is something that is going to go down very badly with the people of the country and with their representatives in Congress. So in the counsels of the Council I've opposed this, but not with any success. And I continue to.

Morris: Was this the issue on which you and the Council came to a parting of the ways?

J. May: In which they announced my resignation before I'd heard that I was going to resign?

Morris: Yes. That's a story that I'd like to hear.

J. May: That was the fact. I read in a memorandum to all members that there would be a place on the board because of John R. May's resignation, taking effect next year. And that was the first I had heard of it. I think it's an odd way to behave; still think so.

No, I don't think that was the issue. I think it was a little bit broader than that—that it was known that I was leaving the San...
J. May: Francisco Foundation, and perhaps there was an idea that a little space on the board was needed. Presumably I wouldn't object to retiring gracefully, that I would have better manners than to say anything about it after reading that, and that I didn't always go along with the party line in the counsel of the Council, and that 'he never will be missed'. Unless you want me to sing it.

Morris: In the university world, and in the governmental world to some extent, one gets echoes of California feeling sort of cut off from the world and thinking it's far from the center of things and left out of things--either New York or Washington--

J. May: And does that apply to the Council on Foundations?

Morris: Yes.

J. May: In one word, yes; and I think most of us--I think that's a fair statement--think we get damned little service out of the Council in proportion to the very large budget on which they operate. I think most of us think that if we were in Pennsylvania or Boston or New Jersey or somewhere close, we'd get a hell of a lot more attention. That's pretty obvious. It costs them a lot more in time and money to have people out here responding to our needs, and they're not as responsive to our wishes as they are to people with whom they're on the telephone twice a day.

Morris: That's curious in relation to what you said earlier, that there was a great deal of exchange of ideas, papers, project ideas and success.

J. May: There is. A very great deal. And some of it's through the Council and some of it isn't. A lot of it is at the Council's annual conference, which is to be in April this year in Chicago and is four days.

Did you ever see programs of those things? Some of them are pretty good. There's some pretty good stuff, and sometimes there's a rather bad one that doesn't have very much meat in the whole meeting.

Morris: That's a hazard of any intellectual assemblage.

J. May: Sure. Certainly it is. By and large, they've been good, and I still think that people who have questions about operating a foundation ought to attend these meetings.

Morris: They're open to the public?

J. May: They're open only to representatives of grant-making foundations.
Chicago Conference Issue

Current philanthropic priorities and David Hunter's challenging speech. Page 3.

World's problem of hunger examined. Small foundations can help, too. Page 5.


Variety of subjects taken up at community foundations' roundtables. Page 8.

Evaluation: try it, you might like it. Page 15.

The right to privacy: foundations can help protect it. Page 19.


National health insurance won't be cure-all. Page 6.

Older people need number of options. Page 19.


At 7:30 Wednesday morning, delegates scatter to 13 rooms for breakfast talk of their choice. Page 10.

The performing arts and museums: some ways to deal with their money needs. Page 12.

Filer Commission runs into some sticky questions. Page 17.


Banks are in the giving business, too. Page 12.

How the associations of grant-makers work. Page 14.


Order blank for three conference papers and additional copies of Regional Reporter. Page 15.
Morris: Do these concerns about the Council on Foundations explain why the local brown bag group* was organized?

J. May: No.

Morris: How far back does that go?

J. May: Oh, I guess it goes back six or eight or ten years. But there was a local brown bag group, totally disorganized, as long as any of us have been in foundation work. Before Ruth's day. Leslie Ganyard—do you remember her?

Morris: I feel as if I do.

J. May: Ruth's predecessor—she and I used to have lunch quite often, or otherwise discuss mutual problems. Then, as more people came into the field, they also would have lunch with one of us or the other or with other people. It was Ruth and I and Larry Kramer who tried to get it a little bit more structured by saying: let's have more regular meetings. But I don't think it was in response to any lack of service. In fact, it was before the Council really got so big.

Morris: In other words, it's a local, facilitating and friendly association.

J. May: That's right. I think it needs to be strengthened or to have a bit more structure. Now Ruth is its chairman, you know, and Martin Paley has offered her office and secretarial and telephone facilities and that kind of thing, which is great.

Morris: Yes, that gives it more potential for getting organized. You are interested in it having a little more scope and structure, even though you have objected several times to what's happened to things when they get scope and structure and budget? [Laughs.]

J. May: Sure. You'll never accuse me of being consistent, will you?

Morris: I just thought I would mention it.

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The Hewlett Foundation and Thoughts on Staffing

Morris: I have a wind-up question: I think you have an opportunity very

Morris: few people have. You had a full cycle of getting a foundation off the ground, and now you have the opportunity to get another one moving along. I wonder if you've got any kind of things that you learned from the San Francisco Foundation that you either didn't try or would like to try again in another foundation?

J. May: Programmatic things, you mean? No, I don't think so. I do think it's a very exciting thing that, having served out a normal span of work, Bill Hewlett has now asked me to help in what is now a family foundation. It's a thing that I think you've heard me say some kind of uncomplimentary things about from time to time--some family foundations and the way they're operated. But here is one which is spearheaded by a guy who's got a real social conscience. Granted, it is a channel for Hewlett money to go to things that Hewletts are interested in. It has only Hewletts on its board so far, and it is not a huge foundation yet. It's got the potential of being a very large foundation, indeed, one of the biggest dozen in the country. It'll be located here. It'll have a much broader board than it has now. It'll have a board such as a foundation gets after it gets into its middle age [laughs], when family no--

Morris: Coming of age? You can look at it that way, too.

J. May: All right, if you like. When it matures. When family no longer dominates it. When outside people are brought in to join family on the board, and as family gets older and finally disappears. It's got a real prospect of being a tremendously fine foundation.

    My job with it is to work myself out of a job and work it, gradually, toward being a foundation devoted totally to what's most in the public interest and having its decisions guided by people who are as wise as you can find. And that's kind of fun for somebody who's retired.

Morris: Oh, I should say.

J. May: But a half-time staff man for a foundation with thirty or forty million bucks in it is nothing like enough. I'm moving kind of slowly, but I've got to move in the direction of getting staff employed, and staff who will outlive me. And, therefore, very creative, able, imaginative, willing, hardworking young people. Ain't it fun?

Morris: Absolutely. One last point. You said that programmatically you didn't know that there would be great differences. In reading about and talking with people about the Bay Area foundations, the term program does not seem to be used as it is in the giants, as you refer to them.
J. May: I would have thought it is. I would've thought that the San Francisco Foundation's program staff, as opposed to its support staff, refers to just what the giants do—how do we use our money? Not: how much of it do we use and where do we get it? But: where do we put it? Isn't that what they mean by program?

Morris: That may be my lack of perception. Ford, for instance, seems to have titles under which it pursues goals that it has worked out.

J. May: Yes, and it has a half-dozen program areas.

Morris: Are their staff, then, assigned to specific categories?

J. May: And it has a vice-president in charge of each and deputy directors and all kinds of fancy titles and right down to program officers. And Elizabeth Eudy here, who runs the San Francisco Development Fund, will say: our program officer at Ford is so-and-so.

Morris: Right.

J. May: And that's somebody working within a program area under a deputy vice-president or something.

Morris: What I hear in talking with foundation people in the Bay Area is that there are categories in which grants are made, but you can't really pin many of them down to just one category because, for instance, a grant in health also has to do with families and children—

J. May: Absolutely. This is the difficulty in categorization, which we talked about. Now, the San Francisco Foundation program staff isn't broken down into one fellow in the health part of the program and one fellow in the conservation part and one fellow in the art department, but it's still the over-all program of how do we use our money. And then there are some program areas within that.

Morris: Which are pursued in terms of responding to what's going on out there in the community, rather than—

J. May: There you go. You're very sharp, and you have been all the way through this. Yes, by and large, that's the way it's done, but that isn't the way all of it should be done and all of us know it.

We know we ought to be going out and looking for the things which will do more good than will be done by just reacting to the proposals that come to us. Certainly we ought to. But it takes a hell of a lot more staff time, and that's money. And how much money, out of what you've got to spend, can you spend on the cost of spending it?
Morris: Yes. [Laughs.]

J. May: And nobody knows the answer to that one, but if it gets too high, it's too high. What too high is, we don't know.

Morris: Presumably, you could reach a point where you spend more money on making grants than you did on the grants.

J. May: Yes, but that'd be a pretty extreme case, and it would only happen if you're in kind of a casework business, like Babcock Endowment in Marin. And even then, you wouldn't get up quite to that.

But if you're spending a million dollars, and a quarter of that goes for your cost of spending, I think you're grossly overspending on cost.

Morris: It'd probably be in the same ratio as what's a proper amount of money to spend raising money. That's one of the big issues.

J. May: Pretty good. Pretty good issue, I think. If you want to . . .

If you want to come back, fine, but it's time for lunch.

Morris: Okay. That finishes my questions.

[End of Interview]

Transcriber: Jeanne Shizuru
Final Typist: Judy Johnson
Dear John:

This letter is not prompted merely by a desire to do my duty and write a friendly note now and then. In the first place, that happens to be one kind of duty that I hardly ever perform; in the second place, our women-folk have been keeping us in touch with each other fairly efficiently. So please regard this communication as a kind of business letter -- even though it may seem a rather weird one.

The business in hand requires a rather long-winded explanation, so please bear with me. Here's the story:

Today I got a phone call from Dan Koshland. I don't recall whether you know him personally, but you undoubtedly know him by reputation. He, jointly with his cousin and brother-in-law (if that confuses you, skip it) Walter Haas, runs Levi, Strauss -- the over-all overall outfit. He is also a pillar of the Community Chest, the Council for Civic Unity, and innumerable other worthy causes, and is definitely a Grade A leading citizen and good guy. He told me today that he is interested in a new enterprise now being founded here, known as the Community Trust. If that leaves your mind a blank, think nothing of it; mine was even blanker. He went on an explained further, so I must do the same.

The idea seems to be that a Community Trust is something which has been established in other large communities, for the purpose of better coordinating and channeling (God forgive me, I still talk like a Bureaucrat!) bequests and gifts for long-term charitable purposes. The Community Trust is to be administered by a Board of Directors of seven, including Farnham Griffiths of the McCutchen law firm, Mrs. Henry Potter Russell, and, I take it, Dan himself, as well as four or so other big shots. It is to work through, and in close cooperation with, the trust departments of all the banks. It will endeavor to induce persons to make their charitable bequests and gifts to the Community Trust rather than to specific organizations, so that the Trust can apply the funds from time to time in accordance with the shifting requirements and priorities of need. Gifts could either indicate a particular area of social service in which the donor is interested, or could be unrestricted. In either case, I gather that investments would be handled by the banks, and decisions concerning application of funds would be made by the Board. The Columbia Foundation has made a grant to cover the organization of the Trust and the first year's running expenses; after that, the Trust is to be on its own. Of course when gifts and bequests have once come in in large amounts, presumably the Trust will be amply able to finance its own administrative costs; but there may be a little trouble at first, since bequests are the main source of anticipated revenue and people whose wills would greatly benefit society generally show a regrettable reluctance to die.
Now, you may well be asking yourself, what has this farrago to do with you or me? I must continue. It seems that the Community Trust will need an executive -- a guy who would work for it on salary, although not necessarily full-time, at least at the start. It also seems that the first year's budget -- provided, as aforesaid, by the Columbia Foundation -- includes an item of $6,000 for an executive's salary, at $500 per month. They figure the executive might be able to draw this amount for about half-time work -- though I strongly suspect that if the scheme goes at all, the job will rapidly become full time. They want somebody who has had some general experience in activities requiring community contacts, and who has or could easily develop entree to the banks, prospective testators, and other big shots. And the point of the whole call was to proposition me for the job. Now, obviously as far as I'm concerned, the thing made no sense, as I have no intention of stopping, or even half-stopping, being a lawyer. But Dan asked me if I had any suggestions. And the first thing that occurred to me was that if this had only come up six months ago, I'd have had the perfect suggestion for them ready made.

But isn't six months ago; it's now, as the date at the start of this letter will prove. And obviously, as of now, such a job, compared with what you now have, is financially uninviting, to say the least. But there might be compensating advantages, one being that the work might appear to have more social significance than vacuum cleaners do (I say that with all due respect), and another being that it's in San Francisco.

So that brings me to my question. I don't know how quickly or slowly this may materialize. Does the idea interest you sufficiently to make it worth while for me to mention your name to Dan, not, of course, as a man who's available right now, but as one who might become available in X months, and whom it might be worth their while to wait for? Just say the word, and I'll give Dan a glowing thumb-nail sketch of your life and achievements, and ask him to talk to you next time you're here. How about it?

Now, at this point I should lapse into a long, newsy epistle on indifferent subjects, but I've exhausted myself as well as you. Congratulations on the new house. Sing Hosannah for Jack's new job. Thanks to Margarita for the infinite amusement and delight she has given us with her Victria memoir. And many affectionate greetings to you both.

Yours,

Frank.
Several of the more durable and patient members of this Club have twice in the last dozen years put up gracefully with papers of mine having to do with Foundations -- especially Foundations vis-a-vis government. One member so far forgot the greater good of the order as to suggest that I report further -- when developments seemed to indicate a reason for it. And that -- with assurance of the Club's usual patience (within the limits of a half-hour) -- is what you are now about to suffer through.

Anyone with more than a passing interest in foundations and how they use their resources will remember the recent Congressional probes. There was first Mr. Cox, who was determined to find the foundations controlled by left-wingers and supporting subversive activities. His Select Committee, it seems to me, did not accomplish much. Next came Mr. Carroll Reece. And again neither the work nor the results can be called very distinguished, though by this time some foundation people, trustees and staff, were beginning to get a bit tired of it all and there was a discernible tendency to avoid those paths which might lead to further harassment.

More recently we've been favored with the attentions of another sub-committee, headed by Mr. Wright Patman, from deep-in-the-heart-of-you-know-where. Mr. Patman's committee is charged with matters having to do with small business, and he found plenty to occupy him, more or less sticking to matters at least peripherally related to the health of small business and the economy in general. It's not hard to find a starting point. For example, a business which must pay taxes on its profits is obviously at a substantial competitive disadvantage vis-a-vis a concern in the same business whose profits go to charity and are therefore not taxed.

Mr. Patman sent voluminous questionnaires to a substantial proportion of
the thousands of private foundations in this country. He demanded clear answers
to questions which were unanswerable. It is still hard to swear to the date on
which you stopped beating your wife. During the course of his investigations Mr.
Patman did not shun the headlines. So the recommendations he was working up to did
not come as a surprise when they were at last made, for they had been suggested,
piece-meal, as load after load of conscientiously prepared data came in.

It was no easy matter for the foundations to give Mr. Patman what he
asked. Extra staff had to be employed in many cases to give him what he wanted --
covering all transactions for many years past.

This time the foundations saw trouble ahead and some prepared to do
battle if necessary. It became clear that Mr. Patman's plans for saving the nation
and its small businesses, if adopted by the Congress, would, to put it mildly,
dramatically reduce the effectiveness of the foundations. Trustees and executives
of the great foundations, and some of the smaller ones, testified and gave Mr. Patman the benefit of their views. At length the Patman Report was published. It
is interesting to note that it is not the report of Mr. Patman's committee, but
rather of Mr. Patman, the chairman, to his committee. It is fascinating reading.
And it can't be denied that -- as he expected -- Mr. Patman had dug up enough
sensational evidence of abuse of the tax-exemption privilege to lend some shadow
of credibility to his wholesale indictment of foundations in general, and clearly
to require attention to his proposals for protecting the nation's economy from them.

After these less than enthusiastic remarks, it may surprise you to hear
me say that I think the third round, the Patman round -- unlike its predecessors
under Cox and Reese -- was a good thing; that it will probably have beneficial
results. There was enough evidence of abuse, and with enough truth in it, to result
in instructions to the Treasury Department to make a thorough study of the matter
(not conducted under the glare of publicity, like the Congressional investigations)
and to make recommendations to the tax committees of the House and the Senate. That
Report, which I shall refer to in a few minutes, has not yet resulted in new and
corrective legislation on the governance of private foundations, but it will. And
by and large I think it will probably be good legislation. If so, it will not
accurately reflect the proposals of Mr. Patman, which would, if enacted, pretty
well emasculate -- and probably in due course destroy -- the foundations. And I
obviously don't think the foundations should be emasculated or destroyed. I do
think it is desirable and necessary to prohibit by law the use for non-philanthropic
ends of this hitherto honored means of devoting private wealth to the public good.
I further think that -- at least in some quarters -- the very idea of the chari-
table foundation has come to hold a less honorable place in public esteem than it
should. And with reason.

Perhaps this is the point to quote to you a thoughtful appraisal of the
foundations' job in our society. I'll identify the source at the end:

"Private philanthropy plays a special and vital role in
our society. Beyond providing for areas into which govern-
ment cannot or should not advance (such as religion), private
philanthropic organizations can be uniquely qualified to
initiate thought and action, experiment with new and untried
ventures, dissent from prevailing attitudes, and act quickly
and flexibly.

"Private foundations have an important part in this work. Available even to those of relatively restricted means, they
enable individuals or small groups to establish new charitable
endeavors and to express their own bents, concerns, and ex-
perience. In doing so, they enrich the pluralism of our social
order. Equally important, because their funds are frequently
free of commitment to specific operating programs, they can
shift the focus of their interest and their financial support
from one charitable area to another. They can, hence, constitute
a powerful instrument for evolution, growth, and improvement
in the shape and direction of charity."
That comes, not from a foundation spokesman, but from the introduction

Let us consider for a few minutes Mr. Patman's findings and the proposals
he bases on them. Despite the inaccuracies in his report, his habit of damning
all for the abuses of the few, and the punitive and destructive character of his
recommendations, he has nonetheless performed a valuable service. He concerned
himself with the financial and managerial aspects of foundation operations, rather
than with the use which the foundations have made of their funds, so roundly damned
in the prior investigations. He must be credited with turning up and exposing to
public view enough glaring examples of intolerable practice to warrant prohibition
by law. He reported cases in which foundations with substantial assets had made
no charitable gifts in several years because the assets were in such form that no
income was produced. He exposed many an instance of foundation control -- or even
sole ownership -- of a business; or, conversely, of too heavy concentration of a
foundation's assets in one property. He had no difficulty in finding cases -- many
of them -- in which the assets of a foundation were manipulated by the foundation's
founder, by means of his retained control of its transactions, in ways which served
his interests to the detriment -- or even to the total exclusion -- of benefits to
the public.

Some of the corrective measures proposed by Congressman Patman have carried
over into the Treasury Report. A few even appear more restrictive in the Treasury
Report than in the Patman Report. Some, after the Treasury's year-long intensive
study, are not recommended to the consideration of the House and Senate Tax Committees.
And some are handed forward in modified form. The Treasury, as indicated in the
introduction to its report, already quoted, recognizes the foundations' value to our
society, and doesn't propose to throw out the baby with the bath water.
The Patman Report dwells on the dangers to the economy in having a huge concentration of wealth in the hands of a few foundations. The facts dispel any fears. The income of all foundations today is something like 1/8 of 1% of Federal revenues. In assets, the foundations, all told, hold less than 20 billions, less than one percent of the assets held in other non-governmental hands. This hardly seems to be a threat. And yet few responsible foundation people will deny that it is essential for a foundation to diversify its holdings, or that control of a business should not vest -- or long remain -- in a foundation's hands. And since the foundation, conceived purely as an instrument for the channeling of private wealth to the public benefit, offers a possible means for manipulation for one's own benefit, stringent legislation is unfortunately necessary.

Working from his thesis of huge holdings and widespread abuse, Mr. Patman is led to some pretty interesting proposals. Easy to agree with is his recommended limitation on the percentage of any stock which may be held by a foundation -- but his figure of three percent does not seem to be the right one. His recommendation that all income be disbursed merely states the regular practice of the major, respected foundations, but one may differ with his inclusion of items like capital gains and so on in the disbursable income category. The hooker is the suggestion that all donations, including gifts and bequests, be treated as income and hence promptly disbursable.

The gentleman from Texas goes over the side, I think, when he recommends that 25 years be the maximum permissible life of a foundation. To depart from the principle in our law that charities are exempt from the rule against perpetuities would be so radical a change as to require more careful and prolonged study than has so far been given it. And if the foundations Mr. Patman refers to can live only 25 years, then what of those other foundations, our universities, churches,
hospitals, and so on? We cannot for a minute think of doing without them, so --
if their lives as private institutions are limited to 25 years -- they must in-
evitably continue under government auspices. Do we want that?

I could go on at some length about the Patman report but I won't try
your patience that far. I think perhaps I've given you the "off with their heads!"
flavor of it, and anyway, I think that the important thing is to tell you a bit
about the result -- that is to say the Treasury Report which will surely result
in some corrective legislation.

The Treasury Report is, first of all, a good workmanlike job. It is
based on intensive study including testimony from all who wished to urge their
views. It is not designed to please everyone, and it doesn't. It is closely
reasoned, and persuasive. While making some recommendations more severe than
Patman's, it does not seek to destroy foundations, and it eschews any attempt by
government to limit the freedom and flexibility in the foundations' use of their
resources which is the very essence of their value to society.

Let me try to give you some idea of the content of this extraordinary
document. As I have said, it begins with a perceptive statement of the value of
foundations -- the importance of what they can do which cannot be gone by government.

The Report then deals with six "major problems." I'll take them in
order. Much will be directly quoted.

1) Self-dealing

"Some donors who create or make substantial contributions to a
private foundation have engaged in other transactions with the
foundation. Property may be rented to or from it; assets may
be sold to it or purchased from it; money may be borrowed from
it or loaned to it. These transactions are rarely necessary
to the discharge of the foundation's charitable objectives;
and they give rise to very real danger of diversion of founda-
tion assets to private advantage."
Here the Report mentions the Revenue Act of 1950 with its language like "reasonable," "adequate," "substantial," and its attempt to prohibit transactions between donor and foundation, except at arm's length.

"Fourteen years of experience have demonstrated that the imprecision of this statute makes the law difficult and expensive to administer, hard to enforce in litigation, and otherwise insufficient to prevent abuses. Whatever minor advantages charity may occasionally derive from the opportunity for free dealings between foundations and donors are too slight to overcome the weight of these considerations. Consequently the Report recommends legislative rules...to prevent foundations from dealing with any substantial contributor, any officer, director, or trustee of the foundation, or any party related to them..."

2) Delay in benefit to charity

"The tax laws grant current deductions for charitable contributions upon the assumption that the funds will benefit the public welfare. This aim can be thwarted when the benefits are too long delayed. Typically, contributions to a foundation are retained as capital, rather than distributed. While this procedure is justified by the advantages which private foundations can bring to our society, in few situations is there justification for the retention of income (except long-term capital gains) by foundations over extended periods. Similarly, the purposes of charity are not well served when a foundation's charitable disbursements are restricted by the investment of its funds in assets which produce little or no current income."

Here the Treasury recommends first a requirement that all income be disbursed on a reasonably current basis, and second, that investment of foundation funds in non-yield assets be discouraged by requiring a pay-out equal to a reasonable rate of return.

This last proposal is a source of great concern to the foundations whose abuses it is designed to correct. The major foundations, of course, will be unaffected by it.
3) **Foundation involvement in business**

"Serious difficulties result from foundation commitment to business endeavors. Regular business enterprises may suffer serious competitive disadvantage. Moreover, opportunities and temptations for subtle and varied forms of self-dealing -- difficult to detect and impossible completely to prescribe -- proliferate. Foundation management may be drawn from concern with charitable activities to time-consuming concentration on the affairs and problems of the commercial enterprise."

"For these reasons, the Report proposes the imposition of an absolute limit upon the participation of private foundations in active business, whether presently owned or subsequently acquired. This recommendation would prohibit a foundation from owning, either directly or through stock holdings, 20 percent or more of a business. Foundations would be granted a prescribed reasonable period, subject to extension, in which to reduce their present or subsequently acquired business interests below the specified maximum limit."

This is a stiff dose for foundations with objectives other than the purely philanthropic one. It is very lenient for the older, more respected foundations which, as a matter of policy, limit their holdings to far smaller percentages.

4) **Family use of foundations to control corporate and other property**

"Donors have frequently transferred to private foundations stock of corporations over which the donor maintains control. The resulting relationships among the foundation, corporation, and donor have serious undesirable consequences which require correction. In all of these situations, there is substantial likelihood that private interests will be preferred at the expense of charity."

"To provide... a remedy, the Treasury Department recommends the adoption of legislation which, for gifts made in the future, would recognize that the transfer of an interest in a family corporation or other controlled property lacks the finality which should characterize a deductible charitable contribution. Under this recommendation, where the donor and related parties maintain control of a business or other property after the contribution of an interest in it to a private foundation, no income tax deduction would be permitted for the gift until (a) the foundation disposes of the contributed asset, (b) the foundation devotes the property to active charitable operations, or (c) donor control over the business or property terminates."
Except where the major objective is not charity but personal gain, this can do no harm. It seems to me a step in the highly desirable direction of bringing the charitable foundation back to its proper place -- a place where no motive except the benevolent one is at home.

5) **Financial transactions unrelated to charitable functions**

Here the report, cognizant of too many instances of foundation lendings, borrowings, and speculations -- all to the advantage of a party other than the foundation -- proposes flatly to prescribe all three. (Except, of course, as loans may be safe and proper, as with high grade bonds)

6) **Broadening of foundation management**

There has been wailing and gnashing of teeth over this section. Most of the foundations of the family or donor-controlled kind will be profoundly changed if the donor, his family, and his associates may constitute only a small proportion of the foundation’s board. The Treasury’s restrained language is worth quoting:

"Present law imposes no limit upon the period of time during which a donor or his family may exercise substantial influence upon the affairs of a private foundation. While close donor involvement with a foundation during its early years can provide unique direction for the foundation’s activities and infuse spirit and enthusiasm into its charitable endeavors, these effects tend to diminish with the passage of time, and are likely to disappear altogether with the donor’s death. On the other hand, influence by a donor or his family presents opportunities for private advantage and public detriment which are too subtle and refined for specific prohibitions to prevent; it provides no assurance that the foundation will receive objective evaluation by private parties who can terminate the organization if, after a reasonable period of time, it has not proved itself; and it permits the development of narrowness of view and inflexibility in foundation management. Consequently, the Treasury Department recommends an approach which would broaden the base of foundation management after the first 25 years of the foundation’s life. Under this proposal, the donor and related parties would not be permitted to constitute more than 25 percent of the foundation’s governing body after the expiration of the prescribed period of time. Foundations which have now been in existence for 25 years would be permitted to"
"continue subject to substantial donor influence for a period of from 3 to 10 years from the present time."

John Gardner, now Secretary of Health, Education and Welfare, in his last report as President of the Carnegie Corporation, stated his opinion that, "...every tax-exempt foundation should have a public board -- a board on which a majority of members are distinguished citizens not related to the donor nor associated with him in business."

While this seems a simple enough matter, it is pretty fundamental. Obviously none of the leading foundations would object to having the kind of board Gardner speaks of -- it's their standard practice. But such a board would be neither suitable nor available for the vast majority of the 15,000 foundations which merely act as convenient channels for their founders' charitable gifts.

There is, I am trying to say, a rather well-entrenched habit among affluent Americans and their advisors to think of personal foundations in terms of the possessive -- "my," or "his," or "your" foundation. And I find this a bit difficult to rejoice in, though perfectly understandable. Any first-rate advisor will of course be alert to point out to his client various still available and legal ways of giving away property with one hand and holding onto it with the other, and of using this vehicle for his own personal advantage. Listen to this from a recent issue of Business Week Magazine:

"Have you ever thought about setting up a 'family foundation'?

* * * * * * * * * * * * * *

"However, before you get serious, there are two prime questions: First, are there certain philanthropies (religious, educational, medical, etc.) that you'd willingly devote considerable time and money to in later years? And second, do you have a sizable business that you want to pass control of to your heirs, despite crippling Federal estate taxes? If your answers are 'yes,' then a private foundation could be a way to give your 'estate plan' an entirely new outlook."
"What is a foundation? It's a non-profit organization with its own capital fund, that uses its resources solely for public welfare. It can be a state-chartered corporation, or a trust, or an unincorporated association. If properly set up (with special Treasury-approved tax status) it pays no Federal taxes at all; yet it can be kept entirely under the control of its founder and his family.

"The real motive behind most private foundations is keeping control of wealth (even while the wealth itself is given away).

"Take the typical case: Say the bulk of your property is in a family business. When you die, if you have a high-bracket estate, the estate tax could cause a forced sale of part or even all of the business -- your children might lose control of the company, as well as have to sell their shares at a poor price.

"A foundation can prevent this. You set it up, dedicated to charity. Year by year, you make gifts of company stock to it, until the value of your remaining holdings is down to the point where eventual estate taxes could be paid without undue strain, or until the foundation's holdings constitute firm control of the company. You maintain control of the foundation while you live; you direct its charitable activities -- and so, indirectly, you control the shares of your company that have been donated. When you die, control of the foundation passes from you to your family or other persons you trust and thus they, in turn, keep reins on the business."

That sort of thing must tarnish the image of those valuable foundations in the small category whose praises are sung in the introduction to the Treasury Report, which I quoted earlier. What is not often pointed out is the fact that the foundations which either actually or potentially justify the Treasury's encomiums are only a small fraction of the 15,000 or 16,000 foundations known to exist in this country. The vast majority operate with charters just as good as the Rockefeller -- "for the welfare of mankind," but in practice they are quite different.

I have a reasonably hopeful feeling that the new legislation, when at last it is enacted, will in effect sharpen the differences between the two types of
foundations. I'd like to see those foundations -- large and small -- which use their funds in the innovative and pace-setting way which is of such value to society, somehow distinguished from the thousands which are mere channels for current giving.

I am confident that the more serious abuses will be corrected and that the correcting will be done with all reasonable flexibility -- there'll be no need to flood the market with three billions in Ford stock. It seems reasonable to anticipate that there will not be an attempt this time to set up a governmental regulatory body to supervise the foundations' activities. It is the managerial and fiscal functions which have been found far too susceptible to abuse and which will therefore have to be corrected. The freedom with which the foundations use their funds in the pursuit of their high purposes does not seem threatened at the moment, though I'm well aware that there is plenty of opinion that there should be control also over foundation disbursements. But that's another story and one which I undertake not to inflict on the Chit Chat Club.

In conclusion, I'm tempted to say that I've taken as my text the third verse of the Eleventh Psalm:

"If the foundations be destroyed, what can the righteous do?"

Mr. Chairman, let's hear what the righteous will do with it.
THE SAN FRANCISCO FOUNDATION

REGULAR MEETING OF THE DISTRIBUTION COMMITTEE

Thursday, October 4, 1973
9:30 a.m.
Executive Committee Room, Crocker National Bank
#1 Montgomery Street, San Francisco, California

AGENDA

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VI EXECUTIVE SESSION
VII ADJOURNMENT
II. REPORT OF THE EXECUTIVE DIRECTOR

A. REPORT ON THE "STATE OF THE FOUNDATION"

Members may remember that I expressed the hope, last spring, that by the end of our twenty-fifth year the Foundation's assets would pass the fifty million mark. My friends in the banks were extraordinarily cooperative and pushed through as many of the pending matters as could possibly be done - in an effort to help me achieve this goal. The stock market decline and one or two other factors, unfortunately, made us miss by a very small amount. Principal assets at the end of the fiscal year were $48,662,663 at market value and $48,874,511 at "book." Income on hand amounted to $232,068.

B. RECEIPTS DURING THE PAST FISCAL YEAR (unaudited)

Total receipts were $11,869,793.

New funds, amounting to $7,758,863, were:

- Emelie, Sarah and Stanley L. Balmer Educational Fund, $461,635. For aid to students selected by nine California colleges and universities. Trustee is Wells Fargo Bank.
- Wilhelmina N. Bossana Trust, $826,058. Unrestricted trust at Wells Fargo Bank, with certain preferences mentioned by testatrix.
- Gertrude Coleman Trust, $259,839. Restricted trust for dependent and neglected children, and generally to assist young people in trouble. Crocker National Bank is trustee.
- Mary Hoefer Trust, $3,132. Restricted trust; income presently used for work with children at St. Stephen's Church, Belvedere. Trustee is Liberty National Bank.
- A. Boyd Mewborn Trust and Hazel Mary Mewborn Trust, $719,497. For general charitable purposes of the Foundation, with emphasis upon such purposes in Monterey Peninsula area. Wells Fargo Bank is trustee.
- Jefferson Macleod Moore Trust, $2,183,937. Income is to be used for charitable and/or educational purposes. Wells Fargo Bank is trustee.
- Walter T. Prendergast Trust, $538,126. Unrestricted; trustee is Crocker National Bank.
- Edna Bloss Thorne Trust, $2,385,644. For general charitable purposes, with specific charities mentioned. Wells Fargo Bank is trustee.
Additions to pre-existent funds made up the balance.

C. ADMINISTRATIVE MATTERS

1. As of September 17, Price Waterhouse & Co. sent in its team to complete the audit for the past fiscal year. I am very pleased indeed to report that they promptly found things in far better condition than heretofore. This is a feather in the cap of the Office Manager, Mrs. Sams.

2. Annual report: This year the report will be somewhat more expansive (and, hence, expensive) since it is both a report for the fiscal year and a twenty-fifth anniversary report. We are working with the firm of Horowitz & Thompson again.

3. New quarters: The additional space in 425 California Street has been slightly modified by the Tishman contractors and has already proved to be a great asset. The conference room is not yet furnished and ready for use. In this connection, I would like to draw the Committee's attention to the very helpful boost given us by officials of the Crocker Bank, enabling us to purchase furniture through the Bank at the Bank's basic cost. A gift of $3,000 has been received, subject to a requirement of anonymity, which will defray the cost of a conference table and ten chairs. A few other items still need to be acquired, and we have a modest amount in the budget for the purpose.

D. PERFORMANCE OF CORPORATE TRUSTEES

The first step in appraising the performance of the corporate trustees is, perhaps, the attached list of funds, by bank, showing "book" and market values. This list has been sent to members of the Trustees' Committee and I look forward to discussions with each of them.

E. PERSONNEL

There have been two resignations in the staff, Miss Kaia Finskud, the machine bookkeeper, who resigned partly for reasons of health and partly in order to take a more suitable position; and Mrs. Cassandra Southall, secretary-receptionist, because of impending motherhood. As of this writing, neither position has been filled. The position of account clerk has been filled, apparently very satisfactorily, by Miss Linda Bell.

F. FRINGE BENEFITS

We are working on personnel policies and a better choice of group health insurance plans. The pension plan, with TIAA, has already been adjusted in accordance with the Committee's instructions.
G. SIGNING OF CHECKS

We suspect the officers of the Distribution Committee might like to be relieved of some of their chores in the signing of various checks, vouchers and other papers. I don't see how they can be relieved of the responsibility for approving and signing orders to the trustee banks for payments against grants (the Resolution and Declaration of Trust requires such an order to be signed by the Chairman and Vice Chairman, and attested to by the Secretary - John R. May or L. A. White - or a member of the Distribution Committee.) However, the matter of signing our increasingly numerous monthly and bi-monthly checks might be improved. The payroll is already being handled by Bank of America, saving the officers that chore. For other payments from the Administrative Fund, would the Committee prefer to authorize the signing of checks - up to $500 (or $1,000 or other?) by two senior staff members?
For the better part of the year the Foundation Executives Group, after meeting with members of the Council on Foundations, have discussed the possibility of a Newsletter in order to provide communication among foundations in Northern California and provide institutional information on foundation activities in California to political decision makers and to the public through the media.

Kramer, Miller and Associates, Inc., with a group of foundation executives including John R. May, spent considerable time discussing the type of Newsletter it should be, and at a meeting in July of the Foundation Directors, all agreed to go to their boards to seek funds in order to produce such a Newsletter.

The total estimated cost for the first year of publication, which would involve three issues, is $7,710. (Budget attached). The total distribution would be approximately 6,000 issues.

The following foundations have pledged the following amounts:

- The Vanguard Foundation $100
- Levi Strauss Foundation 250
- van Loben Sels Foundation 300
- Fresno Regional Foundation 50
- The Bothin Helping Fund 250
- L. J. & Mary C. Skaggs Foundation 500
- S. H. Cowell Foundation 750
- The Rosenberg Foundation 750
- The Luke B. Hancock Foundation 750
- Bank of America Foundation 200
- The Zellerbach Family Fund 750
- The Irvine Foundation 1,000

These pledges total $5,650, leaving a balance of $2,060.

It is Staff's recommendation that the Distribution Committee approve a grant in an amount up to $2,060 to provide the remaining necessary funds to produce the Newsletter.

The Henry J. Kaiser Family Foundation is considering making a contribution towards the publication, but the President of the Foundation is out of the country at the present time.
The Council on Foundations has urged local foundations to do more in the way of public relations and believes the Newsletter would help to serve this purpose. Staff therefore requests Distribution Committee approval of the above.

L. A. W.
THE SAN FRANCISCO FOUNDATION

REGULAR MEETING OF THE DISTRIBUTION COMMITTEE

Wednesday, November 28, 1973
9:30 a.m.
Conference room, Suite 1602
425 California Street
San Francisco, California

AGENDA

I
MINUTES

II
"CONSULT AND ADVISE" FUNDS

III
DIRECTOR'S DISCRETIONARY GRANTS

IV
CANCELLATION OF OUTSTANDING GRANTS

V
PROJECTION OF FUNDS

VI
APPLICATIONS FOR GRANTS

VII
ADMINISTRATIVE MATTERS

VIII
OTHER BUSINESS

IX
ADJOURNMENT

X
EXECUTIVE SESSION
VI. APPLICATION SUMMARY NO. 17 (11/73)

APPLICATION SIGNED BY: Deputy Director

AMOUNT APPLIED FOR: $62,983

EVIDENCE OF TAX EXEMPT STATUS: State - yes

PURPOSE: General support for administrative staff

SUMMARY PREPARED BY: Rudy Glover

COMMENTS: is a relatively young housing development corporation that is currently funded by the Model Cities Program. The Model Cities funds will be available through June, 1974.

was established for the purpose of alleviating many of the severe housing problems existing in - an area designated "depressed" by the City Planning Department of and by the U.S. Department of Housing and Urban Development. The is one of several new subsidized housing programs devoting efforts to improving housing needs of persons on marginal incomes within the communities. Unlike a few of the other agencies, has concentrated more on middle income housing in the $25,000 to $35,000 range.

I made a site visit and was able to see several of the homes improved through renovations by the The agency has two basic programs - the Home Loan Guarantee Fund and the Revolving Loan Fund. The former program up until now has been the larger and more emphasized program and has made funds available for home improvements to owner-occupied homes in . The Revolving Loan Fund has allowed to provide seed capital monies to potential non-profit and/or other sponsors of housing to be constructed in the community.

The federal monies have been cut back for fiscal year 1974 by approximately one-third and there is a search for additional funds. They are asking us to supplement their administrative budget so that they can maintain their operation at the same level.

I have no doubts about the commitments this agency has about housing improvements for Nonetheless, this is a clear-cut request for supplementing funds formerly provided by federal monies. It has been our policy not to make up for such deficits in programs, and on that basis I do not recommend support. Both their project narrative and my several meetings with their staff have not given me any particularly new insights why a grant of supplemental administrative funds should be given. It is also difficult for me to understand why full administrative staff support, as outlined in the budget, is necessary to carry out the program.
Aware as I am of the rampant serious housing needs of _____ residents, it is rather likely that a more specific request, other than meeting a deficit budget, will be submitted to us at a later time.

COST EFFECTIVENESS: Not applicable.

RECOMMENDATION: Decline.

CONCUR: JRM, LAW.
HEALTH

VI. APPLICATION SUMMARY NO. 23

APPLICANT: Vice President on behalf of the Board of Directors

APPLICATION SIGNED BY: AMOUNT APPLIED FOR: $10,392

EVIDENCE OF TAX EXEMPT STATUS: Yes

PURPOSE: To provide for the services of a social worker

SUMMARY PREPARED BY: L. A. White

COMMENTS: was opened in November, 1967 and became 's first residential facility for retarded girls. It presently has five homes serving 50 young men and women, and eight mentally retarded non-residents.

It was opened to fill a real need. Many parents were concerned with what would happen to their retarded children when they were no longer around to take care of them. In the past, the answer has been care in a state hospital. The founders of realized that there were many young people who did not need institutional or custodial care, but with supervision and programming, could lead normal meaningful lives within the community.

The homes are under the sponsorship of the Diocese of California and St. It should be pointed out, however, that the Diocese of California has never contributed any monies to the five residential facilities.

Since its inception, has been on shaky financial ground. The Executive Director, because of the tremendous need for this type of care for the mentally retarded, has pushed for more facilities without stabilizing the operation of facilities already in existence.

Edgar Pye, Executive Director of the Golden Gate Regional Center, states that "is one of the most creative outreaches to retarded in the Bay Area."

At the present time the greater portion of the budget comes from monthly fees. The majority of those served are entitled to "aid to the totally dependent," but the state allowance does not cover the full cost of care. Some parents are able to supplement the ATD funds and the Golden Gate
Regional Center has been instrumental in raising additional funds for individuals in the program.

The Board is in search of a new Executive Director, and Mr. Pye urges our picking up the cost of a social worker whose services will have to be dispensed with if funds are not made available at this time. The social worker is in charge of pre-admission, admission, placement, and provides services to residents, parents and staff.

Mr. Pye believes that in a year's time the Golden Gate Regional Center can pick up the salary of the social worker. He believes the loss of the social worker's services would be critical to the future of the five facilities.

A grant at this time would give this organization time to stabilize their financial position and assure continuance of a much needed service for mentally retarded.

COST EFFECTIVENESS:  
With a total budget of $213,950 and with 50 residents, the cost per resident is approximately $4,300.

RECOMMENDATION:  
Grant $10,392 on a once-only basis.

SOURCE OF FUNDS:  
Free

CONCUR:  
RG

APPROVE:  
JRM
HEALTH

VI. APPLICATION SUMMARY NO. 24
(11/73)

APPLICANT:

APPLICATION SIGNED BY: on behalf of the
Board of Trustees

AMOUNT APPLIED FOR: $40,000 per year for two years

EVIDENCE OF TAX EXEMPT STATUS: Pending

PURPOSE: To help monitor the immune system in patients
with malignant tumors

SUMMARY PREPARED BY: L. A. White

COMMENTS: In both the wills of Roscoe and Margaret Oakes, after
the deYoung Museum's "reasonable current needs have
been provided for, they [the Trustees] may distribute the income and so much of
the principal of the trust estate as they in their discretion shall deem desira-
ble for other charitable, scientific or educational purposes. It is my desire
and request that first consideration be given to uses designed to prevent or
overcome the illnesses and disease to which mankind is prey." The first major
grant that the Oakes Foundation made in 1957 was a million dollars to Stanford
University to construct the Roscoe and Margaret Oakes Laboratories of Radiology
and Biophysics. In the early minutes of the Oakes Foundation, Roscoe Oakes
stated that he was very interested in the Foundation getting involved in medi-
cal research. Staff has looked at many projects and believes now that they
have come up with one that would make a major contribution to cancer research
and would certainly fulfill the wishes of the Oakes.

Walking around alive and thriving, a few recovered cancer patients here are now
donating their blood in an effort to help other cancer victims recover more
surely from the same disease. Before long, hundreds more cancer patients whose
disease has been successfully halted by surgery, radiation or chemicals will
also be asked to volunteer for blood donations. They will be participating in
an experimental treatment venture that is at this moment, per David Perlman,
"the hottest new research development on the cancer-fighting front."

It stands at the frontier of immunology - an attempt to mobilize the human
body's own defense mechanisms to fight off the invasive spread of cancer cells.

The new effort involves close team work between researchers exploring the most
fundamental molecular aspects of immunobiology in the laboratory and doctors
pragmatically treating cancer patients at the bedside.
At the effort is led by Dr. medical director of the hospital Tumor Institute, and Dr. chief of the Research Laboratory.

"For more than ten years now, step by step research advances in many medical centers have been blueprinting the molecular machinery of immunity. It is paradoxical: the immune system enables people to fight off infections from such agents as viruses and bacteria; but it also causes allergic reactions in the rejection of transplanted organs and skin grants."

It now turns out that there are two immune systems, both originating with the tiny white blood cells called lymphocytes that are manufactured in bone marrow and stored in lymph glands.

One system causes one class of lymphocytes to manufacture protein substances known as antibodies, which circulate in the blood and lock on to invading organisms to inactivate them. The antibodies are highly specific - each is coded to recognize and fight a specific invader, whether virus, bacterium, fungus or other substance. The second immune system involves a separate class of lymphocytes; here entire lymphocyte cells are mobilized to engulf and destroy foreign tissue.

The second system known as cell-mediated immunity, is the most important element in the rejection of grafts. It now looks as though it also is critically important in the body's fight against cancer.

Malignant tumor tissue - formed of wildly multiplying cells whose orderly reproductive mechanism has gone awry - is, in effect, a foreign invader as it spreads through the normal tissue.

The very first cancer cells that form in normal people are probably destroyed immediately by lymphocytes that recognize them. Some cancer scientists, in effect, believe that every human body is repeatedly challenged by incipient cancers all through life, but that a well-functioning immune system continually mounts a defensive barrier.

According to this theory the cancer victim is the person whose immune system is deficient, so that wild tumor cells can multiply with lethal swiftness, to overwhelm any possible immune defense.

Conventional cancer treatment calls on various combinations of surgery, chemicals and radiation to remove every scrap of tumor tissue that can be found.

But since most cancer spreads early and far, it is often impossible for even the best of specialists to hunt and destroy every hidden malignant cell. The cells left over can only be wiped out from inside the body - by lymphocytes mobilized for a final immunologic counter-attack.
When cancer recurs, as it often does, in patients who have been treated conventionally, the assumption is that the patient's immunity system is weak. The system may have been damaged by the disease, or the immune power of the system's lymphocyte cells may have been weakened by the radiation or chemicals needed for therapy.

Bolstering the immune mechanism by transferring key molecules from the blood of recovered cancer victims to new patients is the critical focus of the new effort at

It is requested of us that we provide this treatment for 100 patients over a period of two years. The patients, after receiving treatment, would then be tested once a month over a 24-month period. The research objectives of the project are "to closely monitor, by repeated laboratory tests in order to determine: (1) the effects of conventional anti-tumor therapy on the function of the immune system; (2) the effects of experimental immunotherapy on the function of the immune system; (3) the correlation between the clinical course of malignant disease and function of the immune system; and (4) the design of radiation, drug and experimental immunotherapy which achieves the optimal anti-tumor effect in the individual patient.

Dr. professor of clinical medicine, University of California, has twice reviewed this proposal for us and believes that it is an important research project worth funding. He believes that the project should eventually be funded by the National Institutes of Health. We have presented five other research projects to him and this is the first one that he recommends that we fund.

I have talked with Dr. and Dr. at some length about this project, and despite knowing very little about medicine, it does sound like a hopeful breakthrough in cancer treatment. The total cost of the treatment over two years is $120,000 for 100 patients. will raise the additional $40,000, and Hospital is providing the administrative budget for this research project. Each test costs $50 and there are 2,400 tests involved. was established to raise funds for this and other immunology research projects at and other medical centers.

COST EFFECTIVENESS: Not applicable.

RECOMMENDATION: Grant $80,000 over two years contingent upon raising an additional $40,000.

SOURCE OF FUNDS: Oakes Foundation

CONCUR: RG

APPROVE: JRM
NOTE: I agree with Rudy that the request is "justified" but that does not mean it is a high priority matter for us. I agree that he is talented but that suggests that this is a "one man band." I would vote for this grant, but I would want it emphasized that our support will cease.

As for the future, nothing here said suggests to me that it will not need to solicit funds indefinitely. The comparison with the highly successful *is suggested. * is struggling for its financial life - and will itself always have to do so.

J.R.M.
A student will be eligible for this program after having survived a year at . If selected, he or she will then enter the program six months still later.

It is planned to begin this project with 20 students, and increase it six months later to 30. A year later, it will have its full complement of 50 students enrolled. Soon thereafter it will be necessary to begin the placement function (that of course is the reason for the larger budget the second year). It is assumed by that its financial condition will be sufficiently improved to enable it to make regular budget provision for this program after the pilot project of two years.

Unlike some of 's proposals (which, in the main, are just a good job of fund raising), I think this one has been well thought through and merits favorable consideration. As suggested above, I think we might be justified in waiting until the new administration has taken over from him, and for that reason I suggest that the Committee may wish to defer action on this proposal. It is a relatively small amount of money for two years of work with 50 students, and it seems to have the potential of exploring a most interesting and possibly productive idea.

RECOMMENDATION: Defer.

CONCUR: LAW, RG.
APPLICATION SUMMARY NO. 34
(11/73)

APPLICANT: 

APPLICATION SIGNED BY: 

AMOUNT APPLIED FOR: 

EVIDENCE OF TAX EXEMPT STATUS: 

PURPOSE: 

SUMMARY PREPARED BY: 

COMMENTS: 

Three years ago moved to the Theater. Artistically, it has been venturesome and fairly successful (reviews prove this beyond a doubt) and its artistic success is pretty well matched by box office.

For three years has been operating under a new development program, now successfully concluded, and we are asked to enable the organization to take off from its present point on what is described as a "second phase." A three-year budget (copy attached, Exhibit B) indicates some pretty clear thinking on the part of the proponents. We are asked to make our grant in three annual installments of $50,000, $35,000 and $15,000, and has very clear plans for matching these funds at a ratio of 3.5 to 1, 6.2 to 1, and 17.5 to 1 over the three years.

There is a good deal to be said, it seems to me, on both sides of the question. has conclusively proved to be a useful asset to the community. It is an integral part of San Francisco's "four step" program. It is operated on admirable principles, both artistically and managerially. It presents to us a reasonable opportunity to assist it in solidifying its financial structure. The proponents make it clear that they know The San
APPLICATION SUMMARY NO. 34

Francisco Foundation is not in the business of continuing support of any organization. Our money would be well used to assist in services to a wider community (both geographically and economically). Performances would be made available, for the first time, to students at a very low rate, and the rest of the ladder in San Francisco would benefit.

On the other side of the coin, one could provide similar underwriting for almost any well-run performing arts group here or elsewhere. Should we choose will without any question, I believe, be able to find its way whether we make this grant or not. If we make this grant, would not the itself be justified in expecting similar operating support?

I have seldom seen a better prepared application for grant funds. Yet, with reluctance, I must come out in the negative on this proposal (since I am required by the Committee to recommend either grant or decline on each proposal).

RECOMMENDATION: Decline.

CONCUR: LAW, RG.

NOTE: I shall hope to persuade one member of the Distribution Committee to look through the grant application file, as I believe that there may be ample reason for the Committee to reject my negative recommendation and authorize a grant.

J.R.M.
VI. APPLICATION SUMMARY NO. 38
(11/73)

APPLICANT: SAN FRANCISCO BAY AREA

APPLICATION SIGNED BY: President

AMOUNT APPLIED FOR: $35,000

EVIDENCE OF TAX EXEMPT STATUS: Yes

PURPOSE: Continuing support for program that attempts to divert young girls from the juvenile justice system

SUMMARY PREPARED BY: Rudy Glover

COMMENTS: Our grant last year of $25,000 to the was instrumental in initiating their new project to help girls stay out of jail. This pilot program was concerned with girls, ages 13 to 16, who have come in contact with the Juvenile Court for the first time and are therefore a prime target group for early diversion and correction of behavior patterns.

The project is a component of the on-going streetwork programs of , and it employs two female workers. The goal of the program has been to help these girls deal effectively with problems in their lives that manifest themselves as delinquent behavior. The girls and their families are being assisted in ways that make it possible for the girls to remain in their homes and in the community.

The problems of these young girls have been far-ranging - extending from such problems as unwanted pregnancies, family disagreements, drug use, and job hunting. Referrals of delinquent girls have come from Mount St. Joseph's Home for Girls, the public schools, California Youth Authority, and Youth Guidance Center. There have also been over 100 drop-in enrollees. Many come from either peer group caseloads or are youths just looking for a place like the where there are workers with whom they can relate. Our support last year went towards a singularly unique project since there was no program of its kind in the San Francisco community. Public funding usually goes to programs directed at helping the delinquent boy. Ironically, more girls are on probation in San Francisco than boys.

It is perhaps difficult to be totally objective in an evaluation of the results of a program that basically deals with counseling and intergroup discussion. As one observer, however, the girls's program has seemed to work quite successfully, in my view. I have maintained close contact with the
programs over the past year, and from all indications of participation of girls in the various social and counseling activities, the delinquency prevention program is working well. One important statistic on file is that of the young girls referred to progress (i.e., no further involvement with delinquency problems) has been made in 90% of the cases.

Although our grant supported staff to work intensively with a specific number of 20 girls, as many as 300 different young girls have participated in at least one of the programs for girls at . Request is now made to continue the girls' program. The funding of the boys' program at is being met largely through CCCJ funds.

Incidentally, the Board appears to have become solidified during its first year of operation. The Distribution Committee may recall that the Board was initially largely composed of members from a splinter group of Board members of

While it is not definite where future monies will be found to support the girls' program, does envision some support through contracts from referring agencies, possibly as soon as next year.

COST EFFECTIVENESS: As many as 300 young girls will participate in some part of the girls' program during the next year.

RECOMMENDATION: Grant $25,000 (this amount to be used explicitly for the salaries of Project Supervisor an); also for operating expenses. Other items listed are incidental to project. See attached budget.)

SOURCE OF FUNDS: E. H. Wilson Trust

CONCUR: LAW

APPROVE: JRM

NOTE: I think this is a case in which our withdrawal after a single year of support would be wrong, but I think with a second grant we should get firmer in our dealings with the grantee - th must not expect our help to go on. JRM
THE SAN FRANCISCO FOUNDATION

REGULAR MEETING OF THE DISTRIBUTION COMMITTEE

Thursday, January 24, 1974
9:30 a.m.

Conference Room of The San Francisco Foundation
425 California Street, Room 1602, San Francisco

AGENDA

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<td>IV CANCELLATION OF OUTSTANDING GRANT</td>
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</tbody>
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THE SAN FRANCISCO FOUNDATION

MINUTES OF THE REGULAR MEETING
OF THE DISTRIBUTION COMMITTEE

Thursday, January 24, 1974
9:30 a.m.
Conference Room - Suite 1602
425 California Street
San Francisco, California 94104

PRESENT:
Mr. Emmett G. Solomon, Chairman
Mr. Daniel E. Koshland, Vice Chairman
Mr. Brooks Walker, Jr., Vice Chairman
and Treasurer
Mr. S. Clark Beise
Mr. Ira D. Hall, Jr.
Mrs. Charles B. Kuhn

NOT PRESENT:
Mr. William H. Orrick, Jr.

ALSO PRESENT:
John R. May, Secretary
L. A. White, Assistant Secretary
Rudy Glover

The meeting was called to order by the Chairman, Mr. Solomon, at 9:30 a.m.

I  MINUTES: The minutes of the meeting of November 28, 1973 were approved as mailed, with the following corrections:

Page 4: The University of California - Santa Cruz grant is to be paid for five years beginning in January -- not June -- 1974.

Page 4: The grant to The San Francisco Institute for Criminal Justice was made under the category of Environmental and Civic Affairs, but was incorrectly listed in the Minutes under the category of Education.

II "CONSULT AND ADVISE" FUNDS: It was MSC to appropriate the following amounts to the payee organizations as listed, from funds contributed by various donors (Mr. Brooks Walker, Jr. abstained from the vote in connection with gifts made from funds which he contributed to the Foundation, and Mrs. Charles B. Kuhn similarly abstained from voting on contributions to be made from funds which she had contributed):

<table>
<thead>
<tr>
<th>Donor (or Fund)</th>
<th>Amount</th>
<th>Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter and Elise Haas Trust</td>
<td>$30,000</td>
<td>San Francisco Symphony Association (for Philip Boone Chair)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100,000. Stamford University ($25,000 per year for four years)</td>
</tr>
</tbody>
</table>
III DIRECTOR's discretionary grants: Approval was given to the follow-
ing grants, made since the last meeting, under authority granted to
the Executive Director to make grants:

San Francisco Aid Retarded Children ................ $ 450
    Emergency funds for the Geneva Program for
    Mentally Retarded Adults during December, co-
sponsored by Aid Retarded Children and serving
    22 seriously retarded adults at the Geneva
    Methodist Church

Bay Area Regional Planning Council
    for Spanish-Speaking Elderly, Inc. ............. 1,000
    For planning work

International Institute of the East Bay ............. 840
    For unforeseen expenses involved in the
    Chinese Family Outreach Center project

Mental Health Association of Marin ................ 500
    For preparation of the task force report on
    after-care residential facilities for mentally
    retarded adults

United Bay Area Crusade ............................. 250
    Funds to enable disabled UBAC trustee to attend
    Cal-ARF conference concerning rehabilitation
    facilities

IV CANCELLATION OF OUTSTANDING GRANT: By unanimous vote, the Committee
authorized cancellation of the balance of the following outstanding
grant:

Stanford University Medical Center, Balance
    for three-year re-examination of nursing
    program (grant of $75,000 made 6/69)  12,500

V PROJECTION OF FUNDS: The Committee took note of the lack of data
from which an accurate projection could be made at this time, and
of the estimates prepared by staff.

VI REQUEST FOR SUPPLEMENTAL FUNDS: After brief discussion, it was agreed
by the Committee that no further allocation would be made to the
Golden Gate Chapter of
    for its program to combat institutional racism
It was further agreed - and the grantee agency is to be so informed
without delay - that if the agency has not found a way to proceed
with this program within three months from this date, the grant is
to be cancelled.
VII A APPLICATIONS FOR GRANTS:

EDUCATION

It was MSC to grant $5,000 to provide general support for the Teachers' Active Learning Center, San Francisco. Payment will be made to the Frederic Burk Foundation for Education at San Francisco State University if $15,000 is received, or pledged, from other sources.

ENVIRONMENTAL AND CIVIC AFFAIRS

It was MSC to grant to The Bancroft Library, University of California, Berkeley, the sum of $4,489 over two years, to provide part of the cost of an oral history of foundations in the Bay Area.

It was MSC to grant to Survival, Inc., San Rafael, the sum of $7,000 for equipment.

It was MSC to grant to New Oakland Committee the sum of $25,000 towards costs of a housing improvement pilot project in mid-east Oakland.

At this point in the meeting, Mr. Hall suggested that a matter of policy be considered, before the Committee gave its attention to Summaries Nos. 8 and 9 in the docket.

The Committee discussed at considerable length and in detail the whole matter of confidentiality of staff review and recommendation. Various suggestions were made to solve the problem of a Committee member's interest in, and advocacy of, a proposal before the Committee. Finally, the Committee decided that an appropriate policy would require that a member of the Distribution Committee who is a board member, or has substantial connections with fundraising, in relation to a proposal before the Committee, will absent himself from the discussion of that proposal, and will not have access to the staff summary pertaining to it. It was further agreed that should the other Committee members wish to ask questions of such a member, he would be prepared to try to answer them, but would avoid any position of advocacy.

It was generally agreed that the Foundation's staff must be protected against letting an applicant have access to the write-up or recommendation submitted by staff.

The Committee agreed to defer consideration of Application Summary No. 9, in which a request for a grant of $142,636 for support of over the next three years. In accordance with the policy adopted during the course of the present meeting, there is to be a staff review of this proposal, to be presented at the next meeting of the Distribution Committee.
HEALTH

It was MSC to grant to North East Medical Services, San Francisco, the sum of $24,500 in support of a computerized project to provide screening and diagnostic profiles for patients using the health clinic. (Mr. Walker abstained from voting on this proposal.) Term.

It was MSC to grant to Mount Zion Hospital and Medical Center Department of Psychiatry, San Francisco, the sum of $20,879, on a terminal basis, to fund the evaluation component of the on-going training program for a new type of mental health professional at the doctoral level.

It was MSC to grant to Children's Health Home, San Mateo, the sum of $30,000 per year for two years for an intensive therapeutic program for emotionally handicapped children. Payment of the second year's grant is, as usual, subject to review and re-appraisal. Payment is to be made from the Manuell and Stern Trusts if possible.

It was MSC to grant to Suicide Prevention Center of San Mateo County, San Mateo, the sum of $18,700 to launch three new programs for potential suicides in San Mateo.

HUMANITIES AND THE ARTS

It was MSC to grant to the City of Daly City Public Library the sum of $15,000 for establishment of a film collection for Spanish speaking persons in San Mateo County; provided, however, that a commitment is received from the local libraries that they will undertake the financial burden of carrying on this program after the termination of this grant.

It was MSC to grant to Community Music Center, San Francisco, the sum of $27,500 for general support and re-organization. It is understood that the grantee will probably return to the Foundation for continued support, and it is further understood that consideration will be given to such renewed support on a declining basis.

It was MSC to grant to United Projects, San Francisco, the sum of $21,000 for general operating support.

WELFARE

It was MSC to grant to the Probation Department of Contra Costa County the sum of $5,000 for a pilot project to explore avenues of improved communications between delinquent youths and their families.

It was MSC to grant to Target Education and Welfare Council, Inc., Redwood City, the sum of $9,800, on a terminal basis, for support of an organizer for youth services.
WELFARE (continued)

It was MSC to grant $25,000 in support of Resource One, Inc., San Francisco, to establish a model accounting and reporting system for non-profit community organizations. This grant is to be paid over to Accountants for the Public Interest, Inc., which will be required to supervise and monitor use of these funds.

It was MSC to grant to South of Market Pappas' Club, San Francisco, the sum of $9,500, on a terminal basis, for operating support.

It was MSC to grant to Advocates for Women, San Francisco, the sum of $38,760 in support of a placement program in non-traditional white collar jobs for disadvantaged, low-income and minority women. A second grant may be considered, after review and reappraisal.

It was MSC to grant to Stiles Hall University YMCA, Berkeley, the sum of $45,000 in support of the first year of a three-year demonstration program having to do with an interracial companionship project in Berkeley. This grant may be renewed, subject to review and reappraisal.

No grants were approved in response to applications from:

Association of the United States of America, Inc.), Oakland

Community, San Francisco

(project to be funded through Unified School District)

of San Francisco

Community, Mill Valley

Arts, Concord

VII B SUPPLEMENTAL APPLICATIONS FOR GRANTS:

The Committee agreed with staff recommendations that no grants be made to applicants whose proposals had been screened previously by staff. A list of the applicants is attached to the original of these minutes.

In connection with these requests, Mr. Glover reported to the Committee that the request received from the School of Public Health, University of California, Berkeley, had been decreased in amount by the applicant from $32,000 to $6,050.
III OTHER BUSINESS:

The Chairman asked Mr. White to report briefly upon the Coleman Estate, and the developments which have ensued since the Foundation staff first sought the advice of knowledgeable persons throughout the community as to appropriate ways to discharge the trust laid upon us by Mrs. Coleman, her preference being the establishment, or assistance, of an agency which would eliminate the use of Juvenile Hall for neglected and dependent children. There is nothing as yet before the Committee for its consideration, and Mr. White's handling of the matter was supported by the Committee.

The Committee agreed to hold its next meeting, for the consideration of grants, on Thursday morning, March 7.

The Chairman reported that the new Executive Director would take up his duties within ninety days. In the interim, Messrs. Paley and May will be working together to the extent permitted by Mr. Paley's schedule.

IX ADJOURNMENT:

There being no further business, upon motion made and duly carried, the Committee adjourned at 12:05 p.m.

Respectfully submitted,

John R. May
Secretary
THE SAN FRANCISCO FOUNDATION

REGULAR MEETING OF THE DISTRIBUTION COMMITTEE

Thursday, March 7, 1974
9:30 a.m.

Conference Room of The San Francisco Foundation
425 California Street, Room 1602, San Francisco

AGENDA

I MINUTES
II "CONSULT AND ADVISE" FUNDS
   MEMO. RE FUND NO. 6
III DIRECTOR'S DISCRETIONARY GRANTS
IV CHANGE OF PAYEE
V COLEMAN TRUST
VI MEDICAL CENTER OF
   (for information only)
VII PROJECTION OF FUNDS
VIII APPLICATIONS FOR GRANTS
   A. INDEX
   B. SUMMARIES
   C. SUPPLEMENTAL APPLICATIONS, NOT
      FAVORED BY STAFF
IX SUGGESTIONS FROM AUDITOR
X OTHER BUSINESS
XI ADJOURNMENT
The Foundation received a bequest from the estate of Gertrude Coleman, deceased, in the amount of $250,000. In her will she stated that she would like this to be used for aid to dependent and neglected children, and generally to assist young people in trouble. In her letter to this foundation, subsequent to her will, she states:

I trust that you will establish an agency or assist an agency which may then be established for the purpose of providing services to children who are either wards of court as dependent or neglected children or are in danger of parental neglect or abuse, and in addition to assist families of such children in providing appropriate care or when indicated to provide alternative care for such children.

The primary purposes of such an agency is to provide services that will end the use of Juvenile Hall for dependent, neglected or abused children.

Gertrude Coleman requested the Foundation to consult with Jean Jacobs (Mrs. Tevis Jacobs), Chairman of the Citizens for Juvenile Justice, in devising a plan for alternatives to the use of Juvenile Hall for dependent, neglected or abused children. With Mrs. Jacobs' help we put together a very representative group of concerned citizens knowledgeable in the field of dependent, neglected children and worked for almost a year to develop a plan for services to dependent, neglected children. In April of 1973 the Distribution Committee granted $3,500 for the use of the Committee in gathering the necessary legal and financial information, etc., which the Committee felt it needed in order to come up with a definitive plan.

As members of the Distribution Committee have been informed, the Coleman Committee was taken over by a group of "community people" in late fall who presented a plan to the Foundation staff which was unacceptable to the original Coleman Committee and to the staff of the Foundation.

The Committee has been reestablished with Yori Wada of the Buchanan Street YMCA as chairman and with representatives of agencies working with children and with representatives of "community people" from throughout the city. Much information had been gathered previously. The reestablished Committee believed that it needed staff help to summarize and digest the materials gathered and to help guide the Committee in its deliberations and the final writing of a proposal that hopefully would carry out the wishes of Gertrude Coleman.

There is still $1,853.73 from the original grant which has been turned over to , a minority-owned consulting firm headed up by . The Coleman Committee believes that this organization will be of invaluable assistance in their deliberations. Attached is a letter from dated January 24 explaining his budget of $4,800 to work with the Committee.
Coleman Trust (continued)

A request, therefore, to the Distribution Committee, is for a grant of $2,946.27, the remainder of the funds needed to obtain the services of . The staff's recommendation is that this grant be made from income of the Coleman Trust.

L.A.W.
For some years we have been paying the entire income (more recently an amount figured at 6% of market value) from the Trust to Medical Center in Oakland. This is in accordance with the instructions given us by Mr.'s designated trustees. Last year our total payment to the Hospital was $62,765.11.

On November 1, 1973, we forwarded to our quarterly payment in the amount of $13,085.50. Lew White received a call from Dr., Executive Vice President of the Medical Center Foundation. Dr. explained that the Hospital would prefer to have us make payment to the Medical Center Foundation.

A letter explaining this suggestion was received, and this means is taken to report to the Distribution Committee that we have declined the Foundation's request.

Dr.'s letter pointed out that the Medical Center Foundation is itself a tax-exempt foundation, the sole purpose of which is to support activities of the Medical Center. He asked that we make our payments to the Foundation instead of to the Hospital, in order that our payments, derived principally from income, could be added to the corpus of the Hospital Foundation, and the income derived therefrom used for the Hospital. We declined rather firmly, pointing out that it was not our intention to have a trust within this foundation earn income, to be paid to another foundation for investment and only the yield thereof used for direct charitable purposes.

J. R. M.
## UNRESTRICTED FUNDS ONLY

<table>
<thead>
<tr>
<th></th>
<th>Mar/Apr</th>
<th>May/June</th>
<th>July/Aug</th>
<th>Mar/Aug Total</th>
<th>Sept/Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$202,439</td>
<td>$2,291</td>
<td>$-0-</td>
<td>$N.A.</td>
<td>$-0-</td>
</tr>
<tr>
<td><strong>Anticipated Funds</strong></td>
<td>357,536</td>
<td>307,297</td>
<td>307,297</td>
<td>N.A.</td>
<td>921,891</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$559,975</td>
<td>$309,588</td>
<td>$307,297</td>
<td>$1,176,860</td>
<td>$921,891</td>
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<tr>
<td><strong>Prior Commitments and Administrative Charges</strong></td>
<td>(432,396)</td>
<td>(239,872)</td>
<td>(286,269)</td>
<td>(958,537)</td>
<td>(429,694)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$127,579</td>
<td>$69,716</td>
<td>$21,028</td>
<td>$218,323</td>
<td>$492,197</td>
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<tr>
<td><strong>Reserve for Contingent and Unscheduled Grants</strong></td>
<td>(65,000)</td>
<td>(165,000)</td>
<td>(65,000)</td>
<td>(295,000)</td>
<td>(395,000)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$62,579</td>
<td>$(95,284)</td>
<td>$(43,972)</td>
<td>$(76,677)</td>
<td>$97,197</td>
</tr>
<tr>
<td><strong>March Recommended Grants</strong></td>
<td>(60,288)</td>
<td>(54,369)</td>
<td>(33,225)</td>
<td>(147,882)</td>
<td>(205,466)</td>
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<tr>
<td><strong>Surplus or (Deficit)</strong></td>
<td>$2,291</td>
<td>$(149,653)</td>
<td>$(77,197)</td>
<td>$(224,559)</td>
<td>$(108,269)</td>
</tr>
<tr>
<td><strong>Invasion of Capital</strong></td>
<td>$-0-</td>
<td>$149,653</td>
<td>$77,197</td>
<td>$226,850</td>
<td>$108,269</td>
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<td><strong>Beginning Balance of Next Period</strong></td>
<td>$2,291</td>
<td>$-0-</td>
<td>$-0-</td>
<td>$-0-</td>
<td>$-0-</td>
</tr>
</tbody>
</table>

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**Grant commitments as of March 1, 1974** -
Scheduled for payment through 10/78
$2,709,519

Grant commitments as of March 1, 1974 - unscheduled
779,980

Contingent grants - unscheduled
369,500

Grants recommended 3/7/74
$3,858,999

Total
$4,344,025

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1) Includes $900,403 to be paid from restricted funds;
$200,000 per year to de Young Museum not included in total.

D. Sams . 2/27/74
EXPLANATION OF THE TERMS USED

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>Balance of funds available for grants at the start of a given period, being the ending balance of the preceding period.</td>
</tr>
<tr>
<td><strong>Anticipated Funds</strong></td>
<td>Expected inflow of monies available for grants and administrative expenses from &quot;6% pay-outs&quot; Funds, income from other Funds, and Funds in liquidation.</td>
</tr>
<tr>
<td><strong>Prior Commitments &amp; Administrative Charges</strong></td>
<td>Grants MSC during prior periods and not yet paid, and the portion of administrative charges pertaining to a given period.</td>
</tr>
<tr>
<td><strong>Reserve for Contingent and Unscheduled Grants</strong></td>
<td>Reserve of funds kept available for prior commitments contingent on certain conditions. Also Grants MSC not yet scheduled for payment. Commitment to de Young Museum is included here.</td>
</tr>
<tr>
<td><strong>Recommended Grants</strong></td>
<td>Grants recommended to the Distribution Committee for approval on this Docket. Amounts shown are scheduled for payment in given periods if approved. These amounts (if and when approved) will become a part of &quot;Prior Commitments&quot; on subsequent projection of funds available for grants.</td>
</tr>
<tr>
<td><strong>Surplus or (Deficit)</strong></td>
<td>The residue of funds available for grants after all commitments, charges, reserves and recommended grants are deducted from the inflow of funds during a given period. Negative figures are shown in parentheses and indicate the amount of shortage of funds (hence &quot;Deficit&quot;) to meet all charges and claims showing above in a given period. &quot;Deficit&quot; immediately suggests Invasion of Principal if we want to carry out our recommended program and meet our prior commitments.</td>
</tr>
<tr>
<td><strong>Invasion of Principal</strong></td>
<td>Amount equal to the &quot;Deficit&quot; shown immediately above for that given period.</td>
</tr>
<tr>
<td><strong>Beginning Balance of Next Period</strong></td>
<td>Actually an Ending Balance of funds available for grants of the given period, carried over as beginning balance of the next period.</td>
</tr>
<tr>
<td><strong>N.A.</strong></td>
<td>Not Applicable or Not Available.</td>
</tr>
</tbody>
</table>
There is a need for a residential treatment program in County. This program has had some success. But on balance I am afraid I come out in the negative on giving a third-year grant to the program. This is not an easy decision to make, but I believe the negative aspects outweigh the positive ones.

COST EFFECTIVENESS:

With the present level of clients in the residential program, the cost is over $1,000 per month per client. This is extremely high.

RECOMMENDATION:

Decline

CONCUR:

RG

JRM - I would hope that our negative action (in which I concur) might serve in part to stimulate the creation of a better program in
WELFARE

APPLICATION SUMMARY NO. 14
(3/74)

APPLICANT: San Francisco

APPLICATION SIGNED BY: President

AMOUNT APPLIED FOR: $8,997

EVIDENCE OF TAX EXEMPT STATUS: Yes

PURPOSE: To demonstrate how a neighborhood can carry out a coordinated, systematic program of job training and career orientation for young people

SUMMARY PREPARED BY: L. A. White

COMMENTS: The _ _ _ _ _ is actually part of the result of the work that SPUR did during our three-year planning grant to them for the

The Christian Science Monitor recently published an article citing as one of the very effective neighborhood associations working to upgrade neighborhoods on the brink of decline.

"Problems of the District's 6,700 youth between 14 and 19 are obscured in an averaging of statistics, since the district includes such pockets of affluence as Actually, substantial of the District is designated a 'target area' by the Economic Opportunity Council, with 20 per cent of the population, district-wide, and six per cent of the families, in poverty levels. Arrests of District juveniles for serious crimes during 1973 were seldom fewer than 90 per month."

In partial response to the needs of young people, and within the limits of volunteer energies, a committee, was organized in February of 1973 to work on job opportunities. Since there are no youth organizations or agencies located within the District except for the city-operated playgrounds, the entire burden of the effort has been carried by volunteers. Last summer an odd-job service was operated by and they acted in a coordinating role to obtain an allocation of publicly-supported Neighborhood Youth Corps and Emergency Employment Act positions last year. has steadily built
a pool of private employers who will hire young people and since the
summer of 1973, strictly through the use of volunteers, it has been the
center for job referrals. During the summer of 1974 proposes to
operate its summer youth effort in three separate but coordinated
phases.

First, there were 160 NYC jobs allocated through last summer, and
an attempt will be made to increase this number and also to obtain
slots from the Emergency Employment Act. Last year was the first year
that NYC jobs or EEA jobs were available through an agency in the
District. Prior to that time, if youngsters in the
District wanted a job through either one of the above programs, they
had to go to a group called located in the District. Needless to say, those living in the District got preference over youngsters from the District.

The second plan is a program to develop jobs. They plan intensive contact
of neighborhood institutions and businesses of every size.

And thirdly, they plan to demonstrate a unique method of creating jobs and
of training young people in various careers by enabling individuals or
small groups to borrow modest amounts of money as starting capital for
service businesses. A $15 loan to a high school student to purchase a
used lawnmower or a $75 advance to a group of students to acquire sup-
plies for a photography business are examples.

hopes to demonstrate on a neighborhood level that an effective summer
employment program for youth can be effective and replicated in other
neighborhoods throughout the City.

They know of the work of (summary found elsewhere in the docket)
and they do not see themselves as duplicating the work done by
but rather as a concerted effort within a neighborhood community to involve
businesses within that community with youth and to encourage the develop-
ment of private enterprises by young people.

I am impressed with as an organization and with the enthusiasm of the
young people who want to make this program work, but if a choice has to
be made between this and the grant request from , I think the
Foundation's dollars would be better spent with the program.

COST EFFECTIVENESS: 
It is not at the present time known how many youngsters would be involved.

RECOMMENDATION: 
Decline.

CONCUR: 
RG

NOTE: 
I favor this grant (JRM).
APPLICATION SUMMARY NO. 20
(3/74)

APPLICANT: San Francisco

APPLICATION SIGNED BY: Mrs. President, Board of Directors

AMOUNT APPLIED FOR: $38,400 over a three-year period

EVIDENCE OF TAX EXEMPT STATUS: Yes

PURPOSE: To provide on a declining basis the operating costs of an employment service for young people

SUMMARY PREPARED BY: L. A. White

COMMENTS: In 1969, Mrs. organized a group of parents to provide a job counseling and placement service primarily for youngsters going to private schools. It was then and is now operated out of Mrs.'s home, where some 80 volunteers provide job counseling, job training and job recruitment.

The program, although originally involving private schools, now includes public junior high schools and high schools across the city. Volunteers go to the various schools, discuss the programs with counselors at the schools and with parents' clubs.

The Student Training Committee of arranges training sessions in party help, housework for the elderly, and office work. now sees between 80 and 100 students per month and has approximately 500 students registered for jobs. In the month of January approximately 150 jobs were found for these students. These jobs range from part-time help in offices downtown, jobs in restaurants, household chore jobs in private homes and, through the Office of Old Age Security of the Department of Social Services, housecare jobs for the elderly.

of the San Francisco Board of Education, says that they are the only agency that she knows of within the city that is really producing jobs for young people. Within the school system itself she said there are only two effective job counselors, but they do not have the resources that this energetic group of women seem to latch onto for jobs. Mrs. of the Office of Old Age Security says that the job placements that have been made through have been excellent and provides a resource which is very important to her office. Very few housekeepers would be willing to take a job for two or three hours a week where students seem to thrive on this sort of employment.

, a teacher and counselor at George Washington High School, said,
APPLICATION SUMMARY NO. 20

is doing an excellent job and provides a service not found elsewhere in the City."

has an active auxiliary which raises approximately $1,200 per year. The request for the first year is for $17,000 which includes $10,900 for an executive director and related expenses, e.g., development of special programs. The other costs include office rental and utilities in the amount of $3,000 a year and office expenses at $3,000 per year. I think these figures are terribly high for they were able to operate from June 1, 1972 through May 31, 1973 for $1,569.33, which took care of office supplies, telephone answering service, insurance, etc.

They believe that over a three-year period they can raise the auxiliary dues to approximately $3,600 per year and hopefully raise funds from other sources, thus reducing their request to us to $12,800 the second year and $8,600 the third year.

I frankly feel that their budget is too ambitious but do see the real need for a coordinator for and suggest a grant in the amount of $8,400 which would pay for a director and with their auxiliary dues their office expenses should be covered. With the people that they have on their Board and their contacts in the community, they should be able to get suitable office space donated. They have received some corporate gifts in the past and with an expected increase in membership in the auxiliary, I would recommend the following grant on a declining basis: $8,400 first year, $5,000 second year, and $3,000 third year.

COST EFFECTIVENESS:

With approximately 1,200 different youngsters involved in the program over a period of a year, the cost per student would be less than $10.

RECOMMENDATION:

Grant $8,400 first year;
$5,000 second year; and
$3,000 third year.

SOURCE OF FUNDS:

Free

CONCUR:

RG

APPROVE:

JRM (I think even this amount is perhaps on the high side. When I read that has an active auxiliary which raises approximately $1,200 a year," I am far from favorably impressed.)
The van Loben Sels Foundation has made a grant of $4,500 towards the 1974 budget; the request to us is for $3,000 to enable them to meet their budget requirements including the half-time salary of the director. They are applying to the United Bay Area Crusade in July and also the local California Criminal Justice Council has a proposal under consideration for funding in 1975. Here is a case where a volunteer organization needs help and a grant from us could insure the program for this year.

COST EFFECTIVENESS: Approximately 100 families were served in 1973.

RECOMMENDATION: Grant $3,000.

SOURCE OF FUNDS: Free

CONCUR: RG

APPROVE: JRM (I have some misgivings about simply aiding a new chapter of an organization which has already proved its value. This is mere "tiding over" money, not claimed to be innovative, or a demonstration of anything. I have no doubt it is worth doing, but how much of this sort of thing are we to do? We declined to help the chapter in San Francisco.)
1. Bay Area

   San Francisco. Seek $38,000 towards their $136,000 budget for a demonstration residential program for women as an alternative to incarceration. They have made requests to four other foundations and the Junior League of San Francisco for the remainder of their budget, but there is no indication that any of those applied to will seriously consider a grant. L.A.W.

2. Berkeley

   The Chapel has provided emergency food to needy residents of Berkeley over the past four years. The Chapel is finding that many of the "street people" in need of food also need special counselling. We are asked to give $83,000 to support the counselling component. R.G.

3. Oakland

   This is a plan to open a vocational training center for the blind and visually handicapped by training them in computer technology, particularly keypunch operations. Although the proposal has merit in its objectives, there is much missing - including evidence of other types of guarantees of continuing financial support, a lack of certification of the agency's programs by public welfare agencies, and an omission of experiences of proposed training staff. UBAC expresses no interest to date although one of the officers of their board is on UBAC's staff. Request is for $38,255. R.G.

4. Danville

   Request for operating funds for what is essentially a day-care center for young children who are seen as "borderline" cases. That is, they are not mentally retarded but at the same time do not show average capabilities for learning. The program, recently started, has 16 children enrolled. Of the $54,500 budget, only $6,000 is anticipated from parent fees. They seek remaining budget from other sources. R.G.

5. Berkeley

   Applicants seek to create "total human beings for self fulfillment" by way of artistic expressions (painting, sculpture, etc.) for handicapped people. This is largely a two-person operation (husband and wife). Some of what is proposed here is being planned by the in Berkeley, which we are currently funding. Request is for $12,900. Source of future funding is very indefinite. R.G.

6. San Francisco

   Seeks $194,075 over a three-year period to organize the remains of the Mayor's Committee. This group is the very representative of the community and their plans are not terribly realistic. L.A.W.
IT WAS RESOLVED that the Rosenberg Foundation extend its warm greetings to The San Francisco Foundation on the occasion of the publication of its 25th Anniversary Report. The Report is as distinguished as the quarter century history of this remarkable community foundation. We take great pride in our long-term relationship with The San Francisco Foundation and its outstanding Distribution Committee and staff, and especially want to acknowledge the pioneering partnership of Daniel Koshland and John May which has resulted in such great benefit for the Bay Area.
RESOLVED: That the Distribution Committee of The San Francisco Foundation wishes to express its unanimous and hearty appreciation to Lawrence C. Baker, Esquire, on the occasion of his retirement from the full-time practice of the law, and hence his service as legal counsel to The San Francisco Foundation. Mr. Baker began his service to the Foundation even before the Foundation was in existence; he drafted the Resolution and Declaration of Trust under which the Foundation has operated for 26 years. For many years Mr. Baker served the Foundation without compensation, as a public service. It was only as the Foundation began to acquire substantial funds that Mr. Baker and his partners agreed to accept compensation for their services. Finally, in addition to Mr. Baker's own services to the Foundation, we wish to acknowledge those of other members of the firm of Heller, Ehrman, White & McAuliffe, notably Keith B. Betzina, Esquire, who has capably aided us in many tax matters. We look forward to continued association with Heller, Ehrman, White & McAuliffe as our legal counsel, and we welcome acceptance by Robert C. Harris, Esquire, of the responsibilities inherent in being "attorney-in-charge" in connection with the Foundation's legal problems.
II. PRICE WATERHOUSE & CO. 
(4/74)

At the March meeting, the Distribution Committee indicated its wish to have representatives of Price Waterhouse & Co. meet with the Committee at the next "off-docket" meeting.

Mr. Peter Ansdell will be available to meet with the Committee at 10:00 a.m. He may bring others from his staff with him.

Attached hereto is a copy of the letter from Price Waterhouse & Co. which was circulated to members of the Distribution Committee at the last meeting.
January 25, 1974

Mr. John R. May
Executive Director
The San Francisco Foundation
425 California Street
San Francisco, CA. 94104

Dear Mr. May:

Following our 1972 examination of the financial statements of The San Francisco Foundation, we made various suggestions for improvement in the administrative and accounting controls and procedures of The Foundation. We were pleased to note during our 1973 examination that many of our suggestions had subsequently been adopted by The Foundation and that through the efforts of Mrs. Doris Sams and her staff, the general condition of the accounting records had greatly improved. Our examination disclosed only the following three matters which we would like to bring to your attention.

1. To reduce the number of vouchers prepared, consideration should be given to the use of interbank or intrabank transfer procedures for Administrative Fund Assessments.

2. Transfers between income and principal fund cash should be regularly reviewed for reasonableness.

3. Although individual trust agreements grant total control over trust assets to the trustee banks, a periodic review of investment performance should be made to aid in evaluating the adequacy of the trustees' services.

We shall be pleased to discuss these suggestions further and provide any assistance you may require in putting them into effect.

Yours very truly,
VI. RESTRICTED FUNDS - PERIODIC REVIEW

There are several funds within the Foundation, restricted as to purpose or even as to specific payee. Clearly, it is part of our job to see that the recipients of assistance from these funds are worthy of continued support. We have therefore begun a practice of review of such continuing support, to be undertaken every two or three years.

Rudy Glover has been spending a good deal of time with the Medical Center, Oakland, which receives a little more than $62,000 per year from the Trust. We have no recommendation that the Distribution Committee consider using its cy pres power to change Mr. 's instructions with regard to the use of this trust.

Rudy has also gone in some depth into our use of the Matilda Price Fund, and his report is attached hereto. Again, we make no recommendation for change.

J. R. M.
During the past 20 years since the Matilda Price Fund was established within the Foundation, we have provided funds which are to be used "for the purpose of aiding needy aged blind and deaf persons." The Price trust is one of our six percent payout funds and for the fiscal year 1973-74, yielded $3,875, an amount which was shared equally by the San Francisco Hearing and Speech Center and the San Francisco Lighthouse for the Blind, Inc. Bank of America serves as trustee of the fund.

Site visits by staff revealed that funds allocated from the Price trust are being directed strictly toward benefits for the elderly deaf and blind. Of funds disbursed in 1973 to the San Francisco Hearing and Speech Center, a total of 57 patients were assisted in services ranging from audiological to speech therapy and evaluation. The eldest patient was 93, the youngest 60.

Although the San Francisco Lighthouse for the Blind renders a wide variety of direct services for the blind population at its Education Center -- located at 746 Buchanan Street in the Western Addition area -- the agency realized that transportation costs for blind persons using the Center's facilities were their greatest financial problem and one which their ongoing budget could not adequately support. It was decided then that the Price funds could be used for taxi fares of needy elderly patients using services at the Center. (This is one more illustration of how much a transportation system is needed for San Francisco.) The Lighthouse has given us a detailed breakdown of expenditures of the Price funds including the statistic that during 1973, there were 68 persons ranging in age from 55 to 95 who benefited from this trust.

Summarily, the two agencies which are the recipients of the Price funds show evidence that they are providing essential services to the population for which the trust specifies. Based on all available information there appears to be ample proof that both the San Francisco Hearing and Speech Center and the San Francisco Lighthouse for the Blind, Inc. are administering the allocations from the Price trust very much in keeping with the specific purposes named in the trust.

Rudy Glover
VII. POLICY ON GRANT TO ORGANIZATION INVOLVING MEMBER OF DISTRIBUTION COMMITTEE

At the last "docket" meeting, Mr. Koshland read to the Committee his proposal for amending the policy on this subject adopted at a recent meeting. Since that time, he has slightly modified his suggestion for the Committee's consideration, and the amended wording is attached hereto.

I should like to add that from the point of view of staff, I think we would find nothing awkward in being asked by the proposed sub-committee to get the answers to certain questions having to do with the proposal under consideration. We could do all the leg-work.

It is probably not realistic to ask members of the Distribution Committee to engage directly in exploring a proposal. If the objective be to isolate the staff from appraising and making a recommendation upon such a proposal — as Mr. Koshland suggests — I should think that his suggested procedure would work.

J. R. M.
If a member of the Distribution Committee is a central figure, either professional or lay, in an agency or organization applying for funds, the application for funds should be appraised by a committee of not less than two members of the Distribution Committee who are not involved in the agency or organization. The Chairman of the Distribution Committee shall determine who is a central figure and shall appoint the sub-committee. The staff shall not be involved except as a fact-finder or consultant as required by members of the sub-committee. The sub-committee shall make a recommendation to the full committee which shall vote its decision in the usual manner.
VIII. POLICY ON GRANT MAKING

At a recent meeting of the Distribution Committee I was asked, following the discussion of policy on grant-making activities, to prepare a summary of what I believe to be the principles which now guide the Distribution Committee. Here it is, prepared with the understanding that it is subject to correction by the Committee at any point where I may have failed to understand or clearly to present the Committee's position.

GEOGRAPHY

The San Francisco Bay Area, not more closely defined than that, will be the limit of the Committee's preferred range in making grants. Allocations outside that, as authorized by our Resolution and Declaration of Trust, will be made only in cases in which the donor of the funds to be given has specially authorized and requested that such out-of-area disbursements be made.

DURATION OF GRANT

The Foundation will not undertake permanent support of any activity. Rather, its funds will be used preferably for innovation, testing, demonstration, pilot projects - supplying the "risk money," in effect, for trying out new approaches to some of society's problems, which - if successfully demonstrated - may be incorporated in a more permanent funding program. Ordinarily there will be an understanding with the grantee as to the length of time during which the Foundation's support may be expected. If it is to run for more than one year, payments for periods subsequent to the first year will not be made until a satisfactory report and review of the first year's work has been received.

RENEWAL OF GRANTS AFTER STATED GRANT PERIOD

Experience has shown that our best estimates of the time in which an applicant can become self-supporting are frequently incorrect. The Committee clearly
is willing to consider renewal of a grant beyond the stated grant period, if there seems to be evidence that a bit more time with our support is likely to lead to a more solidly based program. In other words, a grant identified as "terminal" may be considered for renewal.

AREAS NOT FAVORED

Building funds, annual or other fund drives, sectarian religious purposes, individual assistance, loans, and travel grants are not favored by the Distribution Committee, and will ordinarily not be supported from unrestricted funds.

SIZE OF GRANTS

There is no maximum, no minimum. However, the Committee and staff can exercise reasonable supervision over only a limited number of grants. Hence, there is some tendency to make fewer grants, and make them count more. Within its means, the Foundation need not hesitate to provide full funding for an important program; there will also be cases in which shared funding responsibility is advantageous. Very small amounts will not usually be considered by the Distribution Committee, as the Executive Director (or the Associate Director in the former's absence) has authority to make very limited spot gifts between meetings, without the Committee's advance approval.

TAX EXEMPT STATUS OF GRANTEES

It is a fairly common practice among foundations to require applicants to provide evidence of exempt and deductible status under section 501(c)(3) of the Internal Revenue Code. Obviously, this is a very handy device, but the fact is that it is not required by law. A foundation - and particularly a "public" foundation like ours - can properly make grants to non-exempt and non-deductible organizations, but only for purposes which themselves would fall within the limitations of section 501(c)(3). Accordingly, the Foundation need not demand evidence that an applicant has the preferred status, but in granting
to a non-exempt applicant organization, the Foundation must take extraordinary care to insure that our funds are used exclusively for exempt purposes. This includes pre-evaluation as well as post-evaluation of grants.

**KEY PERSONNEL**

It is becoming increasingly clear in the Distribution Committee's thinking that the qualifications of key personnel are a major factor in grant approval.

**CHOICE AMONG POSSIBLE GRANTS**

Faced with the necessity of choosing only a few from among a large number of valid and desirable proposals to finance, both Committee members and staff members accept responsibility for objectivity in their appraisal of programs and projects presented for funding. Difficulties – approaching conflict of interest proportions – will inevitably occur from time to time, and each individual undertakes to deal with such problems to the best of his ability to the end that the public interest be served to the greatest extent possible.

**MATCHING FUNDS**

The Committee has not ruled out the possibility of appropriating funds as may be required to match funds made available by other sources, including governmental bodies and other foundations.

J. R. M.
Several months ago the Foundation Luncheon Group invited Steven Goldstine, the Executive Director of the Neighborhood Arts Program, City and County of San Francisco, to discuss the Neighborhood Arts Program and also some of the needs of arts groups and opportunities for foundations to assist groups which could aid in the cultural life of this city. He pointed to the grants made by The San Francisco Foundation as some of the most innovative and creative grants which have helped bring into existence important contributors to the field of the arts.

Last month the California Arts Commission announced the recipient organizations of a total of nearly one million dollars for their 1973-74 program. There were, statewide, 708 applications whose requests were reviewed by 22 panelists, experts in a variety of arts fields, who made their recommendations to the Commission. A total of 153 grants were made statewide. Among these were groups that The San Francisco Foundation either helped start or were instrumental in bringing them to the point of being self-supporting. For the Committee's information I have listed below those organizations which we have helped and which received grants from the California Arts Commission this year.

<table>
<thead>
<tr>
<th>Calif. Arts Commission Grant</th>
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<tbody>
<tr>
<td>Intersection, Inc., San Francisco, received $30,000 over a three-year period for Artist-in-Residence Program</td>
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<tr>
<td>Alameda County Neighborhood Arts Program received $19,800 as start-up money</td>
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<tr>
<td>Casa Hispana de Bellas Artes, San Francisco, since 1969 has received $107,500 which included $45,000 start-up funds to develop programs for the new cultural center</td>
</tr>
<tr>
<td>Chinese Culture Foundation of San Francisco since 1969 has received $107,500, which included $45,000 start-up funds to develop programs for the new cultural center</td>
</tr>
<tr>
<td>San Francisco Art Commission - Neighborhood Arts Program - $83,000 to help start various art programs throughout the city</td>
</tr>
<tr>
<td>Young Audiences Council of California, San Francisco, $6,000 over two years to help present music programs to school children</td>
</tr>
<tr>
<td>The Alvarado School Art Workshop, Artists-in-Residence Program, grant $90,000 over 3 years</td>
</tr>
<tr>
<td>The Exploratorium, including the start-up money, $175,000</td>
</tr>
<tr>
<td>American Conservatory Theatre Foundation, $18,000 for programs for school children</td>
</tr>
</tbody>
</table>
East Bay Music Center, $25,000 for scholarships for minority students and help with start-up costs. A recent grant was made to provide a new type of musical instruction.

Grassroots Experience Theatre Company, San Francisco, $13,080 to help this organization get on its feet

Los Topos Performing Arts Workshop, a Chicano performing arts group in Oakland, $5,000

San Francisco Ballet Association, $95,000, $45,000 of which was spent for a dance touring program

San Francisco Community Music Center, $27,500 to help solidify their program

San Francisco Dance Spectrum, to help bring this dance group to larger audiences, $10,000

Western Opera Theatre, $62,000 to help with new performances

KQED, $100,000 for various purposes

The San Francisco Conservatory of Music and the San Francisco Museum of Art also received grants from the California Arts Commission, and as Committee members know, these both have rather large outstanding grants with the Foundation.

In reviewing the grants that we have made in the performing arts, there have been very few that have failed. But there have been many who have made applications which staff has not recommended to the Committee which are no longer in existence. Staff in most cases has used experts in the arts fields as resources to aid in making recommendations to the Distribution Committee. Apparently, our resources have given us good advice.

L. A. W.
April 8, 1974

Mr. John R. May
The San Francisco Foundation
425 California Street
San Francisco, CA 94104

Dear Mr. May:

This letter will serve as a narrative and critique of the program at Mental Health Services for the Deaf funded by The San Francisco Foundation from March 1971 through February 1974. A financial report will be forthcoming from U.C. Accounting Department as soon as possible. As the period of our association with The San Francisco Foundation draws to a close, we want to express once again our deep appreciation for your support. We see this support as more than financial; the good will it has generated will be with us long after fiscal collaboration has ceased. We are pleased indeed to have had this identification with your Foundation.

We can look back over the years of our association and point to specific children who have received treatment that would not have been possible without your support. These cases, however, have been fully documented in past reports; at the present time we prefer to emphasize the ways in which The San Francisco Foundation has served as a bridge to facilitate the journey from a pilot project to a self-maintained mental health agency for the Bay Area deaf community.

Several innovative programs were launched during the 1971-74 period. In addition to the direct services to deaf children and their families, the Project has initiated a consultative service to parents of preschool deaf children who avail themselves of the Parent Orientation Program at the California School for the Deaf. Ongoing consultation at Fairfield School has become an established part of our program. Fairfield School is a private day school for emotionally disturbed children who cannot be managed in the public schools. A class for deaf children is now included in that program, with the teacher receiving mental health consultation from the MHSD staff. The clinical social work staff has conducted mental health consultation for three years at an elementary school in the East Bay. Numerous referrals continue to come from the California School for the Deaf in Berkeley where collaboration is maintained. A proposal has been made for ongoing contract for consultation services.

An exciting program with great potential involves individual tutoring of deaf children under the age of three. Staff members work with the children
and with their parents to further language development. The approach is that of "total communication": signed English (directly translatable to spoken English), fingerspelling, speech, speechreading, hearing aids and auditory training. Of singular importance in this program is the development of joyful communication between parents and child. This not only facilitates normal language development, but also enhances the child's self-image. This experimental work is being documented on videotape. It is expected that wide dissemination of the ideas and results of this program will have a profound impact on the future education of deaf children. Parent developmental facilitation groups have also been an important part of this effort. These groups are not considered to be therapy groups. Rather, the meetings provide an opportunity for parents of young deaf children to share their feelings and experiences. The purpose is to prevent future emotional problems in the children by helping the parents to anticipate and to deal with them during the early formative years. One group includes parents whose children are deaf; the other involves parents of multiply handicapped children.

The San Francisco Foundation funding has provided for the training and support of a deaf therapist on the project. She now carries a full caseload, and she has been therapist for many of the previously reported cases. Last July, her salary was underwritten by a contract from the California Department of Vocational Rehabilitation, and we were able to transfer her San Francisco Foundation funding to support the program for tutoring deaf babies and to support the addition of a second child psychiatrist to the staff. His work includes the above-mentioned mental health consultation at Fairfield School, plus the training of Langley Porter Neuropsychiatric Institute residents in child psychiatry on family studies of deaf children. Where indicated, a staff member conducts psychological tests for supplemental diagnostic data.

A constant goal has been the development of additional placement opportunities for deaf children with a wide range of needs, plus training and orientation of mental health workers in the developmental aspects of deafness and in the communication modes necessary for treating deaf patients in other settings. Thus, several deaf children have been accepted for inpatient care at Napa State Hospital, with consultation from two staff members. Also, informal consultation has been begun with the Alameda County Juvenile Probation staff in regard to several deaf children currently under their jurisdiction.

Throughout the three-year period, staff members have been engaged in building a base for ongoing financial support. These efforts are beginning to bear fruit. Negotiations are proceeding with Langley Porter Institute and the University of California that will allow for the collection of fees-for-service including the collection of third-party payments; contractual negotiations with Community Mental Health agencies for the allocation of Short-Doyle funds for the treatment of deaf individuals; with the East Bay Counseling and Referral Agency for the Deaf to provide additional services for deaf persons in that area; with the California School for the Deaf Parent Orientation Program; and with the U.S. Office of Education, Bureau for the Education of the Handicapped. We have every expectation that we will be successful in our attempts to build a firm base of ongoing financial support.
Although The San Francisco Foundation monies have gone primarily to support direct mental health services to young deaf children and their parents, it is important for us to present the results of this input as part of a larger total effort to build an integrated program promoting mental health for the deaf population. This total program includes direct and indirect mental health services, basic and applied research, training, public education, publication, and audio-visual production. Through these varied avenues, we estimate that this program has reached a total of 10,000 persons. Impact has been greatest, of course, in the immediate Bay Area. However, it is no exaggeration to say that our program has had and will continue to have an influence throughout the State and even the Nation. One of the important means of communicating the ideas and research resulting from the program has been the publication of a book by the University of California Press: Sound and Sign, Childhood Deafness and Mental Health, by H.S. Schlesinger and K.P. Meadow. The support of The San Francisco Foundation was acknowledged in the preface of the book. It has now gone into a second printing, and was awarded honorable mention by the American Psychological Foundation.

We feel privileged to have received your support, and hope that you will agree with our assessment that Foundation funds have been put to good use in the provision of valuable services for the deaf, but perhaps even more important, in building an ongoing program with great potential for the future. Joining me in this expression of appreciation are a large number of deaf children and their parents as well as the following staff members most directly involved in activities supported by The San Francisco Foundation: Hilde S. Schlesinger, M.D., Project Director; Kathryn P. Meadow, Ph.D; Winifred DeVos, ACSW; Holly Elliott, M.S.; Louis M. Flohr, M.D.; Alice Nemon, ACSW; Constance Yannacone, M.A.

Sincerely yours,

Alexander Simon, M.D.
Professor and Chairman
By JOHN R. MAY

I have been asked to write—briefly—for the Regional Reporter reflecting something of what 25 years as a foundation administrator can do to one's perspective. With great respect for my colleagues who will differ, I shall venture a few suggestions for consideration by anyone who may manage a foundation. They are nothing startling or new; they add up simply to a plea for even a more rigorous devotion of foundation resources to the highest attainable concept of the public good. Robert F. Goheen, Chairman of the Council on Foundations, puts it better: "Strict fidelity to philanthropic purposes." While readily granting the value of the closely controlled family foundation—after all, it channels millions into the stream of philanthropic enterprises—I am persuaded by the position taken by both John Gardner and the U.S. Treasury in the mid-sixties: that every true foundation should sooner or later have a governing board with only a small minority related in any way to its founder. Perhaps the Council on Foundations might seize upon its opportunity to differentiate between the foundation which in reality is its founder's conduit for his gifts, of his money, to charities of his choice—and the foundation which diligently (even if mistakenly) seeks the path to a life of better quality and more promise for all. Surely the latter merits more favorable tax treatment than the former.

Perhaps the family, "conduit," foundation can be given recognition in the tax law as something which is approved by the taxing authorities, but is different from the foundation operated by a group of trustees independent of the founder. And perhaps the test of public support is not the best criterion. Surely there are private foundations which merit the more favored tax treatment just as clearly as do the smaller, semipublic and public foundations. I could suggest a number.

The above comments lead one to consider motivation. I cannot shake the conviction that the philanthropic action taken for reasons other than philanthropic ones is rather less in the interest of society than is the purely philanthropic action. Maimonides saw the point. I urge my friends who will be managing foundations to set enormously high standards and to use the weight of their leadership to enforce them. I very definitely do not suggest any efforts to dry up the flow of dollars resulting from mixed charitable and other impulses; I say simply, let's not accord the highest place in our councils to foundations which exist in any large part for such purposes as the control or management of a profit-making enterprise. Let us risk denying ourselves the cooperation of some very large foundations, if need be, as indeed the Council on Foundations now does. We should not be surprised if differences among foundations are noted, and standards are set for us (not so good a job as we could do for ourselves) by government, if we delay in setting them ourselves.

Let me carry this thought a bit further. The fact that "no law is broken" is not adequate justification for an action taken by a charitable foundation. And yet it seems to be the criterion—perhaps the only one thus far—we set for some of them. Widely publicized recently was a foundation named for a public figure of the highest eminence. The foundation paid a substantial—though not excessive—fee to the brother of the public figure for more than a year. No one suggests a breach of law, but it would be hard to argue that public confidence in foundations was strengthened.

Let me venture to touch briefly on that uncomfortable subject—representative board composition. I am against it, as the term is sometimes used. I am confident that a foundation's ability to do its job is crippled if some—or any—of its board members are representative of anybody except the foundation's whole constituency. Let's, however, move faster toward governance by boards which are more reflective of the communities we serve. Let us seek a wider range of viewpoints, and still avoid " spokesmen. " It's more than a semantic difference and it's a tough assignment. I believe we can do it with some reasonable success, and with gain for all concerned.

Must we cling so tenaciously to the concept of perpetuity? No human enterprise has yet achieved it. It appears clear to me that we should be less concerned about the remote future than about today and tomorrow. Let us worry less about the threat to the purchasing (and earning) power of our capital; let us adopt a generous "pay-out," and serve our chartered ends better today, trusting that-if foundations justify their existence—there will be more of them to meet the needs of the far-off future.

I wonder whether some of those among us who decry a "pay-out" of six per cent as too high may not have their views somewhat colored by other than purely philanthropic concerns. I am firmly persuaded that the public position of foundations is not strengthened by our attempts to reduce a "pay-out" requirement below such a relatively modest figure as six per cent. Rather, let us meet that figure willingly. If, in a century or two (or a few decades) that level of disbursement actually does impair some foundations' ability to carry on at present levels of effective philanthropic work—well, what of it?

Since my experience has been limited to community foundations, I should make clear that it is just as important for community foundations to think their way (Continued from Page 4)
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