

900
Orig-25
cop-1

900
Orig-25
1-1

Interboard Luncheon

REPORT ON REORGANIZATION

OF THE

ROCKEFELLER BOARDS

MAY 22, 1928

7R367

P. 4

A little over a year ago, following extensive changes in the organization of the Rockefeller Foundation, the Trustees of the General Education Board, the International Education Board, the Laura Spelman Rockefeller Memorial and the Rockefeller Foundation appointed special committees, one for each Board, to study the machinery and programs of the different foundations and to determine what modifications, if any, were desirable and what improvements could conceivably be effected. These four committees, under the same Chairman, soon developed the fact that the problems involved related not so much to the internal arrangements of the individual boards as to their relationships to each other. An Inter-Board Committee was therefore informally created, consisting of representatives from each of the four board committees. It is this Inter-Board Committee that is presenting this report.

In the course of years, the four foundations, established at different times and for different purposes, have developed various programs of activity often intimately related. At least they are separated parts or sections of a larger and more general program. These parts, however, have been headed up under different sets of officers and different boards of trustees, and while the four boards have worked together in an admirable spirit of co-operation, the more or less fortuitous distribution of programs has unfortunately caused some degree of confusion, not only as between the boards themselves but also in the public mind.

For example, medical education is divided geographically between the General Education Board and the Rockefeller Foundation. The natural sciences are found in the General Education Board, the International Education Board and, in some aspects, in the Rockefeller Foundation. The Humanities and Arts have been dealt with by both the General Education Board and

the Laura Spelman Rockefeller Memorial. The social sciences, while confined to the Laura Spelman Rockefeller Memorial, have certain bearings upon the college and university policies of the General Education Board. Public health in its government relations is a function of the Foundation, while the Memorial, in cooperating with private health agencies, has had some relation to this field. The subject of mental hygiene has been dealt with in some measure both by the Foundation and the Memorial. Agriculture and forestry are related to both the General Education Board and the International Education Board, although these organizations, because of identity of administrative personnel, have worked without overlapping or duplication.

It is axiomatic that if we were today considering the creation of machinery necessary to carry on certain general programs in medicine, health, education and the other activities of the four Rockefeller boards, we would not set up the rather confusing organization which we now have. As the Founder of the Rockefeller boards said in his letter to Mr. John D. Rockefeller, Jr., dated May 4, 1926, "If the whole thing were to be done today, you have rightly understood me as feeling that it should be done and doubtless could be done through a single organization." Your committee, however, is aware that in any process of reorganization, existing arrangements cannot be scrapped at once. However desirable in theory a complete unification might be, it is quite obvious that there are legal and other practical difficulties which are insurmountable, at least at the present time. Considerations of tradition and established practice and the momentum of activities in actual operation must be given due weight, and we cannot build today as if nothing had happened and we were erecting a completely new structure. Nevertheless, it is the belief of your committee that certain changes can now be made which will promote flexibility, will simplify the entire machinery of organization,

and, above all, will give fresh impetus to the activities which these four boards have followed over the past years.

* * * * *

As the central core of its plan of reorganization, your committee recommends that all the programs of the four Rockefeller boards relating to the advance of human knowledge should be included within a single organization. The main proposal is that without in any way modifying the fundamental objective of the Rockefeller Foundation as expressed in its charter, i.e., "the well-being of mankind throughout the world", all the work relating to the extension of knowledge that is now scattered in the various boards should be concentrated in the Foundation. This change will make possible a coherence of program and a unity of approach which cannot be achieved under present circumstances. In order to accomplish this end, the following transfers of activities to the Rockefeller Foundation are necessary:

- (a) The natural sciences from the General Education Board and the International Education Board.
- (b) The social sciences from the Memorial.
- (c) The Humanities and Arts from the General Education Board.
- (d) The medical sciences from the General Education Board.
- (e) Agriculture and forestry from the International Education Board and the General Education Board.

The Rockefeller Foundation, therefore, would consist of the following Divisions:

- (a) Division of Natural Sciences
- (b) Division of Social Sciences
- (c) Division of Humanities and Arts
- (d) Division of Medical Sciences
- (e) Division of Agriculture and Forestry.

In order to provide unity of understanding and administration, it is proposed that at the outset of the new regime the Trustees of the General Education Board, the International Education Board and the Memorial be also elected Trustees of the Rockefeller Foundation. The question of perpetuating this identity in the future might well be left to the Foundation and the General Education Board to decide as individual cases arise. By this initial identity of membership there would be set up a single group within which would be represented all the activities which are being carried on under the auspices of the various Rockefeller organizations. There would be little or no loss of experience gained through past membership on the different boards. Such a group at the outset would not exceed a manageable number of twenty-^{two}~~four~~, and could within a short time by the operation of an age limit rule be reduced to twenty or even less if this were deemed desirable. This is based upon the assumption that the Trustees of all the boards will approve the recommendation made at the last meeting of the Foundation: namely, that persons who have reached the age of sixty-five shall not be eligible for election or re-election for membership on the board.

* * * * *

With this transfer of functions to the Rockefeller Foundation, what will become of the three other boards? The following paragraphs attempt to answer this question.

Laura Spelman Rockefeller Memorial - Under this plan, the Memorial, with a charter from the State of New York, would be merged with the Rockefeller Foundation. The New York statutes provide for a combination of this kind. The Memorial would therefore cease to exist as a separate organization, and the Foundation would assume the obligation to meet all its outstanding appropriations and pledges. Certain special memorials for Mrs. Rockefeller have

already been provided and others are under consideration, so that the memorial feature of this foundation will have been adequately taken care of. In addition to the Social Sciences which, under this plan, will be transferred to the Rockefeller Foundation, the Memorial has been carrying on work in Parent Education, Race Relations and Government Administration. It is suggested that these functions be entrusted to an independent committee or corporation with an appropriation over a period of years. At the end of the period the matter can be reviewed by the Rockefeller Foundation or other interested parties, and the work can be continued or discontinued as the need appears.

As to the details of the arrangements between the Rockefeller Foundation and the Memorial, your committee suggests the appointment of a conference committee by both organizations to work out an agreement which can be submitted to the two boards for ratification.

General Education Board - Under this proposal, the General Education Board, chartered by act of Congress, would maintain its present position of autonomy under a Board of Trustees who would also be Trustees of the Rockefeller Foundation. Pending complete transfer of responsibility to the Foundation, identity of policy could doubtless be achieved through the appointment of Directors of the Natural Sciences, the Medical Sciences and the Humanities and Arts who would serve in the same capacity in the Rockefeller Foundation. This arrangement would mean merely that the General Education Board, limited as it is by its charter to activities in this country, would serve as the source of funds for projects in these three fields which fell within the United States, the Rockefeller Foundation providing the funds when the projects fell outside the United States. The General Education Board would naturally continue its present important activities in Public Education,

Negro Education, and such other programs as its Trustees might determine. As to the future, this Board will probably within a period of years expend its principal funds. When that time comes, a decision can be reached as to suspension of activities or a continuation of them with support from the Rockefeller Foundation.

International Education Board - Under the proposed plan, the International Education Board, chartered in Virginia, would be continued for the time being with its own Board of Trustees and with the Directors of its two Divisions of Natural Sciences and Agriculture and Forestry occupying the corresponding positions in the Rockefeller Foundation. By this arrangement unity of policy and administration would be assured. The funds of this board are rapidly approaching exhaustion and it is anticipated that operation can be suspended within a very short time, or if it seems desirable, continued with support from the Rockefeller Foundation.

* * * * *

Two projects remain to be discussed which relate principally to the Rockefeller Foundation.

(a) The International Health Division -

Your committee suggests that the international health work now carried on as a division of the Rockefeller Foundation be given a status of considerable autonomy with dependence upon the Foundation. A special committee of the Foundation, headed by Dr. Simon Flexner, has been asked to study the problems of the relationship and future of this international health work and it is expected that at the meeting of the Foundation in November, 1928, a report will be submitted with recommendations in regard to the continuance of its activities, its relations to the Rockefeller Foundation, the character

of its control, the amount of its funds, periods during which these should be provided, etc.

(b) China Medical Board -

A special committee of the Foundation will submit a report to the Trustees at the meeting this week in regard to the future of the China Medical Board. This committee is recommending that the China Medical Board be separately incorporated, that the property of the Peking Union Medical College be transferred to this new corporation, and that adequate endowment funds be provided together with special appropriations from the Foundation primarily for the Peking Union Medical College but with discretion and power to use elsewhere. The China Medical Board would thus be an entirely independent unit with no operating responsibilities.

* * * * *

In this report your committee has limited itself to the larger principles of a reorganization which, while it shows no complete unification, is believed to be a distinct step in advance toward closer cooperation and greater consistency and elasticity in the adoption of policies and the carrying out of program.

This report makes no attempt to go into detail with respect to the machinery by which the recommended plan would be put into operation, which obviously calls for study and conference on the part of the officers and executive committees concerned. If the general principles of the report can be informally agreed upon by the four boards, the appropriate steps will be taken in each organization to give effect to the new plan.