

This essay, adopted as its policy by the
General Education Board represents my
views of the best way of advancing
higher education in the United States.
I believe in helping, under right cir-
cumstances selected educational insti-
tutions by way of endowment.
I much doubt excursions into educational
methods by our Board. J. T. G. 1916.

THE PURPOSE OF THE ROCKEFELLER FOUNDATION WITH SUGGESTIONS AS TO

THE POLICY OF ADMINISTRATION.

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Date 1905 or 6

By F. T. Gates,

A member of the Board.

General Education Board

This was to correct a policy urged by
George Foster Peabody & other members
of the Board

of the Gen. Ed Board
THE PURPOSE OF THE ROCKEFELLER FOUNDATION¹ WITH SUGGESTIONS AS TO THE
POLICY OF ADMINISTRATION. *of the 10,000,000 for Higher*
Education.

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The purpose of Mr. Rockefeller's gift of ten million dollars, forming the Rockefeller Foundation is clearly defined in the letter of gift. I quote as follows:

"The income, above expenses of administration, to be distributed to, or used for the benefit of, such institutions of learning, at such times, in such amounts, for such purposes, and under such conditions, or employed in such other ways, as the Board may deem best adapted to promote a comprehensive system of higher education in the United States."

Now let us get out our surveying instruments, and try to run the boundary lines of the object as here defined, for it is only after we know with precision what we have to do, that we can intelligently discuss the best ways of doing it.

First of all we have to note that the letter holds our aim strictly to the higher education, that is, to colleges and to universities or to schools having similar educational compass and rank. Other people may give us other funds for other objects. This fund is for higher education exclusively. This fixes our first boundary line. On the one side of it, the outside, lie the academy and the common school; on the other, the college and the university. It is with these that we have to do. The letter is silent about theological education because our charter does not contemplate, but forbids our propagation of creeds.

But if we had no more explicit direction than the general one that we are to aid higher education, the outlook before us would be trackless and confusing. We have in the United States a territory four thousand miles long and

two thousand miles broad with some four hundred and fifty institutions of learning calling themselves colleges or universities. These are sown unevenly over the great landscape. In spots they are clustered. If our directions were not explicit, we could do little more than stand and hesitate amid a din of discordant voices, for all want money. Shall we try to help all of these schools or some of them only - if some, which, and how shall we help these best? Happily our founder has explored the ground before us. He has anticipated our perplexity and relieved us by laying down a principle in the letter of gift which is to govern us both in the selection of beneficiaries and the choice of methods of aiding them. He says WE ARE TO SELECT FOR OUR BENEFACTION NOT ALL COLLEGES AND UNIVERSITIES, BUT ONLY SUCH AGENCIES OF LEARNING AS MAY JUSTLY CLAIM A PLACE IN A SYSTEM OF HIGHER EDUCATION, AND WE ARE TO CHOOSE SUCH WAYS OF AIDING THESE SELECTED AGENCIES AS IN OUR JUDGMENT WILL BE BEST ADAPTED TO PROMOTE SUCH SYSTEM. This word in the letter is a word about which every other word turns - this word "system". That word is the pivot of the whole conception.

Now, what precisely is meant by system -- what are the characteristics of a scheme of higher education for this, or for any, country which would entitle that scheme to the high name of a system? A scheme to be justly called a system would have to answer, I suppose, to four main characteristics. First, to form a system the members must be comprehensively and efficiently distributed and not partially and inadequately. Second, to form a system the members must be related to each other harmoniously and helpfully and not hurtfully. Third, to form a system the members should be each within its assigned compass, complete or supplemental to others and not fragmentary. Fourth, to form a system the scheme, as a whole and in all its parts, must be essentially stable and

permanent and not temporary or fluctuating. These things are essential features of a system of higher education and taken together describe substantially, I think, what our founder meant by system. He has directed us so to distribute our funds that there shall gradually emerge a series of institutions of higher learning which shall be for the United States territorially comprehensive, harmoniously related, individually complete and so solidly founded that the series will, as a whole and in all its parts, survive the vicissitudes of time.

With these characteristics of system in mind, let us unroll the map of our country and ascertain if higher education as conducted in the United States, lends itself to this idea of system, and if so how far and under what necessary limitations. The map discloses a vast area stretching from ocean to ocean, divided up into some fifty states and territories. These fifty separate political units, independent in things local, have yet in things common to all, delegated their concern to a central government. But they did not delegate the education of their youth - that in practice at least they have retained wholly and in all its parts. In matters educational, each state is sovereign and exclusive. At least the United States Government has not as yet, after one hundred and twenty years, entered the field. We have no national university supported by the general government, much less a system of universities covering the country. Our schools for the Army and Navy at West Point and Annapolis are designed simply to supply the Army and the Navy with technical experts. The general government, even in the little that it has done for national education, has avoided administrative control. A portion of the national domain, set apart for education, instead of being made the basis for a system of national schools under direction of government, was parcelled out by Congress to the different states

to be used for the support of their own state institutions. This indicates a fixed policy. It is the local state and not the general government that is the educational unit. In fact each state as such a unit is in a high degree isolated. We have not now and can never have a general system of education except as such a system is made up of as many different local systems as there are states in the Union. To that extent and no further does our country lend itself to the idea of system. A close study of the financial sources and the attendance on our colleges and universities discloses the fact that in both they are closely restricted by state lines. And this restriction will increase and not diminish with the better distribution of our educational agencies.

Our national system will be little else than the sum total of the state systems. This fact, while it may interfere slightly with symmetry, is as desirable as it is inevitable. It is this free local play of elemental forces that has produced our present educational development, not indeed perfect, but widely distributed, vast, precious and powerful. It is fortunate too for us as a Board. It simplifies our problem. We have only to study each state by itself, and the states are so far isolated that we may safely act in the order of convenience.

Now how are we to proceed in each state to the development of a system? I reply: - we have only to apply to each state a few principles governing the location, distribution, growth and influence of institutions of learning. In this paper I mention three of these principles:

The first is that the state systems will have to be built up through wise co-operation with the local denominational agencies. We should work har-

* moniously with the denominational agencies. I believe that statistics disclose Of the 450 colleges and universities in the United States at least nine-tenths were founded by religious denominations and are now controlled directly or indirectly by denominations.

the fact that some eight or nine tenths of all students enrolled in the colleges and universities of the United States, be they state or denominational, were reared in the homes of people who were actual members of Christian churches. Jews are the only class of people in the community outside of church members who habitually and as a class foster the higher education of their youth. Religion is the foster-mother of education. It has been the policy of the denominations to found colleges in every state where their numbers warrant. Some sects have founded colleges in some states where their numbers have not warranted a college, and in other states they have founded more colleges than their numbers have warranted. The denominational tendency is toward over-multiplication.

We shall need carefully to study the numbers, the distribution, the wealth of the different denominations in each state. Often times we shall have to discourage sects which have neither the numbers nor the means to support their college. We may find it necessary at times to harmonize conflicting sectional or local interests within denominations themselves. We shall need to work sympathetically. We may deplore sectarianism. But the sects exist. They harness the powerful motives of religion to the educational chariot. They are the mightiest agencies possible, ready made to our hand. Among the Protestant sects there is little abuse of their power. They make no tests of admission to their colleges and little check is placed on freedom of inquiry. That little is rapidly passing away. Nor is such conservatism as exists altogether unhealthy. If the sects are destined to disappear, the objector to sectarian colleges has nothing in the end to fear. Meanwhile let us use them while we have them. But they will not disappear. The sectarian spirit is indeed declining, but sectarian

organizations will continue long after the convictions which originated them have been modified or laid aside. As social organizations based on community of taste and feeling in matters religious, they have a permanent root in the varieties of character and culture among men, and they will continue I think, and probably ought to continue, indefinitely. Let us therefore use them gladly and fearlessly - they are for good and not harm.

The second principle is that institutions of higher learning are best located in the larger centers of population and wealth. We should therefore seize the centers. Academies and high schools may go to the smaller towns. This principle has been often violated, following early and mistaken precedents and it is still being violated. If we take the catalogues of colleges, draw a circle around each college, fifty miles from its walls and trace each student to his home, we shall find the homes of the majority within that circle. The homes will be thick about the base of the institution, thinning out with distance. If we examine the ledgers of colleges to ascertain the sources from which they derive their money for endowments, buildings, books and apparatus, we shall find the same law of decreasing attraction with distance. We may put the law in the form of a mathematical proposition, as follows: The attractive power of colleges, in the articles of students and of financial support, varies inversely as the square of the distance. This law is fundamental. It is universal. It governs small colleges and it governs great universities. If therefore we would plant colleges where they can most rapidly secure funds and students, we shall find the soil adapted to such luxurious and fruitful growth to be the larger local centers where wealth and numbers are massed. So true is this that it is wiser to place your college within the city rather than on the out-

skirts or in a nearby suburban village. The University of Chicago, declining the tempting offer of a suburban town, located itself within the city of Chicago, at some initial sacrifice. Today the most imposing assemblage of educational structures on the planet ^{is} ~~are~~ ~~witnesses~~ to the wisdom of that choice. They have been erected upon that campus by eminent citizens of Chicago for the people and in the presence of the people among whom they have lived and among whom they expect to be buried. It was an instinct common to humanity which led the ancient Roman patricians to rear their splendid tombs along the thronged pavements of the Appian Way. Syracuse University, removed from Lima to the city of Syracuse, has in two decades, grown from insignificance to great and far reaching power. The Western Reserve College, removed to the city of Cleveland, has quickly come to be one of the most imposing agencies of culture in the west.

It is true that our fathers preferred the rural village, the farm or even the wilderness for college sites, and for their time they were right. The work of their colleges was less varied and extensive than that of the high school of today. Their staple was Latin and Greek. They carried mathematics through geometry. Of science, history, literature, philosophy, beyond Plato and Aristotle they taught little. Of scientific apparatus they had none. The president and the professors, of whom few were needed, lived on meagre stipends of a few hundred dollars. Their Freshmen were boys from twelve to fourteen, graduating at sixteen to eighteen. The selection of seats for colleges was properly governed by considerations which now apply to private schools and academies. A great error has been committed in thoughtlessly deriving from the early country colleges of New England the precedents for modern times with conditions essential-

ly different. Colleges today require not hundreds but millions. Their students are not boys but men of twenty to twenty-four years of age, morally mature. But Dr. Harper used even to say, from exceptionally wide observation and experience, that the moral influences and restraints surrounding the college student in the city of from fifty to one hundred thousand people, are superior to the influences in the small country college in which the students dominate the town. Certainly, all that is of real value in the associations of college life, the communion of earnest and lofty souls, is to be got as truly in the halls of our city colleges as in the dormitories of the country, while the centers of manufacture and commerce offer a far richer and more inviting field for student self-support than the country towns.

Colleges create the thirst for learning which they supply. If the purpose of a college is to attract from the masses, by the charm of its ideals and the inspiration of its opportunities, the choicer spirits for high culture, then the colleges must be placed where the masses are assembled so that the attractive influences may act with immediacy and with power on great numbers. We must put the colleges where the people are. A college located in the center of a city of fifty or a hundred thousand people will call forth from the city hundreds of students annually to the higher intellectual life - students who can live at home, students whose means would not permit them to go abroad and who would be totally unreached and their higher values lost to themselves and to humanity if the colleges were not at their very doors. We seek to establish a system of education that shall be comprehensively, effectively and adequately placed to meet the popular needs. No system of education can be adequate or effective which deliberately eliminates from its consideration the masses of the people in

the great centers of population in our land.

If there are those who love the old country college and would preserve it, I would reply - those colleges are already preserved; already they are too numerous. It is the larger towns and cities that have been neglected. The time will come when every city of fifty thousand people will have its own college, and these colleges so located will come in the long future to be the pivots of our national system of education.

There are 455 institutions of learning in the United States calling themselves colleges or universities. Of these there are thirty-four only having endowment of \$500,000. or more, and founded by general public benefaction. Now mark, that of the thirty-four, twenty-three have achieved this success, as I think, because they are located in cities of more than ten thousand people. Eleven have achieved it, as I think, notwithstanding the fact that they are located in cities of less than 10,000 people. But mark again, the eleven located in the smaller places have, in round numbers, \$13,000,000. of endowment and slightly less than 6,000 students. The twenty-three located in the larger towns have more than \$72,000,000. of endowment and about 33,000 students, that is to say - they are twice as numerous, six times as powerful financially and are educating six times as many people. But what of the four hundred or more so-called colleges and universities that have not attained to so much as \$500,000. of endowment? They are nearly all located in rural communities. All are struggling for means and students - not a few for life itself. And the eleven so located which have achieved - what of them? They are ancient seats of learning endowed by their alumni, or have had the luck to center upon themselves the power of a great denomination over a long period and a wide area. The younger colleges

planted in the last twenty-five years and fixed in the larger centers, are visibly outgrowing the country institutions.

I would not be misunderstood: Location counts for much but, of course, not everything. City colleges have been known to die by gross mis-management and alienation of popular sympathy. And we shall need to apply the law of location with circumspection and due regard to existing conditions everywhere. But as a rule colleges are best placed in cities or in large towns, the centers of wealth and population, best placed for wise management, for financial support, for student attendance, for influence, for usefulness and for power. We must seize the centers. It is they, as I just now remarked, that will ultimately form the pivots of our system.

The third governing principle, the last of which I shall speak, is that endowments with income covering from 40 to 60 per cent. of the annual expenditure, are the first essential to the efficiency, and even to the permanent existence of institutions of higher learning. We should as a rule give our money for endowments. As to ecclesiastical and charitable agencies indeed I do not favor their endowment. The rule is different with them. The generations of the future may be trusted to take care of their own defective and submerged classes and likewise the propagation of their own religion in all the activities and agencies of evangelization. Endowment of charities tends to sterilize the charities and to quench the charitable instincts of the generations which inherit such endowed charities. The endowment of religion, of churches, of missionary societies, home and foreign, and all other direct and indirect evangelizing agencies, tends to sterilize the agencies so endowed and to quench the spirit of religion in the community by rendering unnecessary, or at least less

urgent, one of its principal exercises. These are lessons of European history clear and decisive. But as for the agencies of higher education they must be endowed. That colleges and universities cannot be supported by students' fees needs no argument. Any hope of meeting annual expenses from current contributions has hitherto proved disappointing. On that point experience is decisive. No college worthy the name has ever long survived on this slender, fitful and ever diminishing resource. Endow or die has been the universal imperative in higher education. Scattered over our western prairies, buried from the sight of the casual observer in the sands of time are scores of institutions which have perished from lack of endowment. In the single year 1902, the last reported, nine more colleges died in the United States than were born.

Attempts at maintenance by current contributions ~~also have been failures~~ in the past ~~and~~ are still less likely to succeed in the future. The expense of conducting colleges and universities is continually increasing. It is increasing in part because the cost of living is growing; in part because trained talent is in ever greater demand at higher prices; but mainly because the boundaries of knowledge have become ^{widely extended} ~~so wide~~. New departments are being rapidly added and these are again multiplying by subdivision and each subdivision requires its own trained specialist and costly and ever-changing apparatus, buildings and books.

In case of institutions of the very highest learning, there is today almost no limit to their needs. Harvard, Columbia, Chicago, each expends annually between one and two millions of dollars in the current work of instruction. The University of Chicago represents an outlay of nearly twenty millions and the schemes of Dr. Harper, as outlined in his own mind, involved a total of at least forty millions with an annual outlay of between two and three millions. To be

sure, colleges require less, but the college which could have been conducted fifty, or even twenty-five years ago, respectably, on an endowment of half a million, with perhaps an equal amount in buildings, would now require at least double, and probably four times as much in order to offer the courses of study now forming a necessary part of a worthy college curriculum. Our best colleges have from one and a half to two and a half millions of endowment with nearly as much fixed in the educational plant. It is impossible for colleges to collect by annual subscriptions the means necessary for their current expenses. Let me illustrate: The Baptist denomination has fourteen colleges and universities in the north. All are conducted on endowments. Their aggregate annual expenses, in excess of tuition, reach probably two millions, perhaps more. Of this great sum not one dollar comes from churches, and trifles only from individuals. The entire Baptist denomination within this field contributes for foreign missions about \$300,000. annually and an equal amount for home missions, the two representing substantially the entire contribution of that denomination for the Christian evangelization of the world. Now the University of Chicago alone requires some seven hundred thousand dollars a year for its annual current expenses in addition to its income from tuition fees. Without endowment every college and university in the north would be either closed or ruined with debt before the end of the first year.

But while we cannot secure funds for current expenses we can secure funds for endowment. Few but the very rich, and at the same time very intelligent and very generous, are prepared to give for education at all, until they come to face the confiscations of the grave. Money given in great sums for endowment tends to perpetuate the usefulness of the donor through all time. His

gift confers upon him an immortality of earthly usefulness. Through it he becomes a permanent prop to civilization; an ever living force in human progress. Endowments thus offer mighty motives to the giver. Here if nowhere else he sees himself achieving immortality. Endowments appeal with resistless force to that love of life, eternal life, which is the prime instinct of our being. We can secure endowments. But we cannot secure funds for current expenses.

I think these arguments alone are conclusive, but I venture to go a step further, and to say that if current expenses were easy to get in sufficient quantities, it would still be better that colleges be endowed if only that they may become measurably independent. Their revenues should be so fixed and permanent that there can be no temptation to depart from the fearless pursuit and promulgation of truth.

John Stuart Mill is quoted on the necessity of endowments, by Morley in his Life of Gladstone, as follows:

"To rear up minds with aspirations and faculties above the herd, capable of leading out their countrymen to greater achievements in virtue, intelligence and social wellbeing; to do this, and likewise so to educate the leisured classes of the community generally, that they may participate, so far as possible, in the qualities of these superior spirits and be prepared to appreciate them, and to follow in their steps -- these are purposes requiring institutions of education, placed above dependence on the immediate pleasure of the very multitude which they are designed to elevate. These are the ends for which endowed universities are desirable. They are those which all endowed universities profess to aim at."

Lack of sufficient endowment is the most serious weakness of our state universities. They are still too largely dependent for their support upon the annual appropriations of the Legislature. Unlike the Russian universities, which have been closed by the state from time to time, our state universities have never come into serious conflict with the power which controls them, doubt-

less because the Legislatures have been disposed to give, in this land of free speech, large freedom of instruction. But we know not what social paroxysms await us, and the higher agencies of education ought to be fortresses - impregnable fortresses of truth. If too great dependence on the populace for annual support is a possible weakness of our state universities, that fact becomes a powerful reason for endowing the private institutions. If the test should ever come, the power which will act most effectively to preserve the state institutions will be private and denominational colleges and universities amply endowed and holding and teaching truth whatever may be the passions of the hour, and ultimately directing popular opinion into right channels. Better yet and more probably the private foundations, everywhere numerous and free, will so enlighten and direct popular opinion at all times that there can never ensue a conflict between the democracy and its state universities.

If the necessity of endowment be conceded, it can be shown that we shall be able best to promote a system of higher education by giving as a rule to endowments rather than to buildings, apparatus or current expenses. I now advance some reasons for this: The profession of teaching and of research is an exalted profession. It requires, and should attract, men of great gifts and attainments. It is not necessary, to be sure, that the teaching profession offer the greatest monetary rewards, but it is necessary that the support, whatever it be, should be at least assured, if we would attract to that profession, and hold in it, men of adequate talent. For it is a profession that should be, and is, intensely absorbing. No man can do his best work as a teacher or investigator who is habitually anxious about the bread of his children nor will the fit man accept a chair in that stifling atmosphere. If our money should be de-

voted to current expenses, for illustration, to be withdrawn at the end of a fixed period, then our money will command the services only, as a rule, of inferior men - the men standing in the market places all the day, idle, because no man hath hired them. For endowments exist, and it is these that will secure the men of parts for permanence and continuity of work, for freedom from distraction.

But there is another consideration in favor of our giving generally to endowment, which discloses even more clearly that this best promotes the system that we seek. By giving our money for endowments we preserve and mass our income instead of dissipating it, and we mass it on the strategic points in ever increasing and cumulative power. Let us look at this: We have a fund of ten millions of dollars. The income we may fairly hope to be half a million dollars a year. Anyhow it will be convenient in our mental arithmetic to use that particular figure, especially as my use of it is mainly illustrative. Let us suppose now that we put forth half a million dollars a year; let us imagine that this sum goes to say twenty institutions, each receiving twenty-five thousand dollars. These twenty colleges will be strategically located, and pivotal parts of our system; each will invest its twenty-five thousand dollars and derive from it a permanent income. Each will be on a more solid foundation, each more independent, each more efficient than before, each relatively that much stronger than any unworthy rivals it may have. Let us imagine this thing to go on for twenty years! At the end of that time we would have massed ten millions of dollars at strategic and pivotal points - a sum equal to our entire capital and yielding an income equal to our own. Imagine this to go on for a hundred years! We shall by that time have massed fifty millions of

dollars on strategic and pivotal points. But this will not be all. We shall have so conditioned our gifts, in making them, on local increase of endowment as that these strategic and pivotal colleges will have received from the local constituency at least one hundred and fifty millions more, for if we make right choices we can count on three to one all the time from the local constituency. This will make a total of Two hundred millions of money massed on the strategic and pivotal points in higher education - massed, I say, on these, but at the same time diverted from the too numerous defective and mistaken claimants which ought to sink to secondary schools or disappear. So our system will gradually emerge - our children will see it and the nation will rejoice in the light of it and the glory of it to the end of time.

While these considerations seem to me conclusive, there are some others worthy of mention in favor of our giving mainly or only to endowments. These may perhaps best be gathered up in the general statement that to endowments all other things are added. In other words, if we give to endowments, we may safely rely upon the local constituency to provide buildings, grounds, apparatus, libraries and scholarships. Let me illustrate this: Only when an institution becomes stable by partial endowment will a necessary pre-condition of large gifts from able and cautious men, have been met. Such men, before making contributions, require such assurances of stability and permanence, as endowment only can give. This once secured, or partially secured, local friends who prefer to give to buildings as affording a visible effect striking to the eye, will now come forward. The building bears the name of the donor and furnishes a splendid family memorial. Or the towns people will take pride in adorning their town with educational buildings of architectural

pretensions. In the matter of equipment too, a stirring president will find people who have a peculiar fondness for astronomy or for chemistry or physics or for some other department of learning or inquiry, and by keeping himself closely in touch with his constituency, he will call out gifts for particular favorite departments from people who will give to nothing else.

The same is true in a high degree of libraries with their alcoves, their special sets of books and their special funds. Local friends, especially ladies, are fond of giving scholarships that go down from generation to generation. The motherly instinct is appealed to by a fund which shall always keep one young man or woman, generation after generation to the end of time, in college. The gifted president is always cultivating these gracious and beautiful sentiments with admixture perhaps of weakness but always associated with noble and worthy instincts. It is not for us to enter these sacred and sentimental fields of educational benevolence. They should be reserved for the local constituency. If the president and his advisers are not alert on these points we shall find it possible to assist them by directing their attention to a fruitful and perhaps uncultivated vineyard in their own domain. The demand upon us for buildings, for equipment, for libraries, for scholarships and for fellowships ought not to be, and will not be so urgent as the demand for endowment. A college once endowed, all these things will spring naturally out of this root of permanence.

My suggestions as to general policy then are three: First, we should operate sympathetically and helpfully with the religious denomina-

tions; Second, we should seize the centers of wealth and population for the permanent pivots of our educational system; third, we should mass our funds on endowments, securing in this work the largest possible local co-operation.

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