

Speech at Conference on Foundations and Minorities: Increasing private foundation responsiveness to the needs of ethnic minorities

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INCREASING PRIVATE FOUNDATION RESPONSIVENESS
TO THE NEEDS OF ETHNIC MINORITIES

A SPEECH BY THE HONORABLE SPARK M. MATSUNAGA
UNITED STATES CONGRESSMAN FROM HAWAII
AT CONFERENCE ON FOUNDATIONS AND MINORITIES
HUMAN RESOURCES CORPORATION
MIYAKO HOTEL
SAN FRANCISCO, CALIFORNIA
SATURDAY, OCTOBER 25, 1975

MR. CHAIRMAN, LADIES AND GENTLEMEN:

I WOULD LIKE TO THANK THE STAFF OF HUMAN RESOURCES
CORPORATION, ESPECIALLY ^{MASATO} MR. INABA, FOR THIS UNUSUAL OPPORTUNITY
OF MEETING WITH YOU TODAY.

AS A UNITED STATES CONGRESSMAN, PARTICULARLY BECAUSE
~~OF~~ ^{my} OF JAPANESE ANCESTRY, I HAVE HAD SOME UNUSUAL EXPERIENCES--
EXPERIENCES OF WHICH MY WHITE COLLEAGUES IN THE CONGRESS, IF I
MAY USE THE TERM, HAVE BEEN DEPRIVED.

FOR EXAMPLE, EVER SINCE FORMER PRESIDENT OF THE UNITED
STATES RICHARD NIXON TOOK THAT HISTORIC TRIP TO PEKING AND
REVERSED AMERICAN FOREIGN POLICY, MY PERSONAL LIFE HAS BECOME
SOMEWHAT CONFUSED. WHENEVER I ATTEND A SOCIAL FUNCTION IN
WASHINGTON SOME FRIENDLY STRANGER WOULD INVARIABLY APPROACH

ME AND ASK ME, "ARE YOU CHINESE?"

TO THAT QUESTION I HAVE DEVELOPED A STOCK ANSWER, WHICH IS "NO, I'M SORRY I'M NOT, BUT I HAD AN UNCLE WHO WAS A PEEKING TOM."

WHEN I RELATED THAT ANECDOTE IN DAYTON, OHIO AT A GATHERING SUCH AS THIS, THE MAYOR OF DAYTON, WHO HAPPENED TO BE BLACK AND SITTING NEXT TO ME AT THE HEAD TABLE, LOOKED UP AND SAID TO ME, "OH, AN UNCLE TOM, EH?"

AS YOUR SPEAKER, I MUST CONFESS AT THE OUTSET THAT, IN ALL PROBABILITY I KNOW LESS ABOUT PRIVATE FOUNDATIONS THAN YOU WHO ARE MY LISTENERS DO. HOWEVER, AS A MEMBER OF THE UNITED STATES CONGRESS AND OF MINORITY STOCK, I MAY BE ABLE TO OFFER A FEW SUGGESTIONS WHICH THE FOUNDATIONS AND AGENCIES WHICH YOU REPRESENT COULD CONSIDER IN HELPING TO IMPROVE THE QUALITY OF LIFE IN THE UNITED STATES.

FIRST, LET ME CONFIRM WHAT YOU MAY ALREADY KNOW: PRIVATE

FOUNDATIONS ARE NOT UNDER REVIEW IN THE CURRENT DELIBERATIONS OF THE HOUSE WAYS AND MEANS COMMITTEE. YOU WILL ALSO BE INTERESTED TO KNOW THAT THAT COMMITTEE PRESENTLY HAS NO PLANS TO TARGET IN ON FOUNDATIONS FOR POSSIBLE LEGISLATION IN THE FORESEEABLE FUTURE.

ON THE OTHER SIDE OF CAPITOL HILL, HOWEVER, THE SENATE FINANCE SUBCOMMITTEE ON FOUNDATIONS, CHAIRED BY SENATOR VANCE HARTKE OF INDIANA, HAS BEEN VERY ACTIVE. THAT SUBCOMMITTEE HAS HELD HEARINGS TWICE A YEAR FOR THE LAST TWO YEARS.

THESE HEARINGS ARE DESIGNED TO HELP THE MEMBERS OF THAT SUBCOMMITTEE TO ASSESS THE POSITION AND THE ROLE OF FOUNDATIONS IN OUR SOCIETY, ACCORDING TO CHAIRMAN HARTKE.

AS HE OPENED THE MIDYEAR HEARINGS IN 1974, THE SENATOR FROM INDIANA EXPLAINED AS FOLLOWS:

"IN MAKING THIS ASSESSMENT, IT IS NOT ENOUGH TO SAY THAT PRIVATE CHARITY HAS BEEN AROUND SINCE

THE ROMANS, OR THAT IT HAD AN IMPORTANT PLACE IN THE VERY EARLY DAYS OF THIS REPUBLIC. ALL OF THIS IS TRUE, BUT IT SAYS VERY LITTLE ABOUT THE ROLE OF PRIVATE CHARITY TODAY.

"NOR IS IT ENOUGH TO SAY THAT, IF PRIVATE FOUNDATIONS CEASED TO EXIST, GOVERNMENT WOULD HAVE TO TAKE UP THE SLACK." HE CONTINUED, "IF FOUNDATIONS ARE MERELY ON A PARALLEL COURSE WITH GOVERNMENT, THEY ARE EXISTING ON A VERY SLENDER REED."

I BELIEVE THAT THE KEYNOTE STRUCK BY THE SENATE SUBCOMMITTEE ON FOUNDATIONS WILL BE ORCHESTRATED INTO A FULL-SCALE SYMPHONY WHEN THE HOUSE WAYS AND MEANS COMMITTEE AGAIN TAKES UP PROPOSED LEGISLATION RELATIVE TO PRIVATE FOUNDATIONS. PRESIDENT FORD'S MOST RECENT TAX PROPOSAL, CALLING FOR A \$28-BILLION TAX CUT THAT IS LINKED TO A \$395-BILLION FISCAL YEAR 1977 BUDGET CEILING, IRRESPECTIVE OF ITS MERITS, WILL NO DOUBT BE VERY

ATTRACTIVE TO MILLIONS OF AMERICAN TAXPAYERS. IN FACT MEMBERS OF CONGRESS ARE ALREADY BEING PRESSURED BY THEIR CONSTITUENTS TO SUPPORT THE PRESIDENT'S PROPOSAL. CONFRONTED WITH THE BUDGETARY DILEMMA OF PROVIDING FOR URGENT NATIONAL NEEDS WITH REDUCED REVENUES, CONGRESS WILL BE COMPELLED TO REEXAMINE EXISTING TAX EXEMPTIONS AND DEDUCTIONS. FROM THE STANDPOINT NOT ONLY OF REGULATION BUT ALSO OF INCREASING FEDERAL REVENUES, THEREFORE, IT IS VERY LIKELY THAT PRIVATE FOUNDATIONS WILL AGAIN COME UNDER THE KIND OF CLOSE SCRUTINY TO WHICH THEY WERE SUBJECTED IN CONNECTION WITH THE TAX REFORM ACT OF 1969. WHAT CONGRESS WILL BE LOOKING AT IS THE SUM OF AROUND \$600 MILLION WHICH WOULD OTHERWISE FLOW INTO THE FEDERAL TREASURY FROM THE NOW TAX-EXEMPT PRIVATE FOUNDATIONS AND OTHER CHARITABLE INSTITUTIONS.

THERE IS STILL TIME, IN MY JUDGMENT, FOR PRIVATE FOUNDATIONS TO PREPARE THEMSELVES, AND PREPARE THEMSELVES WELL, FOR ANOTHER

CLOSE EXAMINATION BY THE LAWMAKERS ON CAPITOL HILL.

IT IS A GENERALLY ACCEPTED FACT THAT PRIVATE FOUNDATIONS OCCUPY A UNIQUE POSITION IN OUR SOCIETY. THEIR CONTRIBUTIONS IN THE FIELDS OF EDUCATION AND PUBLIC HEALTH HAVE BEEN ENORMOUS. BUT THESE HAVE BEEN THE TRADITIONAL AREAS OF FOUNDATION LARGESSE, IN SPITE OF THE FACT THAT IN THE 1960'S THESE SAME AREAS ALSO BECAME THE TARGETS OF MASSIVE FEDERAL AID. TODAY, THE FEDERAL GOVERNMENT SPENDS MORE ON HIGHER EDUCATION ALONE THAN PRIVATE FOUNDATIONS SPEND ON ALL OF THEIR GRANTS FOR ALL PURPOSES--AND YET THE FOUNDATIONS CONTINUE TO GIVE MORE MONEY TO EDUCATION THAN TO ANY OTHER PURPOSE.

ARE PRIVATE FOUNDATIONS THEN LACKING IN IMAGINATION AND FLEXIBILITY THAT ASSISTANCE CANNOT BE CHANNELLED INTO NEW AREAS?
I THINK NOT.

ARE PRIVATE FOUNDATIONS SO UNWIELDY AND CUMBERSOME THAT THEY CANNOT BE RESPONSIVE TO CHANGING SOCIAL NEEDS? I THINK NOT.

ARE PRIVATE FOUNDATIONS THE ELITIST CENTERS WHICH SOME SAY TEND TO DISCRIMINATE AGAINST ETHNIC MINORITIES? I LIKE TO THINK NOT.

SENATOR HARTKE RECENTLY ADDRESSED A CONFERENCE HELD BY NONPROFIT ORGANIZATIONS IN WASHINGTON, D.C. WHICH I AM SURE MANY IN THIS ROOM ATTENDED. YOU WILL RECALL THAT HE SAID ON THAT OCCASION:

"FOUNDATIONS MUST GO BEYOND THE LETTER OF THE LAW TO DETERMINE WHAT REAL PUBLIC NEEDS ARE IN THIS AGE OF CHANGE AND THEN FIT THEIR GRANT-MAKING PROGRAMS TO MEET THOSE NEEDS. THEY MUST REMEMBER THAT IT WAS THEIR DEVOTION TO INNOVATION AND EXPERIMENTATION WHICH MARKED THEIR EARLY YEARS, AND THAT THOSE TWO QUALITIES ARE NEEDED EVEN MORE TODAY."

YOU WILL ALSO REMEMBER, I AM SURE, THAT LATER IN THE SAME SPEECH SENATOR HARTKE MENTIONED SOME OF THE AREAS ON WHICH HIS

SUBCOMMITTEE PLANS TO HOLD HEARINGS, AND ONE OF THESE, HE SAID, IS "MINORITIES." THE IMPLICATION WAS THAT THERE IS A NEED FOR THE SENATE SUBCOMMITTEE ON FOUNDATIONS TO LOOK INTO FOUNDATION ACTIVITY IN THE AREA OF MINORITIES. THE RESULTS OF THE HUMAN RESOURCES CORPORATION STUDY ENTITLED "U. S. FOUNDATIONS AND MINORITY GROUP INTERESTS" SHOW THAT ETHNIC MINORITIES INDEED HAVE RECEIVED A MINIMUM OF BENEFITS FROM PRIVATE FOUNDATIONS, AND EVEN THOSE BENEFITS HAVE NOT ALWAYS BEEN ALLOCATED IN A FAIR AND EQUITABLE MANNER.

FOR EXAMPLE, I FOUND THIS STATEMENT IN THE STUDY, AT PAGE 89:

"TOTAL GRANTS DIRECTED IN ALL PROGRAM AREAS TO THE BENEFIT OF SPECIFIED MINORITIES REPRESENTED LESS THAN 1 PERCENT OF ALL GRANT MONIES IN THE DATA BASE--THOUGH THE SAME GROUPS ACCOUNT FOR NEARLY 6 PERCENT OF THE POPULATION. ON THE OTHER HAND,

FOUNDATIONS SUPPORTED PROGRAMS RELATED TO ASIAN AND LATIN POPULATIONS OUTSIDE THE UNITED STATES AT A MUCH HIGHER RATE. GIVEN THE WELL-DOCUMENTED NEEDS AND DISCRIMINATORY PROBLEMS FACED BY MINORITIES, THEIR SHARE OF FOUNDATION FUNDS SEEMS WOEFULLY INADEQUATE."

I FIND EVEN MORE DISTURBING THAN THE "WOEFULLY INADEQUATE" 1 PERCENT OF FOUNDATION FUNDS WHICH IS GOING TO MINORITIES, THE ABSENCE OF RHYME OR REASON IN THE SELECTION OF RECIPIENTS OF SUCH FUNDS.

AGAIN, FROM THE HUMAN RESOURCES CORPORATION STUDY I OFFER THESE EXAMPLES:

AT PAGE 76: "ACCORDING TO THE U. S. CENSUS 13 PERCENT OF THE TOTAL SPANISH HERITAGE POPULATION IN THE U. S. IS LOCATED IN THE NORTHEAST. HOWEVER, 27 PERCENT OF THE FUNDS ALLOCATED TO SPANISH

HERITAGE POPULATIONS FROM FOUNDATIONS GOES TO THE
NORTHEAST...WHILE 47 PERCENT OF THE SPANISH HERITAGE
POPULATION RESIDES IN THE WEST ONLY 16 PERCENT OF THE
TOTAL FUNDS WERE ALLOCATED TO THE WEST..." AND SO ON.

SIMILARLY, BEGINNING AT PAGE 81: "THE FUNDS
BENEFITING ASIAN GROUPS FLOW OVERWHELMINGLY TO
CHINESE BENEFICIARIES...GROUPS OTHER THAN CHINESE
AMERICANS ARE STATISTICALLY ALMOST NEGLIGIBLE...
WHILE ONLY 18 PERCENT OF THE POPULATION OF CHINESE
AMERICANS RESIDES IN NEW YORK CITY 66 PERCENT OR
TWO-THIRDS OF FOUNDATION FUNDS FOR CHINESE AMERICANS
IS DISTRIBUTED THERE."

ALSO UPSETTING IS THIS STATISTICAL CONCLUSION (PAGE
87): "...INTERNATIONAL AND INTERNATIONAL STUDY ASIAN PROGRAMS
RECEIVED (1972 THROUGH AUGUST 1974) 30 TIMES MORE MONIES (\$44.6
MILLION) FROM AMERICAN FOUNDATIONS THAN DOMESTIC ASIAN PROGRAMS
(\$1.2 MILLION)."

IF WE ARE GOING TO PRECOGNIZE, AS WE MUST, THAT OURS IS A PLURALISTIC SOCIETY, THEN WE OUGHT TO ENCOURAGE GREATER PARTICIPATION BY ETHNIC MINORITIES IN OUR DEMOCRATIC WAY OF LIFE. WE OUGHT TO HELP THEM TO RAISE THE QUALITY OF THEIR LIFE. WE OUGHT TO PROVIDE NEEDED ASSISTANCE TO ENABLE THEM TO MEET THEIR NEEDS.

PRIVATE FOUNDATIONS ARE IN A UNIQUE POSITION TO ANSWER THIS CALL FOR HELP. AND YOU WHO ARE THE REPRESENTATIVES OF PRIVATE FOUNDATIONS CAN PLAY A KEY ROLE IN MAKING YOUR RESPECTIVE ORGANIZATIONS MORE RESPONSIVE TO THE NEEDS OF ETHNIC MINORITIES IN THE UNITED STATES. IF YOU DO THIS, I ASSURE YOU THAT YOU WILL STAND TALL IN THE HALLS OF CONGRESS THE NEXT TIME THAT PRIVATE FOUNDATIONS ARE ASKED TO COME IN FOR AN ACCOUNTING.

AND, ABOVE ALL, YOU WILL HAVE MET THE OFT-REPEATED CHALLENGE: PRIVATE FOUNDATIONS SHOULD BE THE "CUTTING EDGE"

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OF INNOVATION AND SOCIAL PROGRESS.

THANK YOU VERY MUCH.