CARNEGIE CORPORATION OF NEW YORK ORAL HISTORY PROJECT

The Reminiscences of

Helene L. Kaplan

Columbia Center for Oral History

Columbia University

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# PREFACE

The following oral history is the result of a recorded interview with Helene L. Kaplan conducted by Ronald J. Grele on March 21, 2012 and April 3, 2012. This interview is part of the Carnegie Corporation of New York Oral History Project.

The reader is asked to bear in mind that s/he is reading a verbatim transcript of the spoken word, rather than written prose.

3PM | Session #1 (video)

Interviewee: Helene L. Kaplan | Location: New York, NY

Interviewer: Ronald J. Grele | Date: March 21, 2012

Q: This is an interview for the Columbia Center for Oral History, Carnegie Corporation Oral History Project, with Helene Kaplan. Today's date is March 21, 2012. The interview is being conducted in the board room of the Carnegie Corporation in New York City. The interviewer is Ronald J. Grele.

The first question I'd like to ask, Helene, if we can take you back to the transition from David [A.] Hamburg to Vartan Gregorian, if you recall, what did you think the corporation needed in a president at that time? What were you looking for?

Kaplan: Well, David Hamburg had been president for quite a number of years, and he had done a very interesting and very helpful job. When he had first become president, he made it very plain to the board at that time that he didn't want to have the job unless he was permitted to focus on something which the corporation really had not done in the past and didn't seem particularly interested in, which had to do with nuclear war. He was absolutely certain that, if he took the job, that subject would not be permitted. Much to his surprise, the board members were very interested in nuclear war matters and very much wanted to do it. I had encouraged him to speak up and make sure so that there would be no second thoughts about it—since I was the person who was responsible for the committee that chose Dave Hamburg.

He was a very fine president and did an outstanding job. He was very focused on health issues because he was a physician. He was a psychiatrist, I realize that, but he had a passionate love of medicine. His wife was a doctor, very much interested in young children. So they were quite a team of outstanding intellectuals and very interesting people. The focus for the corporation really was on the sorts of issues that he cared about so passionately.

By the time he was going to retire, it became clear to the group who was involved with the choice of a new president that it would be good to have a person who perhaps came out of the academy and yet was still very much engaged with it. So it was logical that we would be looking for someone, and it wasn't the least bit surprising that Vartan was a leading candidate—Vartan Gregorian—who became our president following David. Vartan always said that he felt like an outsider although he was an insider. very much sympathize with that, being a woman who had done many things in my life that most women had not had an opportunity to do, and so it was wonderful to have a leader who I could understand. I understood this dichotomy in a strange way.

Even in his interview for the position, he was very clear about what he cared about, what was important to him. Basically those were the three things that were prominent when he became the president. That's what we were looking for—focus on the things that Andrew Carnegie felt passionately about. It was democracy, education, and international matters. Those were the primary things that he made plain he was interested in.

Later, when he actually was offered the presidential opportunity and had his first series of meetings with the board, he also mentioned that he wanted to have an opportunity to have special programs that he felt would be important. The board agreed with that. That was not irrational. The board was very willing to want to do that.

We wanted someone who had run a major enterprise. And Vartan was coming from Brown University and prior to that he had been provost at the University of Pennsylvania, and those were very significant places. And we can't overlook his leadership at the New York Public Library. Vartan had done an extraordinary job there. So we were very happy about our choice.

Q: Gretchen [C.] Morgenson and her co-author [Joshua Rosner], in their book on the Wall Street crash [*Reckless Endangerment: How Outsized Ambition, Greed, and Corruption Led to Economic Armageddon*], mentioned that the head of the search committee, James [A.] Johnson—

Kaplan: Yes, Jim Johnson.

Q: —wanted Robert [E.] Rubin as president. Now, he would have been someone from a very different kind of background. Was that a serious discussion back and forth?

Kaplan: No, it never really became a serious discussion simply because Jim Johnson was extremely secretive as the head of the search committee. He really didn't say much to the committee about what he was seeking and it was quite different than what the members of the

committee wanted. So it was a great relief when that idea sort of expired. Jim also was very interested in Donna [E.] Shalala and that didn't go anywhere either. But his method of operating with the committee was extremely difficult and very irritating to me and also, I'm sure, to everyone else.

Q: Quite different from the way you had—

Kaplan: Yes, I had been the head of the committee that found David and I certainly was very irritated with this whole way in which he was conducting the search. So Morgenson was right.

[Interruption]

Q: Had you met Dr. Gregorian earlier?

Kaplan: Yes, I had met him earlier, considerably earlier, and although I can't say that I was a good friend of his, I met him years before when he first arrived at the Library. It seemed like a very unusual choice. He had accepted the job but he had not really met the New Yorkers who were going to be his big supporters. But one of the first people he met was [William] Bill Golden, a major figure in New York in many ways—a very interesting man.

Bill and his wife had a dinner party and my husband Mark [N. Kaplan] and I were invited to it. Vartan and Clare [Russell] Gregorian were the other guests. And we had a very interesting discussion and dinner. It was the beginning of a special kind of friendship with Vartan. I didn't

see him very often but when I did, he was always very warm and very pleasant. And of course, Bill Golden was very enthusiastic about him and thought Vartan would be a wonderful leader at the Library, which he was. He did an amazing job there as you probably know.

Q: Do you recall any particulars about what it was over the years that you found particularly attractive in Dr. Gregorian?

Kaplan: First of all, as I told him once, "You come into a room, you smile, everybody knows you love them, and then you go around and hug all the ladies." And we all liked it. And then of course, when he spoke, we knew that the right person was in the right job. It was really great.

Q: His first years at the corporation were—he himself admits—years of learning and it took him some time to acclimate himself to the culture of philanthropy and the culture of the corporation. At that point in time, what kind of counsel did you give him? Do you recall?

Kaplan: Yes, I do. Shortly after he took over, he retained McKinsey & Company on a pro bono basis. I urged him to discuss with McKinsey the importance of getting a team together who would help him in this new role and also to think seriously about having a person who could be an investment adviser as the head of the investment team, which we had not had in the past. So that was implemented by Vartan. And the other suggestion was to have a senior person on the staff who would be sort of his right-hand person and both of those things were suggested, eventually, by McKinsey and were implemented by Vartan.

Q: What was your overall impression of the McKinsey report?

Kaplan: It said a lot of things but I didn't think it was particularly helpful.

Q: In what sense?

Kaplan: It was the sort of standard thing that you would expect from consultants. It just wasn't very helpful, I thought. I didn't feel that they really knew enough about philanthropy—what was involved. And I just sound like I'm very egotistical about this but I'm not. I am telling you what I think was the general feeling about this.

Q: Among the trustees, was there anything in the report about how the trustees would relate to the president, to the staff, to the world?

Kaplan: No, not really. Vartan chose them, I think, to be a blessing on whatever came out of the report. His attitude was that he really wanted to decide how he was going to become the new head. He spent hundreds of hours in developing his program and what he wanted to do and he was always ready to learn new opportunities. After about a year he was ready to come forth with a program. He interviewed hundreds of people about philanthropy and what his goals were and the things he cared about.

Q: You had been involved in philanthropy for many, many years in many different waters. What was it you taught him? What did you tell him?

Kaplan: I really didn't do very much. I felt that Vartan knew what he wanted to do and I so admired him and I thought so well of him. He had had some experience in philanthropy, which I don't want to overlook. He was a very strong adviser to Walter Annenberg and was very involved with the Annenberg philanthropy.

He was also on the board of the Aaron Diamond Foundation and, as a trustee, he was very engaged with it.

So he didn't come to this without some background in the philanthropy that he thought he knew. He continued to grow and learn more and more. By the time he was in the driver's seat he was very knowledgeable about what he wanted to do and how he wanted to do it.

Q: One of the structural changes that affected the trustees was to reorganize and redefine the committee system.

Kaplan: Very much so and I'm very aware of that. We had a system during David's era in which board members became members of committees, in which they were invested: Avoiding Nuclear War, Education, whatever it might be. Vartan felt that was not the way to go about it and indeed—

He didn't pursue that approach. He wanted to eliminate that and he did, and I was very positive about that. In addition, then when he really got in the driver's seat he cared very much about one

of the things he had heard. He had heard that perhaps the idea of having the kind of task forces and other activities where many of the trustees participated was perhaps not as good as it should be and was not presenting a basic opportunity for getting other people—and knowledgeable people—involved. So I was very positive about that change as well. I thought that was very wise. It had become almost sort of like a show and tell and I didn't feel that was the way we ought to be doing things.

Q: Show and tell in what sense?

Kaplan: It was show and tell in that, increasingly, we had major figures participating in the activities of a particular task force. So we would end up with prominent people at that time. We had Senator [Samuel A.] Nunn on our board. He is a wonderful man. He had decided not to stand for re-election and he cared passionately about the topic of preventing nuclear war. So he was superb.

But it gives you some idea of the type of people who, increasingly, were involved with our board and also with these activities. And of course, [President James] Jimmy [Earl] Carter would be invited to very large dinner parties, some of which were held at the [American] Museum of Natural History or other places in the city. And so it was time to really sort of get on with it, I thought.

Q: And how did the newborn organization work?

Kaplan: Vartan's attitude was to count on staff, to look to his staff to be highly intelligent, interested and productive. He made some changes but not a lot at the beginning and gradually brought in additional people—two of which did not work out too well. He found it very difficult to fire anyone and he couldn't really do so. But he would think of ways to get them a new position or a new opportunity to take on some assignment and it was really wonderful to see how he did that. It was a quality of his that I don't think any of us expected to see. Vartan cared deeply not to hurt anyone. He found jobs for people when he didn't want them to continue to be employed at Carnegie.

Q: Were the new committees devoted to particular programs?

Kaplan: Yes. Within the staff, it was, and the concept was to get away from solo activities or isolating activities where you just had one group working and they didn't look left or right. But the fact is that only lasted some time and after a while the silos grew up again and that was a bit of an issue. And I think to this day it's still quite separate but it seems to be working.

[Interruption]

Q: You mentioned the parties and the style. Dr. Gregorian, in some of his earliest writings about Carnegie, talked about coming from a culture of scarcity in the academy to a very different kind of culture. What was your sense of the change of style in Carnegie?

Kaplan: To me it was very noticeable. I don't know whether others had that feeling but I wouldn't be surprised if they did. He cared about it in every way, from the kind of grantmaking he wanted to do to what was out in the front hall. We moved away from having flowers there all the time. And I recognized—without any comment, and no one ever discussed it because it had not really been important—but it was saving money. It was a very typical kind of attitude because that was the way Vartan had experienced his life to that date.

When it had to do with dinners for the board, they had started out in the same pattern as had existed before, with fancy dinners and so on. But very quickly Vartan brought it all in-house. We had dinners the night before the board meeting to which spouses and staff. It was not fancy and it was just lovely to be together as a group. It built a kind of camaraderie, where he invited various board members to speak about their lives and how they had become members of the Board. It was really very pleasant, very *gemütlich* is the word I would use.

Before he actually developed a program, one of the things he had said he wanted to do was to make connections with other foundations. That was something that I had not experienced because it was very rare to have that happen. What I didn't know was that he could do it and I was very hesitant. I said to him, "I'm not sure you're going to succeed in this."

He went to many of the foundations, the big ones, Ford [Foundation], Rockefeller [Foundation], and built relationships with them by stepping back. He didn't need to be the leader. He did that with the [Bill & Melinda] Gates Foundation, and to this day he still does that: he has an idea and calls a foundation and says: why don't you take this on? Because Carnegie does not have the kind

of resources that today's foundations have. What we have is great ideas and a great CEO [chief executive officer].

Anyway, he did that and it was part of his idea of saving money. We did one very major project in South Africa and over the years we did it in Africa in other places as well, Nigeria and so on. So he was very creative in that. That was his way of approaching things.

Q: Why did you think that he wouldn't be able to do it?

Kaplan: It just never occurred to me because in the past there had been initiatives—that was true with whether it was David Hamburg or Alan [J.] Pifer, whoever it was—it just didn't seem to work as well. No one really was very responsive to the idea and I think it had something to do with my description of the difference. That was very useful.

Q: Back, for a moment, to the style. Was there any grousing among the trustees that maybe things were becoming a little too modest?

Kaplan: No, not at all. First of all, I'm not sure they noticed it. We had a very happy and contented board. We're very pleased with what he has accomplished and it really sets a very high standard for the next person, whoever that may be at some point.

Q: In general, how did the board change over the past ten years?

Kaplan: Yes. It was, I think, a significant change that happened over quite a long period of time—this ten-year period that Vartan has been at the helm. The majority of people are heads of major universities. They are so smart and so brilliant and it is such fun, as someone who is not in that field, to just admire what he has accomplished. He's not at all concerned about it. They are all people he thinks very highly of and so we have people on the board who either have been heads of major institutions or are currently serving in that role.

Q: What had it been? What had the board been like?

Kaplan: Well, during David's era, it was some people from the military, it was people who had come out of government from very senior places, but it also had ordinary folks to some extent. But the task forces intruded on that and created people who were not members of the board who were very active in these things and in these creations. And I did not feel that was such a great idea.

Q: Was there a change in trustee-staff relationships?

Kaplan: I think so. I think it is a change. It's very hard to really evaluate that because, to the extent that people talk with staff, you really don't get a reading on that. I talk to the staff all the time and I feel very comfortable with them. But even now, I try not to intrude.

Q: When the program was presented to you, what were the major shifts in the program, as you sensed them from a trustee angle?

Kaplan: Well, as I say, it had gone from being very focused on nuclear matters but also on the relationship with Russia and what that meant. The board knew that we couldn't really have programs in Russia because of the nature of the gift that had been made by Andrew Carnegie.

Q: Essentially, how involved were the trustees in the program?

Kaplan: Some people participated very positively but there were—this is in David Hamburg's era—many who didn't. Some of them really didn't do their homework, weren't really prepared.

That's not true now. It's very interesting. We have a very different board. They care a great deal about how they appear to those of us who are not scholars, who are not leading major institutions. And they care about what Vartan thinks. They have very good suggestions, which they make from time to time. Basically, it's a freer kind of involvement and much, much easier. We don't have people coming and talking for a whole morning about one subject. It's very diverse.

Q: At a board meeting, how many staff members are there?

Kaplan: All of the staff.

Q: All of the staff?

Kaplan: Yes, which is quite a bit. But they're all squeezed in and it is a kind of an attitude of no one is superior to anyone else. And it's very Gregorian in feeling—in the best way.

Q: Have you gone on site visits?

Kaplan: Yes, mostly to South Africa. That's been extremely interesting and very valuable, and we have been very supportive of trying to work with the South Africans. And that really had started way back with Alan Pifer and is still to this day an important element.

Q: I wonder if you can give a couple of examples of your experiences over there.

Kaplan: Well, I had some experiences that were very different from those with Carnegie. I think as a result of being on the Carnegie board, I was asked by Secretary of State [George P.] Shultz to be a member of a committee—this was years ago when it was still under the yoke of apartheid—to look at the United States' position on many issues involving South Africa: what those issues would be, and what the position of the U.S. would be. So I had a reason to go to South Africa. I went twice: once with a group and once by myself because I hadn't been able to go with a group. It was a remarkable experience.

We also had a program, which Dave Hamburg was finishing when he arrived because it had been started in the Pifer era. It was called the Organization for People of Color because they really didn't have any role there. It was done at Cape Town and it was a very interesting opportunity to go there and meet people. In David Hamburg's era we traveled throughout the country and saw

the dreadful conditions that African people were experiencing with white people totally dominating. It was a heartbreaking experience.

I came back and I did a tape for the Corporation on what my reaction was. It was very important to do and I felt very good about it. It didn't have much effect outside of the Corporation but it was the beginning and it was really a very significant beginning. We know what happened eventually—but I was there at the height of the apartheid uprising, if you want to call it that. Many of the white people were really very anti-apartheid, particularly many of whom were te women and who became leaders of the country after it had finally evolved.

Q: I was going to ask you who you met with in South Africa?

Kaplan: Oh, I met with some marvelous women—and also men—but I was very impressed with the women. I can't think of their names but many of them became the heads of different entities and had a position in the government. There were also many lawyers, men and women, and black as well as white, which had never happened before so it was a very interesting time to be there. I think those of us who think about it worry about what will happen when [Nelson Rolihlahla] Mandela finally is not in the picture because it's not a happy place now, as you probably know. Carnegie has now built some wonderful libraries there and has done some other activities there that have made a huge difference. We built the libraries and supported the libraries, which of course is something that Andrew Carnegie did his entire life, so that's very important.

Q: Did you do any site visits in the United States? Would that be education or—

Kaplan: Yes, that was in Dave Hamburg's era. We went down to the area where the *maquiladoras* were working on the Mexican and Texas border and that was remarkable—very surprising and really fascinating to see how many Mexicans were all working very diligently. That seems to have disappeared. I haven't heard anything about that in recent times but maybe it's still operating.

Q: Was there any particular reason why site visits would not take place under Gregorian as they had with Hamburg?

Kaplan: No. It was very much staff-driven. I think that's the way I would answer it. And again, it also reflected on Vartan's interest in saving money probably. His major interests were democracy, international, and the third one was education—which I think has been the most challenging, which everyone expected it to be. He's making progress but there wasn't that much really to spend time seeing, in that sense. Also, journalism was something that we did very intensely and, again, it was more bringing the journalists to talk to us rather than seeing them in action.

Q: You mentioned earlier in the reorganization, both in the McKinsey report and in what happened later, the reorganization with vice presidents for finance and treasurer. How did it all work out?

Kaplan: Well, we had a marvelous woman for at least ten years—

Q: That's [D.] Ellen Shuman?

Kaplan: Yes, you know about her and she was really superb, a very bright—

Q: But the people who watch this don't.

[Laughter]

Q: You were talking about Ellen Shuman?

Kaplan: Yes. Oh, did you want me to go into that? Well, she was a remarkable leader of her group. She had come from Yale [University]. I don't actually remember how we brought her to the Corporation but she had been very well trained at Yale.

Q: Managing the Yale endowments?

Kaplan: Yes, but she was in the real estate area at that point—but still learning a great deal. And we really moved from what I would call an old-fashioned way of investing: of just investing in bonds and a certain amount in equities to a much higher equity-driven portfolio under her guidance. And then of course, when the hedge funds started to come in and all of that activity, she really was very knowledgeable about it and helped us a great deal and raised our endowment

to almost double what it had been, maybe even more than that. She had done a wonderful job and she was a very good person in terms of caring about her people who worked for her, and was also interested in the program.

Q: That's one area of the foundation where trustees were deeply involved. Were you one of those trustees?

Kaplan: Yes, we have a trustee committee on investments and I've served on that for years. And it's very important because that's where—I don't know what you say—the rubber hits the road. Whatever it is, it's crucial. And of course, we were hit by the recession but that has now greatly improved. Ellen has gone on. She just sort of retired. But we have two very good young people who are running the investment portfolio and they certainly seem to know what they're doing. And we have some very good people heading the investment committee, [Geoffrey] Geoff [T.] Boisi being one.

Q: There are two aspects to that that are kind of interesting. One is developing the expertise internally and then bringing in or going outside to get the investments. It strikes me as a kind of interesting problem, both building internally and building externally.

Kaplan: Well, there was so much activity externally that if you had someone who was professional and you had a group of people from the board who really knew what they were doing, it really was not difficult. It wasn't that you were creating something. You were trying to join and take a piece of the action, so to speak, in some of these investments.

Q: And the trustees would know where to go?

Kaplan: Well, it was less the trustees than the recommendations of Ellen Shuman. That's basically the way it works. We've now sort of taken a deep breath and are carrying on and we've done very well. We're still unloading some investments that are considered out of fashion.

Q: One aspect of the foundation that we haven't talked about too often is New York—being part of New York. Now, Dr. Gregorian, of course, had been at the New York Public Library and so he was very familiar with it. But in what ways did Carnegie, as a "citizen of New York," change? Or what kind of a transformation took place if any?

Kaplan: Well, Vartan has the great ability to have people respect and admire him and, of course, he had a close relationship with the mayor. I had been on the board of the Institute for Advanced Study—both Vartan and I came on at the same time many, many years ago. I'm no longer on it, but I've retired and been made an emerita—but the fact is that, at that time, Mayor [Michael R.] Bloomberg became a member. He wasn't mayor. He was just making money and running a phenomenal business. He was extremely generous there. That connective link has been very, very useful.

As a matter of fact, for many years—I would think five to seven years—Mayor Bloomberg was very interested in making small grants. And so he made an arrangement with Vartan in which he was not known but he would be the person who would give a couple of million dollars to

Carnegie and we would make grants to very small entities—a lot of art things, a lot of music, many of the cultural activities, and it was wonderful. We did that for about five to seven years. Of course, in the first couple of years no one knew who this donor was but after a while it had to come out. So it was sort of the mayor's gift to the City of New York. It made a huge difference and it was perfect for Vartan because he had always wanted to be able to make those gifts but didn't feel we could afford to do that. We just didn't have the resources. It was never presented as being Carnegie's gift. It was always from an unnamed donor so it worked out very well. But that was a perfect example. There isn't anyone of prominence, or even people who are not, who don't know him in New York City and that's quite an amazing coincidence.

Q: I see him in the *New York Times*, the pictures by Bill Cunningham, all the time.

Kaplan: Absolutely. That's right. Well, it's funny. I never used to look at Bill Cunningham's pictures in the *New York Times*, but once Vartan was in it every weekend, I do look at them and enjoy them. Vartan loves people and he loves to be engaged with them. He knows many of them so it's really wonderful.

Q: Have you been at all involved, or consulted on, or discussed with him the relationship with Bill [William H.] Gates [III]?

Kaplan: On the fringe, I have had some discussions. Bill Gates, increasingly, isn't that involved with Carnegie and so there isn't that much personal connection at the top. But there is quite a bit

of it at the staff level. And Vartan doesn't hesitate to call him and Bill doesn't hesitate—they have a good relationship. But it's really much more staff-driven than anything else.

Q: Parts of the education program could be somewhat tangentious in their entering into territory full of strife and argumentation. Has any of that been reflected in the board meetings?

Kaplan: Not really, no, but it's there.

Q: Yes, about the relationship to No Child Left Behind or the relationship to various kinds of charter schools or public—

Kaplan: Absolutely. These are tough issues.

Q: But not necessarily rising to the level where the board has to—

Kaplan: No.

Q: What do you see as some of the great successes of the period that we're talking about?

Kaplan: The great successes? I guess I say the work of Vartan. First of all, we are in the midst of a centennial and that has permitted Vartan to make some wonderful gifts to the Carnegie activities throughout the world. There are many Carnegie enterprises that people don't even know about in this country and mostly in England and in Scotland. The way I would describe

him, he's like the great-granddaddy. He has worried about this family in other places, which have very little money and who desperately need the money to do the work that was set out for them many years ago but have not really raised it. And he has been very concerned about that and has been very generous.

Q: What kind of institutions would they be? I must confess an ignorance on this.

Kaplan: Well, it's really fascinating. First of all, there are the ones that we know about here, such as what used to be called the Carnegie Institution of Washington, which was a very scientifically driven enterprise and has been headed by some very important people—very talented, intellectually brilliant people—and currently being run by a man named Dick [Richard A.] Meserve, a very, very able person. We've made major grants there. Let me just think of some of the others.

Q: The Institute for Peace?

Kaplan: No. There is The Hague in Holland. We are going over there, actually, to an event at the end of August in which we will be meeting with some of our Supreme Court justices and other justices throughout the country to have some meetings on the whole question of Andrew Carnegie—but mostly on their own activities. This is an enterprise which starts at Yale Law School and every year these justices meet. And we gave them the opportunity to meet at The Hague—and they are very excited about it—where there will be a discussion of peace and Andrew Carnegie and what he cared so deeply about. So that should be very interesting.

We've also made a major gift to the Carnegie Endowment for International Peace. There are loads of them. And then of course, there is a school in Pennsylvania that doesn't have the Carnegie name but was created by Andrew Carnegie. So there are lots of places that are bursting with enthusiasm about Carnegie and its centennial.

Q: I was asking about successes, the centennial as one example of that. Were there others that come to your mind? Such as the library program in Africa?

Kaplan: Well, certainly. The library program in Africa has been extraordinarily useful in terms of building good relationships and it's been very helpful in helping employ people—get them active, get them reading, teaching them. It's been very valuable. We've also had quite a number of other things like that.

[Interruption]

Q: We were talking about the 1997 annual report in which Dr. Gregorian laid out areas of interest and you were talking about how prescient they were. I wonder if we can continue that.

Kaplan: Well, as I was starting to say, what always has amazed me is when I went back and read the 1997 transition report talking about what he would hope would come out of changes to be made and so on. He talked about a wide range of topics, starting with the fact that immigration

was high on his list, the reality of what was happening with immigration, the need to begin thinking about it and doing things about it. I'm trying to think of some of the other things.

Q: Islam?

Kaplan: What was fascinating was that Vartan talked about the fact that Islam was the fastest growing religion in the United States and it was really increasing almost on a daily basis. I don't think he ever anticipated that he would be writing a book on the subject, which he did. But he did write a book, which was extremely popular and very well done about the religion—because people in this country really don't understand it. He appointed someone recently to be involved with Islam and to have a whole program to make grants to people who were studying Islam and so on.

Q: Who was that appointee, do you remember? Hillary?

Kaplan: Hillary [S. Wiesner]. Exactly. I hope you're going to see her.

Q: Yes. Hillary Wiesner.

Kaplan: That's right. She's very, very good. He also talked about—

Q: Inequality? I wonder if we can go through them and talk a bit about those programs. The migration program—the program about immigrant rights. How did you see that as a trustee,

looking at the program and at that venture? Did you agree that it was indeed a problem in which the Corporation should move?

Kaplan: Immigration, are we talking?

Q: Yes. And did it move in the right ways?

Kaplan: Well, it certainly began to. But only recently have we really gotten involved with immigration and I think we're doing some very interesting things on that subject. But it really hasn't been front and center in any way. It's been an activity. It doesn't fall in the three categories, so to speak but it is terribly important and, I think, increasingly so. We're going to see more activity in that area I think.

Q: There has been criticism by people who want to send everybody back. There's been criticism of the Corporation for funding various studies and groups, et cetera, aimed toward legalization of immigrants, et cetera. Has any of that filtered back into the trustees or into the discussion at all?

Kaplan: Not really. We recently had a meeting on the subject of immigration and we invited [Geraldine] Geri [P.] Mannion, who is chair of that program, to bring in some very interesting people who talked about what they were trying to accomplish in an area that I really thought would be impossible. And it seems to me that is moving in the right direction. We're getting more and more involved and the board was tremendously enthusiastic about it. We really wanted

to get involved. They clapped like mad over it. They were very impressed so it was very, very useful.

Q: In the Islam Initiative, has there been any blowback from the larger society?

Kaplan: Oh, yes, very much so. What has happened there is Vartan created a fellowship program, or a scholarship, and we've had some wonderful, wonderful scholars that have gotten awards and are participating in that activity very much. And again, Hillary has been very involved in that. So we are very much involved with the whole question of Islam.

And of course, Vartan is so knowledgeable about it. His book [*Islam: A Mosaic, Not a Monolith*] has been something that I've given out to many people. It's very straightforward and very worth reading. So that has been something that's been, I think, very valuable. I don't know where that program will be going in the future but I would hope that we would continue to do something with it.

Q: Now, the Ford Foundation ran into a lot of trouble about claims that they were funding terrorists, et cetera, and eventually evolved a statement with the ACLU [American Civil Liberties Union]. Did any of that redound on Carnegie?

Kaplan: No, it's very interesting. We are no longer the top ten or fifteen foundations but we're highly regarded and we suggest very interesting activities and programs and ideas for other foundations. That has been very, very, useful. So we have not had any negative feedback so far.

Q: Actually, that raises an interesting question a little off the topic. But at one point Dr. Gregorian said that Carnegie—its reputation has always exceeded its resources.

Kaplan: That's right. Absolutely true. And we're really kind of known for that. But it's a good thing. It's both good and bad, of course, but the bottom line is it's really wonderful because it permits as to have an opportunity to not worry about whether we will be criticized for spending money in an area.

Q: I wonder if we could spell out what's good, what's bad. You talked about the good. What's bad about them?

Kaplan: So what's bad about not having money?

Q: Well, yes.

Kaplan: What's bad about it is that it can be frustrating. We have some very talented people who are leading the various groups in our organization and it's really not enough. We have a major program dealing with North Korea, which we don't talk about very much, but it's an expensive program to run. And it's a very important program. It's sort of keeping track of what's happening on a political basis. We work very closely with the Council on Foreign Relations. So we really have these activities, which are high key, but they are very much out of the common discussion about Carnegie. So it's been very useful.

Q: Along this topic, one of the other structural changes early on was a vice president for External Affairs, Susan [R.] King. Were you at all aware of that, or how did that come to you? Was that a good thing to do? Bad thing to do?

Kaplan: Oh, I think it is one of the things that I should have mentioned as a real accomplishment. What we did was we had created a whole dissemination area, which is a wonderful activity. I don't know if you've met with Eleanor Lerman but she is very helpful on that. And before that, we had Susan King and she was absolutely great. She's very lively, filled with ideas. She ran the journalism program [Carnegie-Knight Initiative on the Future of Journalism Education] that we had, where we really made a major effort to change the way journalism is taught in the top journalism schools. There's been a lot of progress there. [Nicholas] Nick [B.] Lemann, he is the dean of the Columbia University Graduate School of Journalism and he's been the head of it and he has really done an outstanding job. It's important because, increasingly, you wonder what is going to be next—what other major invention is going to be created that may make it even better.

Q: Where do you see that program going—that journalism program?

Kaplan: Well, we have been supporting it for quite a number of years now, and I don't know. I think we probably are in the middle of having a report on it. We do that after a period of time. We do have ways of bringing people in to look at it and review what's happening. Is it good, it is good enough, can it be better and so on.

Q: In the latest reorganization a few years ago, there was a reorganization in terms of a national program and an international program. Did you talk to Dr. Gregorian at all about that change?

Kaplan: Yes, I did, but really it was time to do that. It was very important to do that and that's worked out well, I think. It's been useful because it permits a kind of flow of information within each group. That's been valuable and I think it makes sense. It's very worthwhile. It's been of real value.

Q: I've kind of come to the conclusion of what I wanted to talk about today but we can move on to some of the issues that we kind of scheduled for next time. We can change that around.

But looking back on your career, both at Carnegie and within the larger New York arena, what do you see as the future of philanthropy?

Kaplan: I think it's a future that is going to survive but the problems are simply enormous. Not just for philanthropy but if you look at our government, our states, just the impact of the recession, I think, we don't talk about that.

Before we get to that, perhaps I should mention that we have a program, which Vartan had created, where we give a Carnegie medal. Every other year, we give a medal, the Carnegie Medal of Philanthropy, and we have given it to extremely wealthy people who have been very philanthropic throughout the world. So we've had people from India. We've had people from China. It's been a very interesting experience. But most of those we have honored are from this

country, and we recently had such an opportunity and we heard some wonderful things about what these people are doing.

They are the one percent that Vartan talked about it in 1997 in his first annual report. We all heard about it relatively recently, and maybe it took kids camping out in Zuccotti Park to realize it. But it's been a very revealing kind of thing and I think that it's very valuable to believe that there will be philanthropy. But I think that there are so many ifs, ands, and buts about it that it's going to require a lot of work.

One of the problems always is: if you talk a lot about wealth, there are a lot of people who don't have it and who are really desperate. It requires a role for government and I don't think this country seems to be moving in that direction and I think that's a real concern. So the question becomes: well, where does the money come from? And you increasingly count on these wealthy individuals but they're not creating large foundations.

You've heard [Warren E.] Buffett and others talk about paying their share of taxes. Well, you know, he's someone who paid very little taxes. So these are complicated projects and programs that we do that might not be to the taste of those who are doing major gifts for cancer or whatever it may be and have set up foundations. I think the ones that are around will continue to be around and I'm sure there will be others that will be part of it. But I think there's an awful lot that's evolving right now in our country—just watching what's been going on in terms of the future election next year—that is quite alarming and we can't ignore it.

Q: In what sense alarming?

Kaplan: Alarming that you have a group of people appearing as Republicans who most Republicans might not be happy with. Maybe I shouldn't say that but I really think it's an environment which is very powerful in terms of the role of religion. We really haven't tackled that subject at all, although Vartan had talked about that in some of his earlier activities. He felt that it was very important in terms of talking about poor people to talk about the role of religion––and we haven't gotten to that. Anyway, I do think that there is a role for philanthropy but I'm worried about it.

Q: Just looking at the field now, there are some things that seem problematic, or seem to be emerging. One, of course, is much more governmental regulation.

Kaplan: Yes, and that's not going to stop. And probably it will increase.

Q: In terms of?

Kaplan: Perhaps taxation. We function in a non-taxed environment. I don't know whether that will continue—that's really the kind of issue that I think is problematic. We just don't know.

Q: Then others, the rapid increase in the numbers of foundations but many of them personal foundations, not general interest foundations.

Kaplan: Yes, and I think that can be quite negative because it permits people to have a lot of money on a tax-free basis and do things with it that may be perfectly fine for the immediate family but may not be desirable in terms of social impact. We can't forget about people who are poor.

Q: In some ways, they don't have the same responsibility. I sense that. I don't know how to articulate that.

Kaplan: I think that's true. Well, I've represented lots of people who have private foundations and you're right. How do you deal with that?

Q: Yes. Well, I don't know how to articulate the ins and outs of that.

Kaplan: Well, I'm not suggesting that people are stealing or do anything illegal but what I am suggesting is it's very self-centered. Someone in the family has a health issue so it becomes a very significant issue that money is going to that kind of charity. It becomes charity rather than—I'm trying to think of the right word. It's charity but it's not thinking about solving problems that are real. So I think that's not insignificant.

Q: I sense that but I can't articulate it. I'm waiting for someone else to articulate that.

Kaplan: Well, we'll hope that someone does come forward and come up with some ideas because I think we need it.

And then you have people who take a foundation that has billions and say, during my lifetime I want to get rid of all of this. That's what's happening right now with some of them—some of the very big ones.

Q: Another trend, of course, is the growth of conservative foundations.

Kaplan: Tremendous, and that's a very big element. And it's fascinating because I don't think it's the same. It's different than a leftist group who seems to have more visibility—it doesn't care, it just says what it thinks. But these conservative foundations have been increasing and are very significant now in our country and I think this is not the end of it. We're going to see a lot more created and it has tremendous implications in terms of Supreme Court rulings and other things that may evolve. It's uncharted territory, I guess.

Q: Well, one of their claims is that over the years foundations such as Carnegie, Ford, Rockefeller, et cetera, have funded "the left."

Kaplan: That's right.

Q: Do you find any validity to that thought?

Kaplan: I don't but maybe I'm prejudiced. But I do find that is something that is always said and I don't feel that they've really made the case. But they have taken that position—like the earth is flat instead of round.

[Laughter]

Q: Well, the whole dialogue has shifted so far right that what seemed to be mainstream twenty years ago is now quite radical or seems quite radical.

Kaplan: Yes, it does seem that way.

Q: Another trend is that philanthropy is called upon to do what government had heretofore done.

Kaplan: Yes. Well, that's been another thing that Vartan has written a lot about and that is the idea that there's been an emphasis, increasingly, on the public side as being not as good as the private side. And then of course that's led to public and private activities, which have been rather useful, I guess. I really haven't looked at it carefully enough to give an opinion on it. The implication is that poor people don't need to have excellence and I don't agree with that.

And I know Vartan has written about this: that in fact poor people are as entitled to excellence as rich people. And intellectually, for instance, with schools, there's been a great emphasis on getting rid of public schools.

Q: I sense that he's about to retire. Do you think he's near retirement?

Kaplan: No. Exclamation point. No, he's not even around today. He's in, I think, Washington [D.C.], and he's just constantly thinking, doing. I see no difficulty with that.

Q: To wrap up this session, is there anything you want to say, generally? I want to ask: you've become a real fan of Vartan Gregorian.

Kaplan: That's certainly true.

Q: Tell me about that. What is it to be a fan of Vartan Gregorian?

Kaplan: Well, it's fun to debate with him about things. We don't always agree but I admire what he stands for. He came as an immigrant person to this country and went to the best schools, did extraordinarily well without any money and really has had a remarkable career and life. And it's a kind of: really poor boy makes good. But I do think he's a remarkably wonderful person and has very good instincts and really cares about other human beings, not just himself. And you could get the impression that he does care only about himself—it's just not true, as I mentioned earlier. I'm very high on him.

But I'm also very high on David Hamburg. He did a wonderful job for this place and he got us thinking about issues that were very important and that are still going on to this very day. With people like Sam Nunn, who continue to run their organization [Nuclear Threat Initiative], which

is a foundation, and deal with issues involving the whole question of nuclear waste and what's going on in Russia right now.

Q: Do you socialize with Dr. Gregorian?

Kaplan: Very rarely. We're fond of each other. Occasionally, the four of us will go out and have dinner or go to a movie. Vartan and Clare are big moviegoers and Mark and I are not. But we do go out together occasionally and we always have a very nice time. We just don't do it that often. So it's a friendly relationship. And Mark and Clare have had lunch together. And I've had lunch with Vartan.

Q: So it's also been very pleasant.

Kaplan: Pardon?

Q: Been a very pleasant relationship?

Kaplan: Yes, very much so.

[END OF SESSION]

3PM Session #2

Interviewee: Helene L. Kaplan Location: New York, NY

Interviewer: Ronald J. Grele Date: April 3, 2012

Q: This is an interview with Helene Kaplan with the Carnegie Corporation Oral History Project. Today's date is April 3, 2012. The interview is being conducted in New York City. The interviewer is Ronald J. Grele. This is an interview for the Columbia Center for Oral History. Now, if you'll just say a few words and introduce yourself. You are?

Kaplan: I'm Helene Kaplan and I'm honored to be a part of this wonderful examination of the history of Carnegie during Dr. Gregorian's time.

Q: I wonder if we can go back a little. I looked at the earlier interview that you did with Sharon Zane and she asked you about when you left the board and then returned to the board. But it was a very truncated discussion and it really is a unique experience in the history of philanthropy, and I was wondering if we could talk about it a little. I gather that you left the board when your term expired?

Kaplan: Right, that's correct.

Q: Why did you come back?

Kaplan: I was invited by David Hamburg to rejoin the board, and it has been one of the most interesting organizations I've ever had the privilege to work with, or work on. I wanted very much to continue that and was very surprised that I would be asked—much less eventually asked to be the chairman again—which had really never happened in the past history of Carnegie. And for all I know, it may be true of all philanthropic organizations.

Q: Did he tell you why he had asked you back?

Kaplan: No.

Q: Never explained? Just—

Kaplan: He never explained. I'm very glad that you raise this because I never gave it much thought. I kept in touch with David because he would call me and I thought very highly of him. I had really been responsible for his coming on as president—not coming on because he was already a member of the board—and it was in his role as a board member that he was eventually asked to be the candidate for the office. And that had nothing really to do with my coming back but I was very happy to do so.

Q: Did you notice any changes in the board between the earlier period and the second period around?

Kaplan: Let me just say that it changed dramatically. I don't recall who was on the board at that point but I do remember having the feeling that it was quite different than it had been. And perhaps many of the people who remained on when Vartan came aboard were then on the board at that point.

And some of the people were people like [Joshua] Josh Lederberg—he was not on. He had passed away by then. Newton [N.] Minow became chairman of the board before I was again chairman, so he was there. I really can't think of who had come on the board at that point.

Q: One of those lists is in the ’80s and another is in the ’90s.

Kaplan: Teresa Heinz—I remember her coming on the board as a result of Vartan being the president of the organization. That's the only one I recall, but I really don't understand why I was asked. I don't know, I could make a lot of suppositions but I don't think it would really be the actual explanation.

Q: Have you ever sat back and compared your two chairmanships?

Kaplan: I didn't do it until I was asked to get involved with the transition for Andrew Carnegie's organization when Vartan became the head. And it was definitely a different experience. If you'd like me to talk about it, I'd be glad to if you think it makes sense.

Q: Please.

Kaplan: One of the major differences was that it was clear that Vartan wanted to establish himself as the next important person to be the head of Carnegie, and he did it because that's the way he is. He was very aware of the fact that he was an immigrant and had really triumphed over his immigrant status, graduating with honors from the university.

He was very determined and in his first memo to the board he mentioned the fact that he had been an immigrant and he felt that being an immigrant had made him an outsider as well as an inside person. That he looked at the world both ways and could be critical of the organization and of the world around him in a way that many typical Americans might not be.

He also was determined to do certain things that David had not really spent any time on—to my knowledge—matters such as seeking other foundations to be partners. For instance, going to Africa in a more determined fashion. David had pretty much stayed with South Africa and had not gone into some of the other places like Nigeria. So that was not insignificant, I thought.

He also was very interested in promoting women's education in South Africa itself, which had never really been at the top of the list. Actually, I would say that David's involvement with Africa was really based on the fact that Alan Pifer had really been deeply engaged with South Africa and loved it and cared deeply about it. I had never been to South Africa until I went with David and a small group. We went to South Africa and spent the time really visiting—in the era of apartheid—it was unbelievably tragic. And I did a tape of my experience in South Africa because I had people crying in the room when I did my talk.

Q: Where is that tape?

Kaplan: I don't know.

Q: Do you think it'd be in the Carnegie archives?

Kaplan: It should be in the archives of Carnegie, I would expect, because I did it at a board meeting and I was asked to do it. And it was a very nice, good presentation on my part and went into the details of how miserable that country was in that era.

Q: Well, maybe we could locate that.

Kaplan: It would be great.

Q: Interesting.

Kaplan: Yes, it would be very interesting.

Q: For a minute, when you were talking about Vartan being an outsider, that's a contrast to David Hamburg, who was in many ways a real insider.

Kaplan: He was the ultimate insider.

Q: Wasn't he?

Kaplan: That's a very important point to make. He was at the top of his game in every place that he went. And indeed, his daughter, Margaret [A.] Hamburg, is now head of the FDA [Food and Drug Administration]. And he was very much involved politically as well as spiritually, and it was really interesting.

Q: Yes, that is interesting.

Kaplan: I was very aware of it and had you not mentioned it, I don't think I would have remembered to mention that.

Q: That then showed up in the programming in a way, didn't it?

Kaplan: I think it did—absolutely. He had had several major experiences before he came to Carnegie, which had determined how he would want to do it. And when he joined he was on the search committee for one session and then I received a note from someone who was not a board member. We had sent out letters to a whole group of people, as we always do, to ask if anyone would like to submit a candidate's name. And David Hamburg was at the top of the list.

When I told him that, I said, you'll have to get off of the board and also off of that committee. He was perfectly happy to do it, but he said, I don't think they'd want me. I asked why? And he said

he had a very different agenda that he would want to pursue. And that had to do with matters concerning nuclear weapons, about the relationship with Russia. And he had been doing that in the other institutions. He did it at Harvard [University], he did it at Stanford where he had attracted some of the best and the brightest people to be engaged.

At the planning for the next meeting of the Search Committee, I asked him to excuse himself. I then had the opportunity to ask the board members if they would want to have subjects such as nuclear weapons on the agenda in addition to other things that were important. All the members were comfortable about the change in direction of the agenda. Everyone said that would be the right thing to do.

Q: When you conducted that search, I'm interested in how one does that. You obviously sent out letters to a selected—

Kaplan: Yes.

Q: What were the criteria for selection?

Kaplan: The board was a very knowledgeable group of people and everybody must have had a very good list of candidates—not candidates but people to recommend to serve as candidates—because of their connections. When that was done, it was evident that it was possible to really get a sense of what was going on and what would drive people to name people. And there were some wonderful potential candidates. For David, we really had very good group. So it was close but it

went without any difficulty. It was evident that he was the right person at that time and there was great enthusiasm about bringing him on.

Q: I understand you did some consulting with the staff.

Kaplan: Yes.

Kaplan: I felt there was a lot of tension over Alan Pifer's retirement—tension because he wanted to have certain programs that he could continue by himself. But more important, it was very difficult for him to leave. And David was really the first outsider, if one wants to really say it, and so he was very concerned about how this would all evolve. And it's hard for me to explain. Could we stop for a moment?

[Interruption]

Q: The question was: did you consult with the staff?

Kaplan: That's right. In terms of the staff, because of what I felt was a tension in the organization, it was very clear that the staff had some views about this. And Alan Pifer had a view that there was someone on his staff who could well succeed him. That proved not to be the case although we thought very highly of this person—

Q: Was that Barbara [D.] Finberg?

Kaplan: No, it wasn't Barbara Finberg. It was [David] Dave [Z.] Robinson—a wonderful man, very able—but much more, in a sense, theoretical than the kind of attributes that we really needed for the job. So I felt it was important to find out how the staff felt about it. And most of them had no one to recommend, which was interesting to me. And certainly did not recommend David Robinson, but it was clear that that was significant decision-making.

So it encouraged me to meet with every person on the staff and to get to know them quite well, and I was impressed with them. They were good people basically. So many of them remained on but of course when David came in and brought in the subject of nuclear war and similar subjects, he had to bring in other experts, which he did. That worked out very well.

But certain people eventually left. There were some people who had been there for many years, and it was not untimely for them to go. I think it was unhappy but not untimely. The one thing about foundations is that they may not pay at the highest level but they have wonderful benefits and that's a very meaningful thing to families.

Q: Can you compare that experience when you served as chair of that committee to the transition from Hamburg to Gregorian? How was that handled?

Kaplan: I was no longer chair at the time because I had gone on the board the second time with David. During that period, I continued to serve on the board. But by the time we formed a search

committee to choose David's successor, I had been succeeded—I think, by [Thomas] Tom [H.] Kean.

Q: Yes.

Kaplan: I may be wrong, but that's my recollection. That connection was severed. But on the other hand, I was still a trustee, and I was asked to serve on the committee. And certainly Tom was on that committee.

Q: Did he ask you? Tom?

Kaplan: Yes, yes. So that was the way it went.

Q: Backing up a little, when David Hamburg announced his retirement, had he consulted with the trustees before the emails?

Kaplan: Pretty much so.

Q: So it wasn't a surprise?

Kaplan: No, it was not a surprise. He had served for many years. Everyone really respected him. He was going out on a high rather—so that was the way it went. And certainly, Barbara Finberg was thought of, at that point, as a potential candidate, but it was not going to happen. She was a

very dear friend of mine but it was evident that she had been there for many years, which was a reason, I guess, to consider her. But it was clear that the rest of the committee was not thinking it was the right time at this point and I agreed. I was one of the members on the committee, as you know.

Q: How did James Johnson handle that?

Kaplan: How did Jim Johnson?

Q: How did he handle the committee?

Kaplan: Well, it was a very different style than mine. The first thing was that he got an outside firm to be the people who would be engaged in the search. And he had private meetings with them and discussed things and so on. So it was a rather closed-door experience and he clearly had in mind people who he preferred to anyone. I don't mean preferred to Vartan, but people such as—the two people who I know that he was involved in wanting to encourage were people who were coming out of the [President William J.] Clinton administration at that point. One was Bob Rubin, and the other was Donna Shalala, who was then, and still is, the president of the University of Miami.

But that didn't happen, as you can tell. I had several conversations with [Richard] Dick [I.] Beattie, whom I think very highly of and who was a member of the committee. And I may have

mentioned it to Tom Kean, and he of course was sympathetic too. He recognized it was an issue here—it all evolved and it worked out.

Q: Did Johnson bring those candidates?

Kaplan: No.

Q: —those names before the committee.

Kaplan: Yes, he brought the names before the committee but in a very indirect way. And it was clear that he would have liked that but it was also clear that it wasn't going to happen. Donna Shalala had not been on the board, but Bob Rubin had been. And I think we really made the right choice.

Q: You talked earlier—you said that Dr. Gregorian met with you—

Kaplan: Yes, we met.

Q: —and presented what his ideas were. Did Bob Rubin meet with you? Did Donna Shalala meet with you?

Kaplan: No. Neither one was invited. I don't know whether that was because they weren't interested or because they weren't asked. I have no idea. Jim Johnson definitely wanted to get someone from the administration. I don't know what that was all about but that was what he did.

Q: What was your general attitude towards that—bringing someone from the administration in?

Kaplan: I think none of us were troubled with that as much as—who was that person? That's how I would answer it. So it evolved. We saw a lot of people. The names I can't recall but we chose Vartan.

Q: This is a little off the topic but you mentioned women in Carnegie—Gregorian's interest in women. But there's another aspect of that that's come up in a couple of our other interviews, the overwhelming number of women on the staff.

Kaplan: Yes.

Q: I've interviewed a man who told me it was very difficult to find a men's room. Always, Carnegie has had a nucleus of women on the staff.

Kaplan: It's very interesting. I don't know whether that was true in Alan Pifer's era but I know that he cared passionately about getting women on the board. And I think that's why I ended up on the board because he really wanted to get some women on the board who he thought could be helpful with the program. But you're right, to this day, I think it still is.

Q: Did you ever think about what that meant at all?

Kaplan: I was so delighted, I really didn't think of it. But you're raising an interesting point. David clearly liked having women on the staff and certainly Vartan liked it very much. He feels very comfortable with women intellectually as well as in terms of what they can bring to the organization. And right now we have a wonderful woman who really has helped the structure and keeping the place running on time—the trains running on time—and that's Ellen [J.] Bloom. I don't know if you've interviewed her.

Q: We will be interviewing her.

Kaplan: She is extremely bright, very thoughtful and had a fascinating career, I believe, at American Express. And she left that career to come to Carnegie and I think that was one of the luckiest things that could happen.

Q: Well, it always struck me, especially for that time—

Kaplan: Yes, well Alan—

Q: —as very different from other foundations.

Kaplan: I'm trying to think of what other—you're right because, going back, there were so many women on the staff, even in Alan's era. They just weren't on the board. And that's when he decided to change it. He had a very strong feeling about the need to change the way it had been driven in the olden days.

Q: In your discussions with Dr. Gregorian, have you ever told him the story of the search?

Kaplan: I know that when the book came out about—

Q: The Gretchen Morgenson book [*Reckless Endangerment*, co-authored by Joshua Rosner]?

Kaplan: Yes. I confirmed that that was in fact true. I did tell Vartan. But he is such a savvy person. He knew that this was going to be an issue. Very interesting. So he wasn't really surprised about it.

Q: Right. Now, you've sat on any number of boards.

Kaplan: Yes.

Q: How would you compare the processes of Carnegie to some of those other boards? First of all, the category would be corporate boards that you've sat on and then non-corporate like Barnard [College] and [American] Museum of Natural History, et cetera. How would you compare and contrast with Carnegie?

Kaplan: Or maybe with all philanthropy, how it works.

Q: Right. Yes, start there.

Kaplan: My reaction is that on the for-profit boards there is no such thing as a search committee of directors who are going to put in place a person. You rely tremendously—and that's the way it always has been—on the man or the woman who is the current president of the organization. And then of course you have a chairman, who would be a director, and he might make suggestions. But most of these organizations always asked the question: if a truck came along and you were hit by it, who would succeed you? And that was the way every board that was commercial—and I was on the five largest companies in the world.

It was clear that that was the way it was done because there was a buildup of knowledge about how you ran it and how you had to be observant and about how you interviewed. I mean, they were trained. They came up through the ranks basically. I really can't think of any board that I was on where there wasn't someone who hadn't planned to have a successor.

The only exception, now that I'm thinking about it, was the May Department Stores, where I was on the board for many years. And when the head of that company wanted to retire, he really didn't have a successor. He was a brilliant retailer, brilliant, knowledgeable about how you run a major department store. He just didn't really have a clue about what he needed to get and there was really no one there who could succeed him. It was a series of unfortunate choices, which led

ultimately to the absorption of May by another entity. They took them over and that was the end of the May Company, which was tragic because he had been a very outstanding leader himself, but he obviously needed to have a broad area in which to operate without any sense of being threatened or in any way troubled. So I thought that would be one, I would say.

On the other boards, there have always been people who could succeed and that's the way it ran and worked. To this very day I know it's running the same way.

Q: Was there a difference in the trustees in the sense that on a business corporation board, they would mostly be from the business world? Compared to philanthropy where it was a much broader purview?

Kaplan: Yes, I think that's true, although David really had some people who were not at all from the academic community. He had them come in doing expert work on things like nuclear activities and so on. But if you look at the list, there was [Mary Patterson] Pat McPherson, who was on the board. And Fred [M.] Hechinger, but you have Bruce [B.] Dayton and Newton Minow, who's a lawyer; [Laurence] Larry [A.] Tisch; Sheila [E.] Widnall, who was an active person at MIT [Massachusetts Institute of Technology]. She was a very significant figure. I better leave it at that.

Q: I've worked on the oral history at the Ford Foundation. I've worked on a number of—

Kaplan: Yes, I know.

Q: —oral histories of foundations. And my sense is that although there are businessmen on the boards in the ’70s and ’80s, the really close involvement of trustees in the day-to-day financial work of the foundation is relatively recent, in terms of an investment committee watching investments closely. That the whole investment world of foundations has changed dramatically from a more passive one in the ’70s and early ’80s to a more active kind.

Kaplan: Absolutely.

Q: Does that square with your experiences?

Kaplan: Absolutely. Yes, but I wouldn't say that it's a result of not-for-profits versus for-profits. What happened at Carnegie is a perfect example of it. For years, there was always an investment committee and it was usually headed by a successful banker or investment person. But the fact was that what you had was people who were from a bank and they would come in and they would run it. And then you would have—maybe three times a year you'd have a meeting. And the portfolio would be heavily in bonds as well as in stocks. Then came what evolved because you had people like John [C.] Whitehead serving as chairman and so on. Gradually David, what his name, [Richard B.] Fisher? I can't remember. Fisher—from one of the very big investment companies. So they were on the Carnegie board, and they were outstanding—very, very able. And you could see that everything was moving. But we did make a major change and that was it was an outsider group that was running the portfolio. What happened as a result of Vartan becoming president—I think I mentioned to you that he brought in McKinsey [& Company]?

Q: McKinsey.

Kaplan: McKinsey. Their major recommendation was to hire our own investment person because by the time Vartan was about to arrive the portfolio was run by someone who really was not capable of running a major foundation's portfolio. And it proved to be the best thing we could have done. And so we now have that, which is run from within the entity where you have a whole department, which is people who are involved in very knowledgeable and very sophisticated kinds of money-making.

Q: Yes, I've noticed that portfolio has changed. It now encompasses real estate and hedge funds and private equity and foreign bonds.

Kaplan: That's exactly right.

Q: Mixed portfolio.

Kaplan: Yes, and a lot of undeveloped countries—which is no longer the way we describe them—but countries like Japan, China, India, places in which I would never want to have stock or anything because they're there and they're doing very well, but at some point, you see what happens.

Q: That would be one difference between the two—the management of portfolio.

Kaplan: Dramatic. It was a dramatic change. And we retained one person who was really wonderful. He's a good man. He's still there. [Robert] Bob [J.] Seman is his name. He's very laid back. He runs the arithmetic side of the house. A very good person.

Q: Now, does that resonate with your experiences with Barnard and with the Museum of Natural History?

Kaplan: Yes, they all moved the same way. So has the American Museum of Natural History. The Institute for Advanced Study was the same way. They're all that way now. It's just been a dramatic shift. Because otherwise, you can't play in the game. And it's really fascinating to see.

Q: Which boards are most interesting for you?

Kaplan: Well, I'm emerita on the Institute for Advanced Study. And I'm chair emerita and trustee emerita of Barnard College. The most interesting is Andrew Carnegie.

Q: Really?

Kaplan: Yes, really it is. And it's really because of the quality of the members of the board. I'm sure you've looked at it—it's a great many people who are running major academic institutions, and they're able and very appealing. And they know what they're doing. They feel very comfortable saying what they think—which is important. It's a very interesting group of people.

Q: Barnard wasn't as mixed?

Kaplan: Oh, Barnard is extremely interesting but the problems there are so enormous. I chaired the committee that chose Debora [L.] Spar and it was the best thing I could have done. I had a co-chair as well—she was outstanding. And she's doing a wonderful job—it's outstanding. Now the question is, Barnard is about to launch a capital campaign and will it be able to raise sufficient funds? But I have a lot of confidence in President Spar.

Q: Someday we'll have to sit you down and talk about Barnard when we get a chance to mount a real oral history program at Columbia. It'd be wonderful to talk about the relationship.

Kaplan: Right. Do they have an oral history—

Q: Just bits and pieces.

Kaplan: Yes, that's what I thought—and really because of Mary [Marshall Clark].

Q: Yes.

Kaplan: She's done amazing—

Q: Well, she's tried from various angles.

Kaplan: Oh, amazing. And she has interviewed, and they have liked it, many very wealthy people who have given millions to Columbia as I think, in large part, because of the attention that they receive from being a person who participated in Columbia's oral history. It was really viewed as an honor by many of them.

Q: We did a small project on women graduates of the [Columbia] Law School, which was just fascinating.

Kaplan: Oh, that should be very interesting.

Q: I did those interviews. They were just fascinating.

Kaplan: Oh, that could be marvelous to hear.

Q: Yes, just wonderful.

Kaplan: That must be amazing.

Q: We can talk about that sometime. Right now, it's a little bit off the topic. But how do ideas come to the board?

Kaplan: Basically, well, I think it depends on who is the leader. And I think that for Carnegie in David's era, it came from David primarily. In Vartan's era it has come from Vartan but there has been a great deal of discussion, interaction with the board, bringing up a topic and so on. And it's been very effective. It has worked out well. So there has been a lot of involvement, participation, but it's pretty much driven by the person in charge.

Q: Certainly. I wonder if you have any particular program that you'd slot into that kind of procedure.

Kaplan: Well, one of the ones—and I'm glad you asked the question—was what Vartan has done with all of the Carnegie institutions. I don't know if you're involved with that or aware of it but those institutions, we didn't really know how many there were. We knew that there were many institutions that had been set up by Andrew Carnegie. I remember being out in Prescott, Arizona, and the lawyer there said he always went to the Carnegie Library out there. It gives you an idea of how the libraries, and organs for music, were very, very significant in the programming in the early days. We still do a lot with libraries. We've just given five million dollars to the New York Public Library, desperately needed.

But the fact is that what happened with the various Carnegie institutions was they really were not even known about. Though for the celebration of certain dates like when Andrew Carnegie would have been 100 years old, David took the whole board, or whoever wanted to go, plus many other organizations in the Carnegie family, to Dunfermline, where Andrew Carnegie was born. And we had a very big meeting there.

Basically, there was no evidence of a lot of money given to these various entities. During the time now when we are in the middle of a centennial, which started last year—I've never heard of a three-year centennial, but we have one—we have given significant amounts of money to the various Carnegie institutions. And Vartan created something called the Carnegie Medal of Philanthropy. It's a big event that's held every year in which we honor people from throughout the world who are philanthropists. That has been a very significant event. And to that event, we have always had a session involving all of the Carnegie institutions. We've given a great deal of money to many of the organizations treating them as centennial gifts. And that's been a wonderful thing. Many of them had an organization without any funds and therefore couldn't do anything. And they are now very actively involved.

Q: And that emerged through a conversation between the board and—

Kaplan: Yes, and Vartan.

Q: Vartan, yes.

Kaplan: And it's worked out very, very well. It would come out that way because all grants that are significant in size have got to go through the board. We have four meetings a year, and it works out well.

Q: I'm intrigued by the various roles that a board takes upon itself. One would obviously be to generate programs or to work with the president or the staff in programming—which we've talked about a bit here and there. But another is to represent the organization in the community. Do you feel that you do that when you go out into the community and people ask you what's new at Carnegie?

Kaplan: I think, for me, that is what happens because people know that I've been so deeply involved with it for so many years. And now I'm an honorary trustee, which has really been a wonderful honor for me. Newton Minow is one as well. Tom Kean is taking a year off but he's going to come back as chair. But there's no question that I get asked a lot of questions about what's happening at Carnegie. It's a very good thing to have happen, just as being a lawyer at Skadden [Arps, Slate, Meagher & Flom LLP & Affiliates] would permit me to talk about Skadden if asked. I don't volunteer because that's my personality, but if asked I try to sell the firm. It's been very rewarding so I'm very fortunate.

Q: Another role is more or less protective. Now, this came up in another interview where someone was telling me about David Hamburg and [Mikhail S.] Gorbachev and stepping out and inviting Gorbachev. And conferring with the board that it was, not dangerous, but it was a—

Kaplan: It was a dramatic step.

Q: Had it failed it would then be the duty of the board, in a sense, to protect it.

Kaplan: To deal with that, yes, absolutely. But you can be sure that David would have been very involved in making sure that his name, as Carnegie's, his position, et cetera, were not injured.

Q: Do you recall any incident where you've had to go out and, say, present to some group or some group of people an explanation of what's gone on?

Kaplan: That can happen.

[Interruption]

Q: The question I was asking was: were you ever called upon to explain? There have been criticisms—"Oh, Carnegie and migration" or a particular program. Have you ever been called upon to explain that to an audience or a group?

Kaplan: Yes, it's a typical kind of question if people know that you're involved with Carnegie. I don't go and say, look, I'm a big wheel at Carnegie—which I'm no longer anyway—but I never had to explain. But I have been asked many, many questions about the program and why are we doing this. Why are we spending so much money on education or on democracy or on the things that are terribly critical in our society? So I have been asked those kinds of questions.

We are not thought of as a conservative organization. We're not thought of as in the middle any longer. A little bit to the left is what I would say. I don't know how you think it appears but I've never felt that we've done something that was very wrong or even wrong in terms of our

publicity. Another thing that Vartan did was hiring Susan King. I hope that you are going to meet her, or maybe you met her already, and she is still fabulous in my mind and created a marvelous program on dissemination of what we're doing so that we have a huge list of entities and people who are well aware of our activities. We don't hide it at all. In fact, it's very important not to hide it. Transparency is crucial, and it will be even more so, I think, in the years to come because of the enormous growth of philanthropy and philanthropic organizations.

Q: Over the years, have you seen an increase in the criticisms? I'm thinking now of the—

Kaplan: Yes.

Q: —increasing criticism from the right about large philanthropies. And that has changed from the '70s, ’80s and ’90s through—have you seen that?

Kaplan: Yes, I definitely think that's the case. Most of it is confined to other conservative organizations talking about us but I don't have a sense that we have been, in any way, singled out. It's sort of—these are the liberal foundations and these are the others. This was never an issue before but our whole society has become so polarized that I think it's going to get much worse.

Q: Maybe even some of your partners here at Skadden?

Kaplan: Oh, definitely.

Q: Really?

Kaplan: Oh, yes, it's really interesting.

Q: What did they say to you—or just in passing?

Kaplan: Well, I can tell you because we don't have that many Jewish partners but there are some who care passionately, and in my view irrationally, about Israel. They're in a very great minority but they don't hesitate to ask questions about, well, what are you doing about this and that kind of thing. And I just say, well, we're very involved with Islam, which is true. That's another thing that Vartan—I don't know if you've seen his book—it's wonderful. Really, it explains Islam in the most amazing fashion and it's truly outstanding. So it's very good.

Q: And that's been the subject of some discussion?

Kaplan: Oh, many times, yes. We've had a whole program on scholars who are in Islamic Studies. They may not be Islamists, but we have an active program on that. And that is run by Hillary Weisner.
She's a charming, wonderful young woman.

Q: But you say some of your Jewish partners have just criticized philanthropy in general or Carnegie in specific?

Kaplan: They don't criticize Carnegie. It's just that they are so conservative that I don't want to have a conversation. It's unpleasant so I just ignore them. But that's just the way things are.

Q: Would you talk just for a moment about the board procedures? The terms were changed, the age limits, et cetera. Why?

Kaplan: We don't have age limits.

Q: At one time there was.

Kaplan: Oh, was there? I did not know that. That's very interesting.

Q: There is no age limit now.

Kaplan: No, hasn't been. I don't think there was during David's era either. Maybe it was in Alan's time but I don't have any sense about it. You served whatever number of years—five years and five years or whatever and then you went on.

Q: For the trustees who are not asked to serve a second term, how is that done? As gently as possible?

Kaplan: Well, it's interesting. It just happens. They're very discreet about it and it's not an issue. They come on believing that they will be on for two terms and that's it. So it would be very unusual to stay on longer, yes. But it's not been an issue that I'm aware of—but maybe for a good reason. [Laughs]

Q: Well, would it be an issue with people who were only asked to serve one term?

Kaplan: Yes. I can't think of anyone. Well, I shouldn't say that. There was one person who would come to meetings terribly late, leave early and never say anything. And that person, it was suggested that he/she not continue. That was very sensible. But it doesn't happen very often because people who attend want to be engaged and really enjoy it. And they travel in from California or wherever it may be—Boston, Washington. We have a wide range.

Q: Would there still be gradations? That there are some people who are passionately involved? Some people who are interested but not passionate? Gradations of feeling?

Kaplan: I definitely think so. No question about it. Some speak up at meetings, others do not. Some read the material, others do not. It's a function of who you are and how you live your life, really.

Q: Boards are run by consensus. They're in many ways difficult to penetrate because there's such an aura of consensus about them that it's difficult. The inner workings are sometimes mysterious.

Kaplan: I don't feel there's an inner group working on the board. I think that there are always people who are not happy with something. But basically it may be an issue—in fact I'm sure it is—in terms of succession and that sort of thing. But it's never brought out in the public setting of the board meeting. In all of my years of service there has never been a meeting the way it might be in a for-profit organization or corporation, where someone would ask for an executive session. I don't ever remember anyone asking for an executive session because if it had been, I would have been aware of it, but there's never been that.

But it does happen often in a corporation. That's another major difference, where just someone who really is very much involved with the company will speak up and say, I'd like to have an executive session to discuss this—particularly on the issue of succession. That's when you really see it.

Q: That would mean off the record?

Kaplan: Yes, that's right.

Q: In looking over those lists, it's struck me that it seems around 2002, 2003, there was a shift in the board. A number of terms came to a closing, and then in 2003, there seemed to be many more appointments than usual.

Kaplan: Let me take a look. Yes, I see what you're saying.

Q: I don't know if there's any meaning to that at all.

Kaplan: It's a very interesting observation.

Q: It's just by numbers—from the outside by numbers. The numbers of appointees per year seemed to increase in 2003.

Kaplan: That is true.

Q: From the inside, could you sense any change?

Kaplan: Interestingly, no.

Q: Isn't that interesting.

Kaplan: But what happened in that year, you had some very high-up people becoming members of the board—three who were running major academic institutions. I was not on the nominating committee. I don't know what discussion took place but it might be a very interesting question to ask somebody who was because it's very evident. It's really interesting.

Coming back to Vartan and his saying that he's an insider and an outsider, the fact of the matter is that by the time he came to Carnegie he was one of the most insider people you can possibly imagine. There is no one who he doesn't know or who doesn't know him. When he came to New

York was when everything in his life must have changed. I don't know that for a fact but he made himself known throughout the country—certainly throughout New York City—and raised huge amounts of money for the New York Public Library. So I just don't want to overlook that.

Q: Right. In many ways, he was much more of an insider to New York than David Hamburg.

Kaplan: Absolutely, because David was born in Indiana.

Q: He was a national insider.

Kaplan: Exactly. That it is very significant, yes. David didn't really seem interested in doing that, but he always was looking at the national scene. Very friendly, very close to Jimmy Carter, that sort of thing.

Q: Yes. Did Dr. Gregorian ever talk to you about the deal with Mayor Bloomberg on the charities?

Kaplan: Oh, of course. Yes.

Q: What's the story there?

Kaplan: Well, it was obvious that Mayor Bloomberg wanted to. I don't know but I imagine he approached Vartan and said, could he come up with some solution so he could really feel that it

was in good hands to be able to give what we might call “Thanksgiving turkeys” to various enterprises. And that's basically what happened. And that's the way it was set up. But the program didn't remain private for very long because after about the second or third year of the program people knew that it was coming—you can't keep things secret in New York City. So that was it.

Q: Well, I've come to the end of my questions, but you have a list of things you wanted to talk about?

Kaplan: Not really. I just wanted—

Q: Anything you wanted.

Kaplan: No, I just wonder about the future of philanthropy because that was something you had mentioned to me and I thought maybe we should take a minute just to talk about it.

Q: Sure.

Kaplan: I'd just like to make a few comments about it. I think that what we'll find is that if you look at how the business sector has been put under so many rules at the present time you can't help but wonder what impact that will have on philanthropy in general. And of course, philanthropy has grown so huge and with many, many private foundations, which are really used

for private giving by individuals. And that's another problem. Foundations are really part of our country now. It's absolutely no question about it.

Q: It is a particularly American way, isn't it?

Kaplan: It is, exactly. And when you look around and you see dictatorships and repressive governments around the world, such as Russia. Their feelings about civic organizations are that they are corrupt so I think we're in for an interesting time. I don't know where the world is going. I think that foundations are being besieged by government and questioned about what they're doing.

You think about a place like the [Bill & Melinda] Gates Foundation, which has really become the major player in education. And the question is, is that a healthy thing for us as a country? I don't know the answer to that but it does make you wonder.

Q: Yes, there is a way in which government is now looking to foundations to do what the government used to do.

Kaplan: That's correct. There's been an increasing feeling that the concept of "private public initiatives"—it's hard to know what that really means. And it's scary, even among our own cultural institutions, where you have people who you know are very deeply involved in major foundations, that give money and are very conservative in their views. I haven't seen any that

have really affected the way the places are run, but it does make you wonder about all of these people who are serving on boards like that. And so it's an interesting problem.

I don't really have much more to say about that. I think that what's going to happen is we're going to end up with people wanting more transparency from foundations, which I don't think is a bad thing. I think it's important. I hate the word transparency because everybody uses it but I do think that is crucial and I don't know where that will play out. But what we don't want to do is end up with some legislation that would destroy the good things and that I think is a big issue.

Q: How do you respond to the charges of elitism?

Kaplan: I think we're seeing it right now in every aspect of our lives. This is something that isn't new. When Vartan came aboard he talked about the fact that ninety-nine percent of the country was poor, and that the one percent—that famous one percent—is where the money is. And I think that is probably true and it's just that with the rise of communications being what it is now, where everybody seems to know everybody's business, you wonder how this is going to play. I don't have an answer but I know it's a very major concern and it's worrisome. If you're not Twittering, you're tweeting or whatever it is.

Q: Right, but there's a way in which foundations by their very nature are elitists in one sense.

Kaplan: Yes, no question about it. Not because they're necessarily rich—they are rich—but rich in ideas as well as rich in money. The needs of this country are very great. Education should be

at the top of that list. And democracy. Those are the things that Carnegie said he lived by. You see what's happening with the attitude on immigration. Have you spoken to Geri Mannion?

Q: To Geri?

Kaplan: To Geri again? She's quite a gal, isn't she? Yes, but anyway, you get a sense of what she's trying to accomplish. And literally—I think I mentioned this—when she brought the group to meet the board—people that we were funding—afterward the board asked a lot of questions. And when they left she was still in the room, but we all said goodbye to these lovely, interesting, fascinating people. And when they left everybody stood up and clapped for what Geri had done. It was a really interesting session. So we need to have more of that, I think. That's about it.

Q: And I noticed in yesterday's *New York Times* the attorney general from Utah, Mark Shurtleff.

Kaplan: Yes.

Q: Who was one of the people who was featured in the *Times*.

Kaplan: Wasn't that interesting?

Q: Yes.

Kaplan: He is quite a guy and he was here. That's the point. That was so intriguing and I was so happy to see that. But they walked in, and I thought, oh my God, Utah. What's going to happen? It was wonderful. It really was. He's determined.

Q: That's an interesting place to wind up because one wonders, what is the impact of Carnegie? Well, here's the impact.

Kaplan: Yes.

Q: The attorney general of Utah—

Kaplan: That's correct.

Q: —who is taking the stand is one of the grantees.

Kaplan: Yes and every person who was with him—I think three or four additional men—they were totally focused on this as a major problem that had to be cured and had to be dealt with. I don't know quite what the cure is but it's very important.

Q: Terrific.

Kaplan: I've enjoyed this enormously. Thank you so much.

Q: Thank you.

[END OF INTERVIEW]