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Interviewee: Helene L. Kaplan

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Interviewer: Sharon Zane

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Q: Just tell me where and when you were born and just a little bit about your background to get us up to the subject matter at hand.

Kaplan: Okay. I was born in New York City on June 19, 1933. So you can figure out how old I am. And grew up in New York, moved to Florida with my family. I was an only child. And moved back to New York to go to Barnard College, from which I graduated, where I met my husband, who was at Columbia University, and I have lived in New York ever since.

Did you want me to talk a little bit about Carnegie?

Q: No. First tell me just a little bit more. So I know that -- I know that you went back to school.

Kaplan: Yes. I graduated from Barnard in 1953, and then I went off to be a mother and, was married. I married my husband in my senior year at college and had two daughters. Then when I was thirty, I went back to law school -- I shouldn't say back to law school -- but I went to law school, which was something I had always wanted to do. My children were seven and eight years of age, and so when they were ten and eleven, I graduated from law school. Went to NYU, which was my neighborhood law school -- we then lived in the

Village on Ninth Street and Fifth Avenue -- and became a lawyer. Had been very active in volunteer work during that time, when my children were growing up, and then went on to practice law, raise my family, and got involved in representing wealthy individuals and not-for-profit institutions professionally and was then asked to join several not-for-profit boards.

Q: The first one, or one of them being --

Kaplan: The first board that I joined was the New York Foundation, which was a small foundation. It's still around, run by a wonderful professional, Madeline [R.] Lee, Maddy Lee, very geared to making grants to community-based organizations. I enjoyed that very, very much and then went on to several other -- basically institutions that were interested in education, medicine, science, and art, culture, I guess.

Q: These being interests of yours personally?

Kaplan: Yes. So that's always been a continuing theme in my life, my non-professional life.

Q: And in terms of legal -- a specialty in law, did you --

Kaplan: Yes. I started out being a corporate lawyer, but then went on to represent, just because of the nature of how my practice shifted, wealthy individuals, or, as we say, people with substantial philanthropic interests, and foundations -- foundations, colleges, universities, museums, in other words, the not-for-profit third sector. And I've enjoyed that very, very much.

Q: Well, tell me how you came to be asked to be on the board at Carnegie.

Kaplan: Well, I guess Alan Pifer was the person who really heard about me. I don't know how he heard about me. But anyway, he invited me to come in and meet with him. He called and said that he was interested in meeting me, that he had heard about me and wanted to talk about issues of common interest. I didn't realize that I was going to be asked to join the board. And I guess I joined the board in 1979 -- that's my recollection -- and went in for a meeting, a very pleasant luncheon with Alan. We sat around, we talked about the things that interested him and interested me. There was really very much of a congruent view about education and the importance of education as a tool of upward mobility for people.

He was also very interested in South Africa. I really was not. That was not something that I had had much exposure to at all. But we enjoyed each other's company, and I guess I passed whatever test he had created for himself in terms of what he was seeking, and I was subsequently asked to meet the chairman of the board, and became a member of the board. I think Bud Taylor was the chairman at that time.

Q: But Alan Pifer you did not know before?

Kaplan: No, I had not known Alan. But Alan is an interesting person and was a very interesting and creative person in terms of what he did with the foundation. It had been very much a "men-in-blue-suits" organization, lots of bankers, lawyers, and Alan set about to change the character of the board, bringing on more women, people of color, academics,

non-business people, as well as the usual quotient of lawyers and some doctors, actually, some medical people. So he really changed the character of the board during those years of his administration, and by the time I joined the board, there were quite a number of women who were members of the board. He was a very powerful figure in the foundation's history, of course, as you well know.

Q: Well, by that time you already sat on a number of other boards, is that --

Kaplan: That's right. Yes.

Q: So was there any -- I mean, in retrospect, or thinking back on it, how the Carnegie board might have differed from those or in what ways it was the same --

Kaplan: Well, I tended to be on boards -- other than the New York Foundation, I basically was on boards or was a board member of institutions that were seeking money rather than granting money, and that I would think would be the major significant difference. These were not foundations. I was on the board of Barnard College. I was on the board of Mt. Sinai School of Medicine and Medical Center. So these were institutions that really were grantee types and very different operating organizations in the nonprofit world. And, of course, Carnegie was just so totally different than the New York Foundation in terms of size and scope. At that time it was one of the ten largest foundations in the country. That, of course, has changed with the new wealth that has come into our country and into our society and the creation of large philanthropic foundations now that are, many of them, family-owned, you know, the Bill Gateses of the world and Ted Turners, that sort of thing.

Q: Well, I'm trying to sort of think this through in my own head. Maybe we can just stay on the board and the changes. So from the time you went on in '79, or I think it was maybe the beginning of '80, I guess shortly thereafter, Alan Pifer left.

Kaplan: Yes, that's right.

Q: And David Hamburg --

Kaplan: Yes. Well, David, I think, came on board, became president in 1982 --

Q: Right.

Kaplan: This is my recollection, but had been a trustee for about a year, and so we both had been trustees of the enterprise, I since '79, and I don't know whether David had come on in '80 or '81. I think I came on in December of '79, so it's really -- you could figure from -- I don't know why it was done that way, but that was the way it was done in terms of calculating it. And Alan had made it plain that he really was interested in stepping down. He had been president for many years, and he was ready to take on, I think, new things, move on. He had gotten interested in several major projects on aging and aging society, very more deeply involved in South Africa and the University of Cape Town fund, so he had certain projects that he was very much interested in, and he wanted to pursue those.

As a result, we eventually formed a -- I shouldn't say we. The chairman, then-chairman Bud Taylor formed a search committee, which he asked me to chair, and we did a search. That was a very, very interesting project where you really learn a great deal more about an

organization than you could ever learn just being a member of a board. That was a very exciting opportunity.

Q: Could you give me a little bit of an idea of how that operated and how you ran it?

Kaplan: Well, it was the kind of thing where I had decided that I really wanted to do it in a very hands-on way. So what I created was -- Bud appointed a small group of trustees, and he himself served on the committee, and we did not use a search firm. We had a woman who was secretariat to the committee, and it worked out extremely well. We had many, many applications, hundreds and hundreds of applications, and some recommendations, and a lot of people volunteering their own services, lots and lots of interest in this very prestigious job and wonderful organization with a great history. So it wasn't difficult to have lots of outstanding people seeking the job. The difficulty was in trying to evaluate who would be the best person. And what really came out of that, I think --

Can I stop now for a minute and just get your reaction? [Brief interruption]

Q: Helene, maybe we could back up a little bit in discussing the search for the next president, who turned out to be Dr. Hamburg. How did you, you know, the committee and the board, articulate, if it did, you know, what you were looking for in the next leader, what direction you thought the Corporation would be going in? Was that part of the process?

Kaplan: It was part of the process, but, you know, it was a situation in which Carnegie has always -- and I always say CAR-negie or Car-NEG-ie, and you'll have to forgive me. I can't remember to say Car-NEG-ie, which is the proper way.

It always had had a tremendous tradition in education, and that was a great emphasis from the very beginning of its founding, and this was something that had been carried on, so that I think there was an understanding among the board that, yes, we wanted to pursue education. But other than education and concern for what you might call the disadvantaged and how to teach them to catch a fish rather than throw them the fish, there wasn't really a great emphasis on "We need to do X, Y, or Z."

David actually had been chosen to serve on the committee, the search committee, and he attended the first two meetings. It was after, I think, the third meeting that I received a letter from someone who I greatly respect, a man by the name of Bill Golden, who is a great figure in New York City philanthropy, you probably have run into him from your various activities, and he said, "You might consider stopping your search, because you have someone right within your own organization who would be a wonderful successor to Alan," and he named David Hamburg.

And at that point what happened was, I suggested to David that he consider stepping down from the committee. That was sort of an interesting time, because I think David himself was very anxious about whether his views of what he wanted to do with the foundation would go well with how the board would feel about it. It would have been, and what turned out to be, a rather dramatic departure into a lot of very exciting and enormously stimulating areas, but I think at the time he was concerned that the board might not be willing to agree that this was the program. These were areas where he had spent a great deal of his own professional life involving issues of conflict resolution, the nexus between health and education, which he felt was crucially important in improving the lives of

disadvantaged people, and very much interested in defense issues, the then-Cold War and the kind of tension between the Soviet Union and the United States at that time. So he was very interested in what later became a program called Avoiding Nuclear War.

But I encouraged him to, nonetheless, become a candidate, because I felt that the board, and, indeed, I felt the staff, just based on discussions, we were all ready for a change in direction and the stimulation of new ideas. I had met with -- one of the things I did when I became the chairman of the search committee was I asked Alan if I could meet the individual trustees, as well as the individual staff members, and I met with each of the staff as well as the board members, but in particular the staff, to get their own views about where the foundation seemed to be and where it was heading and their own views about it. And it seemed to me that this was a ripe moment for someone as creative and as much of a leader as David was. So it was very exciting to have him become a candidate.

Of course, we interviewed. We went to the West Coast several times. We interviewed an enormous number of people, narrowed the field eventually down to about three candidates, of which David was one of the finalists, and it was clear, really had been clear from the beginning, that he was by far the outstanding person.

Q: And during this process I presume that the board took up the issues of where his presidency would lead?

Kaplan: Yes. Well, no question about it. And as we approached the last stages, David was invited to come in and make presentations to the board. He had what he called, and still calls to this day, "terrain maps" of the various subjects that interested him, where he sort of



plotted out how he envisaged he would approach these areas of inquiry. And he had enormous connections and relationships with all of the finest scholars throughout the country and policy-makers on these issues. So it was a process, really, of bringing the board along and educating them, and it was really wonderful to be part of that leadership that led to David's coming aboard as the president.

Q: You said before that when you took over the chairmanship, you wanted it to be a very hands-on experience. That means that you didn't use outside help in doing the search?

Kaplan: That's right, we did not, but what I had was a marvelous woman who served as sort of secretariat to the committee. You know, because you get so many applications, it becomes a rather overwhelming task to sort of do all the work and have it organized. So she took care of all the ministerial parts, but I was the one who wrote all of the letters to people to seek out names, and really did it that way and then used my contacts as well as the contacts of a lot of people on the board. We had a very good board, and they had many contacts, and we really were able to get, as I said, an enormous pool of very interested people, people who were very interested in the job.

Q: You were your own search firm.

Kaplan: In a way, yes, and it worked well. It worked very well.

Q: Just a general question about the board and changes in it over the years. I guess you've given me a little bit of a characterization about what the board was like when you joined it.

How did it change over the years, especially with the change, you know, in presidents, in leadership, and then some of the subject matter that the foundation was dealing with?

Kaplan: Well, basically, as I said, Alan had made the initial changes in terms of issues of diversity, academics, and that sort of thing, and David basically built on that. David also had a real sense of wanting to have on the board people who might be thought of as representing both sides of the aisle. He was very conscious of wanting to have an impact on public policy, in effect, educating the policy-makers about how issues -- defining the issues and then presenting options to policy-makers, basically educating them, be they congressmen, senators, governors, mayors, the President, the executive branch, whatever it might be. So he was very aware that it was desirable to try to bring on people who perhaps might have party affiliations as a Democrat, but he would also balance it with having some who were Republican. So it worked out. That was one thing.

The other thing was, he believed that it was important to have people who were from the media on the board, and that was also another element, and people who had been colleagues, who he had worked with, people like Josh Lederberg, who was then the head of the Rockefeller University. So it became a much more what I would call high-profile board, and it was just a very interesting group of people who really had a breadth of exposure and knowledge and experience so that they could bring that to the board in a very constructive way as they evaluated programs and directions that we ought to be going.

And, as I say, he moved into areas such as conflict resolution, avoidance of nuclear war, health and education, as being a very important kind of nexus for the development of children, and gradually began looking at the various developmental stages of children and

youth, starting with adolescence and sort of working backwards then to the pre-teen years and then sort of the middle-school years, and finally zero to three. So he really covered the whole developmental spectrum over the years of early childhood and later childhood development. We also had a program on South Africa and Africa as well, but primarily South Africa.

Q: In terms of the way Alan Pifer related to the board and then David Hamburg did, any similarities, differences, you could point to?

Kaplan: Hard to really make any clear distinctions. Both were forthcoming. Both were very, very engaged with the subject matter, although each had a very different agenda in terms of the subject matter. Alan was more reserved in some ways than David and also more formal in the presentations, but basically they approached it, I think, pretty much the same way.

Alan, in bringing on academics, really permitted and developed --and it was encouraged, later by David as well-- people who really knew something about the particular area. It might be women and development, or maternal and child health care, to feel free to really engage in the discussion about these subjects. So I think it was pretty much the same, although certainly the subject matter changed quite dramatically.

Q: As a board, would you say it's particularly engaged? You know, I mean, some boards really are policy-makers. Other boards are not.

Kaplan: Well, I remember reading a book by Bill [William G.] Bowen on governance and how boards function, and he had a great line which I thought really said it all. It was something like, "Board members spend most of their time being bored except for the occasional time when they're terrified." But that really was not the case in my years as a trustee of Carnegie under David. I had very few years with Alan. He was really sort of getting ready to leave. But with David and now certainly with Gregorian, with Vartan, it's a very engaged kind of board, very much involved in the subject matter. For instance, with David we had Jim [James D.] Watkins, Admiral Watkins, who later went on to serve as Secretary of Energy and had many other distinguished roles in government. We now have [Senator] Sam Nunn on the board. He's someone who David brought on. People who knew a lot about defense, who knew a lot about U.S.-Soviet relations, now U.S.-former Soviet Union relationships, and people who were involved with issues such as sociological issues on the disadvantaged, people like Peggy Rosenheim, who had been the dean of the School of Social Work [School of Social Service Administration] at the University of Chicago.

So, I mean, there were loads and loads of people who had a lot to bring to the table and wanted to be involved and engaged, and I think it was -- I can say that both now and in the past, it's been an engaged and committed board. You need all the members of the orchestra, so to speak, in a board, so there may have been some who were more involved than others. That's always the case.

Q: You were vice chairman of the board for a while.

Kaplan: Yes. In the early years of my tenure at Carnegie, I was vice chairman and then became chairman, served as chairman, and then retired, I think, in 1990, and then was invited back to join the board again in 1993.

Q: Which was a first.

Kaplan: Yes, it was, and I was also the first woman to be the chairman of a major private foundation. The only other one was, I think, Doris Duke Foundation, but that was headed by Doris Duke, so it was really sort of a family foundation. So it was really a great honor, and I've really enjoyed it enormously, and I'm back now being a vice chairman again.

[Laughter] So it's been an interesting ride. I'm in my second term at Carnegie at this point.

Q: Is it different?

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Q: -- you know, doing things that ordinarily grantees might have done in the past. So maybe you could just talk a little bit about how that evolved and what your feeling about it is.

Kaplan: Well, it's not unusual, I think, for large foundations to have a commission, occasionally, on a particular subject, of prominent people who may examine a particular area, such as years ago there was a Commission on Higher Education, a Carnegie

Commission on Higher Education, and there was a Carnegie Commission on Television -- Public Television Broadcasting.

David Hamburg really escalated, or enhanced, that aspect of our programmatic activities so that there were certain -- David came to the job with a huge agenda of what he wanted to accomplish, and so what happened was that he set about doing it in a very effective and proactive way, and he really had a kind of road map of where he was going. It might have changed from time to time, but basically you could say that he had a strategic plan of where he wanted to go, and a vision. And it was really his vision that I think captivated the board and really was enormously powerful as a producer of exciting activities for the foundation.

One of the means that he used very effectively because of this incredible network that he had was, in fact, the use of more commissions, task forces, councils, whatever they might be, which were basically organizations that ran within the foundation, were staffed by foundation people, Carnegie people, and which had on them as members of their boards of directors or advisory councils, or whatever, task forces, whatever the title might be, trustees from the foundation. It was extraordinarily effective as a way of getting things mobilized and done in a very efficient and exciting way. It permitted Carnegie to really not only produce the results, but then also to take it the next step and disseminate it and really have a whole campaign around it, introduce it to the policy-makers and so on. So it worked very, very well.

What that did, on the other hand was, you know, these things, there are always two sides to these wonderful kinds of interventions. What it meant was that there was less money available for grantees, outside grantees, grantee organizations, organizations that had been

really around for a long time in a particular field, and so that I think that there was a certain amount of tension in the grantee community about that.

On the other hand, the endowment grew at such an enormous pace during those years that the funding was really available to do both, so that we did do both. We did not just do those kinds of in-house activities, but it became a bit skewed in the sense that that was sort of the feeling among some of the people looking inside, looking from outside to within, and I think that there was a sense that we had perhaps done too much in that type of activity. I think it's gradually moved back to a much more sort of what I would call centrist position.

Q: And you expect that to continue under Gregorian in that way?

Kaplan: I think so. I think Greg is -- but again, I'm sure that we will end up with a certain number of -- when a crucial issue comes up and if Greg feels that the way he needs to bring attention to it or something is in the creation of a commission or something of that kind, he will go ahead and won't hesitate to do so. But that's something that, really, the board has a role in deciding, and it's something that gets brought to the board for attention, scrutiny, and eventual approval and that kind of thing.

Q: What about, you know, in that kind of an operation, the evaluative process? How does that -- how does that work?

Kaplan: Well, in the beginning years of when I was chairman, we had quite an extensive -- first of all, evaluation of individual projects is always ongoing. It may not be brought always to the attention of the board on a routine basis, but responsible program officers,

heads of the education area or the Avoidance of Nuclear War effort, or whatever it might be, would always bring in outside consultants to evaluate programs. And from time to time we would have, maybe once a year or twice a year, or even occasionally, very often it would be as part of a meeting, we would have a group of people come in to talk about the program and how it was doing and what might be done. Sometimes those were independent evaluators. Sometimes they were grantees who would come in and talk about their activities. So it was sort of a mixed bag in that sense.

Q: What happens when you're forced to, you know, being -- when you're forced to evaluate yourself? Because it's a different, you know, it's a different --

Kaplan: Well, then I think your -- I didn't mean to cut you off, but I think what happens then is that you are really looking to impact and outside indicators of success or failure. For instance, in some of our education activities, some of our education programs where we did create commissions and that sort of activity, or councils, or the Council on Adolescent Development might be a good example, the publication of lots of reports, the interaction with prominent members of Congress, the impact on NIH and the grants that were made in collaboration with NIH or the Institute of Medicine all seemed to validate that this was working extremely well.

For example, we also had quite a lot of activity involving science and technology, and we had a Commission on Science, Technology and Government Decision-making, and we had a lot of people who served on that commission who were both outsiders as well as members of the board. Some of the board people were people like Admiral Watkins, who really knew a lot about how government works, and he was an enormously contributing and contributive



member to the enterprise. But I think that the outsiders who served were very, very knowledgeable and were very aware of what impact, if any, we were having.

A great example is a project that we had on science advisors and convening science advisors. We never really realized that the science advisors of the G7 countries had never met as a group, and one of the initiatives that we undertook was to bring them together. That is ongoing to this day and still continues. They meet, I believe it's once or twice a year, and the history of that is available in the documents that came out of that Carnegie Commission on Science, Technology and Government.

Another one was the one that I headed, a task force on judicial and regulatory decision-making, and there again, we had a great impact. There was a very important scientific case that came up in the Supreme Court involving -- it was called the *Daubert* case, for short, and basically what this did was change the way in which science is approached by judges and what the judge's role is in examining expert witnesses. It has really had an enormously positive impact on the whole question of what has been called junk science and has greatly improved the quality of judicial decision-making. So there are many, many instances I could give you where you actually saw the results in terms of the products produced and how they were used effectively in making changes. [Brief interruption]

Q: Okay. Now I'm going to go back to this other question Mary Marshall [Clark] had, if I understood it. I think she was wanting to know about, as a board member, and I guess this is all within the sort of larger picture of governance, there are things that you can and can't do?

Kaplan: Well, that you should or shouldn't do.

Q: Okay. [Laughter]

Kaplan: Rather than can or can't, I guess I'd put it that way. It really is, you know, it's the issue of -- the usual story is that trustees make policy and leave the management to management, but then you get to the question of, well -- and I believe that. In other words, there is a line, there is a difference between being a director, an outside director or an outside trustee, and being an inside member of the management team. Basically what that means is that one has to, as an outside trustee or trustee of an enterprise like Carnegie, you have to be sensible and use judgment in approaching staff members, whether you don't want to pressure them to fund some grant of a friend of yours or something that you really believe is going to save the world but in fact -- and whether it can or not, it's really not appropriate to sort of cross that line, nor is it appropriate necessarily to delve and ask questions of management about the way the place is run.

And on the other hand, it requires a certain amount of self-restraint on the part of management, so that if you are having lunch with a program officer and you're talking about an issue -- not an issue, but a subject that's of interest to both of you -- not to lead the outside director or trustee into an area of personalities of individuals within the organization. So I guess it's sort of walking a fine line.

I've always sort of adopted the position in my role as a director or trustee that if I want to talk to someone on the staff, I usually, just out of courtesy, will call the president and CEO and say, "You know, I'd love to have lunch with John Jones. Is this all right with you?" and

I've never yet, in any of my experiences, been told, "No, you can't do it." And I've always enjoyed it and made friendships and gotten to know people and learned a great deal from that kind of encounter.

So that -- I guess another way to get more deeply engaged is something that Vartan Gregorian has done in this recent change where he has established subcommittees of the board, each of which has a responsibility for a particular division or program. So we have a division on democracy, we have one on development of less developed countries, we have one on higher education and, in particular, teacher training. I mean, those sorts --

And then whatever issue there might be, the board has been divided up into four program areas, and each person has two programs where you participate in the sort of pre-board meeting with the staff on the particular issues, and you really get into a kind of in-depth analysis of what's happening in those programs. I guess Greg's theory is he will be doing that, you'll serve for two years on two committees, and then everyone will switch, so that by the end of four years you will have served on all four committees of the program, of the entire program. And that's worked out, I think. We've had several such meetings, and they're very productive and very good.

But the whole issue of self-evaluation, of evaluation or assessment of success of foundations and their programs, I think, is a very, very difficult one because there's not the kind of accountability in a not-for-profit organization that you find in a for-profit. There's no bottom line, and you're not there to make a profit or to worry necessarily about the numbers, the revenues that are coming in. You don't have a constituency. I mean, if you're

a university, you have to worry about the alumni and the students and the parents of the students and certainly the faculty. These are all very important constituencies.

In the foundation, you don't have that same kind of pressure. You have a different kind of pressure which I think is very important, and that is your relationship with your grantees. You want to be courteous when you turn them down. You want to be courteous when you accept their proposals. You want to be sympathetic in helping them. It shouldn't just be a turn-down. Hopefully it should be, "Well, I'm sorry we can't fund you now, but we certainly can suggest that you try another foundation or another source of funds."

So I think that there are ways of being responsive, but ultimately the whole question of how you have a large foundation be accountable is a very -- I think it's both important and very difficult. Some of it will always be subjective. On the other hand, I do believe that the president and CEO should be evaluated on a yearly basis. I think that he or she should bring to the board once a year his or her evaluation of the people who work for him or her in senior positions, and there should be some flow and turnover of people who are in the foundation.

You need some continuity. I mean, we have people at Carnegie who've been there for many, many years. On the other hand, you need to bring in people who are young and who may have new -- in other words, institutions have to kind of revitalize themselves, just as individuals do, and so these are ways of doing it, and I think the board itself has to go through an assessment process. That's something that I think the Committee on Trustees, or Committee on Nominations, whatever it may be called, has to engage in a process of both educating new board members and also so that they know what their responsibilities are

and have a kind of orientation to the programs, but also help them as they go forward, to be effective and participating trustees and evaluate whether the board as a whole is working in an effective way.

I think there must be -- I mean there's a lot of evaluation that goes on in the foundation world of individual programs and individual grants. The real issue is, at the end of the day, can you say, well, Carnegie has really made a difference in the whole area of nuclear proliferation, or in conflict resolution, or in development in South Africa, in maternal and child care, or in education and child development, and in recognizing that health is a very important component of an educated child. So these are the sorts of kinds of questions that you have to keep asking yourself, because you can kind of lose track of the whole enterprise in the context of focusing on an individual program.

Q: But those are questions -- [Brief interruption]

Well, I was just about to say that those are all questions that really seem to be without answers.

Kaplan: Well, yes and no. I mean, in effect, just being able to ask the question is a very important ingredient in testing the waters, in fact, in monitoring how the programs are going. And there are specific things that you can observe and know what's going on, in the sense that if, for example, the grants seem to be coming in, and the grants that are being made seem to be pedestrian or sort of routine or have lost their zip, I mean, I've not been in that situation, I don't believe, but you begin -- you have an obligation to sort of -- it becomes

evident that something is wrong, that people are stale, and that there's a need for some revitalization.

Q: So what are the responsibilities of board members, would you say?

Kaplan: Well, I think that the main responsibility, if you were to just put it in the context of what is the most important job of the board, is the hiring and firing of the president and CEO. Now, that sounds like I'm being a wise guy about it, and I don't mean to be, I really mean that, I think, because what you are looking for is the person who will lead the enterprise, who can express a vision of where he or she wants this enterprise to go in a kind of focused and direct way, and then go out and attract the best people, the best brains, and the best skills, and empower them to do what they have to do to make that particular vision happen.

Now, one of the wonderful things about foundations is that because of the fact that they don't have to worry about profits and losses, they should take risk and they should not always be batting a thousand. They can afford to make mistakes, and they should make mistakes, and they should be willing to acknowledge it. And I think one of the interesting aspects is how do you build a sense within the management of an organization like Carnegie that you don't always have to show only the good things to the board, that the board has a responsibility to ask questions. I mean, I think that spirit of inquiry is absolutely crucial for a board member. You want to be informed about how the organization is working, how the people are doing their jobs, and then the subject matter as well. So it's really a kind of questioning that goes beyond self-questioning and also learning.

I think a very big responsibility of being a board member is to make sure that the staff, that the president is not only attracting the best talent, but is developing that talent and training that talent and hopefully will encourage that talent not only to be in the organization, but eventually to be sought after and move out and leave and go on to do some other wonderful thing and perhaps run his or her own foundation, just as Lloyd [N.] Morissett left Carnegie years ago and went to run the [John and Mary R.] Markle Foundation.

So I think that the board has an oversight responsibility as to how the operation is run on the managerial side, and an oversight responsibility about how the programs are developed to meet the vision that they have in mind which has been articulated by the president and CEO. And, of course, I think we all have a responsibility to do our homework. I mean, you should not go to a board meeting unprepared. You have to come in there having read the material and having questions to ask, because it's those questions that make the staff, number one, feel that you take them seriously and that you respect them and, number two, that you're interested in what they're doing, and, number three, it keeps them on their toes. So those would be my off-the-cuff responses on the issue of a good board member.

Now, if we were talking about a place that was a college or a university, part of the responsibility also is to help raise money for the enterprise, but that, as I say, has not been an issue for Carnegie.

Q: That, in and of itself, is not, but it must get tricky, you know, balancing the need to take risk with the need to in some way be fiscally accountable, I mean, or asking your grantees

to, you know, be able to come up with a way of saying that, yes, it was worth the, you know, the risk or the --

Kaplan: Well, I think what you expect is lessons learned, I guess is the way I would put it. Maybe this hasn't worked out exactly as we've planned it, but what are the lessons that we've learned from the experience, from the investment in this particular project? And you do learn a great deal, depending on what the particular issue is, but you learn what you shouldn't do in the future or what you should have done differently, and hopefully it stays with you.

And of course, there is a responsibility for the management of the endowment, which I haven't even mentioned, but that is crucially important, and usually there is a small committee of the board that has responsibility for that and makes sure, not directly by doing the investments, but hires the right kind of investment officer who then oversees managers of the portfolio.

Q: Changes in the whole area of philanthropy today and what one can foresee in the future, how do you think it will change?

Kaplan: Well, I don't have my crystal ball, and I'm not really sure, but it's clear that there are vast sums of wealth being made. Just look at all these young people who are maybe twenty-eight or thirty-eight years old, who are the owners of America Online and Amazon.com and all of these other internet companies, who overnight have been worth hundreds of millions of dollars. Now, hopefully that will not be just paper money, but will really remain solid. And even Bill Gates. I mean, there will be, there already have been



enormous foundations that have been created which dwarf the kinds of funds that Carnegie has had.

So I think that there's a great opportunity for lots of philanthropic activity in our country. Of course, the tax laws encourage that, but the real question will be, will they get the knowledge, the ability, to know how to go about it in a way that's wise. I don't mean wise according to my definition, but just sensible and use the money wisely.

Of course, one of the best ways is to try to bring in as consultants people such as Vartan Gregorian, who has been an advisor to Bill Gates and that sort of thing. David Hamburg has, for many years, been an advisor to several major foundations both in Europe and in the United States. So I think people who are in that level of engagement philanthropically are very much aware of who are the people they ought to call on for help in these matters.

Q: With this generation of, you know, such enormous wealth, one would think that that might invite some sort of government regulation.

Kaplan: Well, I think that the government regulation, I think there are several elements involved there. For a long time there was a real movement by the right to look at the so-called liberal foundations. When Carnegie was busy in South Africa and we were doing a lot of work there, there were quite a number of very right-wing organizations that were prodding the IRS to investigate us and our activities, and I'm sure that must have been true -- well, I know it was true in the sixties and led to the Tax Reform Act in the late sixties, with a lot of rules being imposed at the federal level.

Right now there's a lot of emphasis on governance issues and the whole question of are not-for-profits, of all kinds, not just foundations, are they being governed effectively by their trustees, and if they are not going to be, then we ought to regulate them. And this is coming from a lot of the state attorney generals' offices which have power, really regulatory power over the foundations that are created in their states. There's a whole movement afoot on this. It's still relatively low key. There was a lot of action and talk in one of the earlier Congresses a couple of years ago. That seems to have quieted down.

But I think it really has more to do not so much with the new foundations, the creation of new foundations from new wealth, as it is from the sorts of activities that foundations take on. Are they becoming too activist? They are prohibited from lobbying, but the question is, are foundations doing things that are impinging on the realm of what the regulators see as the political turf. Those are big issues. [Brief interruption]

Q: Helene, maybe you could talk a little bit about the corporation's program in South Africa as, you know, as you experienced it, have experienced it, during your time there, and particularly to talk about the trip that you took and --

Kaplan: Yes. Well, that was a memorable event which I think will stay with me forever. Carnegie had always had a program on South Africa, going way back, and in, I think it was 1982, we funded a program at the University of Cape Town, in Cape Town, run by a man by the name of Dr. Francis Wilson, who was a labor economist. It was called the Carnegie Second Inquiry on Poverty and Development [in Southern Africa], and it was an extraordinary kind of grant that was made to extraordinary people.

In 1984, a few members of the board were invited by David, the chairman and myself and one or two others. We went over -- actually we were altogether seven people -- we went to South Africa and spent time there evaluating that program. It was sort of an interim report on that particular activity, on the Inquiry, but, as part of it, really looked at South Africa in terms of what had we been doing there and what should we be doing in the future.

Ironically, fifty years before, there had been the First Carnegie Inquiry on -- I think it was called -- the local nomenclature was the Carnegie Poor Whites Inquiry [the Carnegie Commission of Investigation on the Poor White Question in South Africa], and that had actually led to really bringing into the mainstream the Afrikaans community, who were at that time the poor folks in South Africa. This time it was clearly the blacks who were the tremendously disadvantaged people there.

It was a kind of epochal moment, a kind of watershed in my life, to have been there. I subsequently went back in 1986 as a member of Secretary of State [George P.] Shultz's Commission on South Africa, which was trying to advise the Secretary on what policy to South Africa should be for the United States. But when we were there in '84, it was just amazing. We started out in Johannesburg, and we met with all of the major leaders in the anti-apartheid movement, which ranged from Desmond Tutu to the women from the Black Sash, to writers like Nadine Gordimer. We had been very active as an organization in funding legal services and had done a great deal at the University of Witwatersrand in this area, and had really begun to develop a cadre of black lawyers, which was crucially important and really nonexistent at that time.

So we spent time in Johannesburg, and we met with many of the reporters from the press that was sort of the underground press, and then went on to Cape Town for the interim report. There were over three hundred papers that came out of this particular meeting, and what was wonderful was that the people who participated as scholars were not just all white people. They were people of color and they were women, as well as men. Francis had assembled this incredible group of talented people from all of the universities and all walks of life, and it was just a marvelous experience and a very sobering one.

At that time -- this was, I guess it was in the fifties and the early seventies -- South Africa had created what they called homelands for black people, which were really sort of pseudo-autonomous countries which were never recognized internationally and where, supposedly, black people could be autonomous and have their own self-government and their own culture, but, of course, it was really all a charade, and these were very, very poor areas. Fifteen percent of the country turned over to black populations for this. One of them was a community -- I guess a country, you would call it, although we never acknowledged it -- a homeland called Ciskei. And the group went up to Ciskei and saw it, and the level of poverty and degradation and human suffering that we saw just defies either belief or description. I mean, it was just unbelievable to see the wreckage of human life. These were dumping grounds, is, I guess, the word that I remember using, for people who had been so depreciated in their living, they were just totally devalued and were really non-persons.

What you saw was, however, this incredible desire to -- not among the rural people, but certainly among the kinds of people like Tutu and Allan Boesak and others, to achieve democracy in a nonviolent way. And of course, at that time we had hoped we would see

[Nelson] Mandela, but it was not possible, and we never could have dreamt that Mandela would have been -- that what came out of it was as wonderful as it turned out to be.

But the purpose of the [Second] Inquiry really was to give -- to confirm that apartheid really was a major cause of black poverty in South Africa and to try to bring that to the attention of the public. Carnegie certainly had a role in that, front and center. I ended my remarks by saying that I always felt that South Africa was my emotional quicksand; I could never leave it behind me. So it was a very, very both moving and deeply disturbing experience.

Q: And did -- what resulted from that back at the, you know, at the Corporation?

[END TAPE ONE, SIDE TWO; BEGIN TAPE TWO, SIDE ONE]

Q: I think I had just asked you, from that experience, what, you know, what resulted back at the Corporation from it.

Kaplan: Well, I think that's a very excellent question, because we went over with the thought that we probably would be curtailing our activities in South Africa, and we came back just filled with the desire to do more, and it did lead to a whole series of programs involving not only continued support for legal education and the development of a cadre of black lawyers, but also it led to a whole program on maternal and child health care, not only in South Africa but in other parts of Africa as well -- Nigeria, Ghana, that sort of thing. And so that was a very important outcome that really resulted directly from our on-the-ground experience.

So there's a great deal to be gained from that kind of field work, where you actually get out from behind the desk and go and see what's going on. It made all the difference in the world and, I think, led to a very positive outcome in terms of our programmatic direction going forward. Because what was very clear was how terribly disadvantaged women and children were in that culture with the kind of migratory labor issues, where men went off and never came back or came back once a year, lived in labor camps in the cities while they worked in mines or, you know, that sort of activity, very, very hard laborer jobs, and where they very often developed another family and had two families to support and really couldn't even support one. And, you know, all the other social ills that come from having men living in bad conditions by themselves and the impact of that at home, where women would trudge miles and miles with firewood, to get firewood, twigs, and carry them on their head or to bring water. I mean, very, very poor. And tremendous issues involving disease for women and children, as well as for men, but certainly the program that we evolved really did focus on maternal and child health care. It was so bad.

Q: And your trip in '86 which was for the government?

Kaplan: Yes. That was a wonderful -- I often get the two of them somewhat confused because it was back to South Africa, but that was a marvelous moment, again, in my life with South Africa. I was asked by Secretary of State Shultz if I would participate in a commission to look at the future of what -- it was at the time that it was very controversial about whether we should be doing anything in South Africa, whether this country -- we had eliminated any kind of banking relationships with South Africa, but we still did some

trading with them, and the question was, where should we go in our relationship with South Africa?

I went over by myself in '86 to see, really, what was going on, on the ground, and at the time I met with [F.W.] de Klerk. He was then, I think, Minister of Education, and I remember having a very sort of not confrontational on my part, but a very aggressive stance from him on how he thought that black education was just fine in South Africa and that we really ought to be focusing our attention elsewhere, why were we picking on South Africa? And of course, he is the one who eventually released Mandela and recognized some of the issues that had to be dealt with. But at the time it was a very dramatic moment in my life, to meet with someone like that.

I also, while I was there, had a very different kind of experience. I did go to the University of Cape Town to see my friends and colleagues there, in particular a woman by the name of Mamphela Ramphele, who I'm sure you've heard of, a very extraordinary person who was one of the people who had been banned for many years, which meant that she could not leave her little garden in front of her house, and who was a doctor and who had been the wife of Steve Biko and had had his child. And he was the one who had died in detention with the South African police and who, it now appears, was killed. But she's a remarkable person, so I spent some time with her. She had been very involved with the Inquiry on Poverty.

And I also went and visited the big Afrikaans university there in Pretoria and was fascinated to find a whole world of Afrikaans who very much accepted the need for reconciliation and equity in the treatment of blacks, and who were professors in the law

school at Pretoria. It was really remarkable. I guess I should have thought, well, you know, maybe something good will come of this, but it seemed so hopeless to me and yet so remarkable to see these people there.

But the most vivid impression was sitting in the home of a reporter for one of these underground presses, and as we were sitting and talking, his son, who was, I guess, a young man in his twenties, rushed in, grabbed his suitcase from under his bed, rushed out, and I don't know whether they ever saw each other again, because he was being chased by the police. And a state of emergency -- I was on my way to the airport, and I had stopped at this man's home, and a state of emergency was being declared, and I left on one of the planes, the last planes before the state of emergency happened in 1986. So that was the last time I was there, but, as you can imagine, it gives me chills just to think about that.

Q: So you took what kinds of recommendations back to --

Kaplan: Well, what I did was, I got back, and this was a commission that was headed by Frank Carey, who was then the head of, I think, IBM, and the other person who was the head of it is a marvelous lawyer, Bill Coleman, in Washington, an African American who had been Secretary of Transportation. The two of them were the co-chairs of this commission. So we continued. We issued a very powerful report that made certain recommendations, some of which were followed, and others of which are probably still gathering dust on a shelf. But it was a wonderful opportunity to feel that I could continue that engagement with South Africa.



Q: And I guess the one other question about South Africa and the Corporation was the issue of investments.

Kaplan: Well, I don't know whether that's a South Africa issue or investments of the portfolio. I wasn't sure about that.

Q: Well, Mary Marshall, I think that she -- I think she thought that perhaps it had to do with the portfolio's investments in South --

Kaplan: Oh, yes. We had given up our investing in any companies that did -- that was a conscious decision that we had made as an investment committee which we brought to the board, but that was even before '86, really way back. And we had decided that we would not invest in companies that had business relations in South Africa, and that was really part of our program, investment program.

Q: I presumed that was what she had in mind, so --

Kaplan: Yes.

Q: So let me ask you, if you could, to talk a little bit about David Hamburg's tenure, your impressions of it, and, you know, what you feel his legacy is.

Kaplan: Well, I think that David came to the corporation with a very clear view of what he wanted to do and a kind of sense of wanting to do it as quickly as he could, that these were pressing areas. He wanted to deal, as he said to the search committee and then to the

board, with intractable problems. And, certainly, if you think of the issues that I've mentioned, they certainly are intractable problems. And he wanted to have an impact. He wanted the Corporation to have a significant impact on not only how public policy gets made, but what the issues are in public policy and how to effect change. He knew how to do that very effectively, and how to bring the Corporation to the attention -- the Corporation and its work to the attention of a broader public. And I think he did that extraordinarily well.

He's a very brilliant, gifted person, with an extraordinary network of people who both admire him and who he can inspire to work with him, young and old, male and female, black and white. And he was very interested in the program of the Corporation. That was his love, basically, the administrative side, he felt there were people who could run that side of the program effectively, and he focused primarily on being the idea person. I think he's left an incredible legacy that will go on. Certainly it's continuing now, even under Greg's reign -- I shouldn't use the word reign -- under Greg's tenure with the focus on issues of conflict resolution, which Greg himself has been always very interested in. So I think that we are very fortunate to have had, really, basically, a major revitalization of the corporation under the years of David's leadership, and it was really a great privilege to have served both as a trustee and then as chairman with him.

Q: And your expectations for the future?

Kaplan: Very positive. It's been a great privilege. It's a wonderful organization with a great history, and usually organizations with great histories promise to have great futures, and I believe this one really will.

Q: We're done. Thanks.

[END OF SESSION]