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AGENCIES APPROPRIATIONS FOR 1982

DOCUMENTS

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HEARINGS

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BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND
RELATED AGENCIESSIDNEY R. YATES, Illinois, *Chairman*

CLARENCE D. LONG, Maryland

JOHN P. MURTHA, Pennsylvania

NORMAN D. DICKS, Washington

LES AuCOIN, Oregon

JOSEPH M. McDADE, Pennsylvania

RALPH S. REGULA, Ohio

TOM LOEFFLER, Texas

FREDERICK G. MOHRMAN, ROBERT S. KRIFOWICZ, D. NEAL SIGMON, and KATHLEEN R.
JOHNSON, *Staff Assistants*

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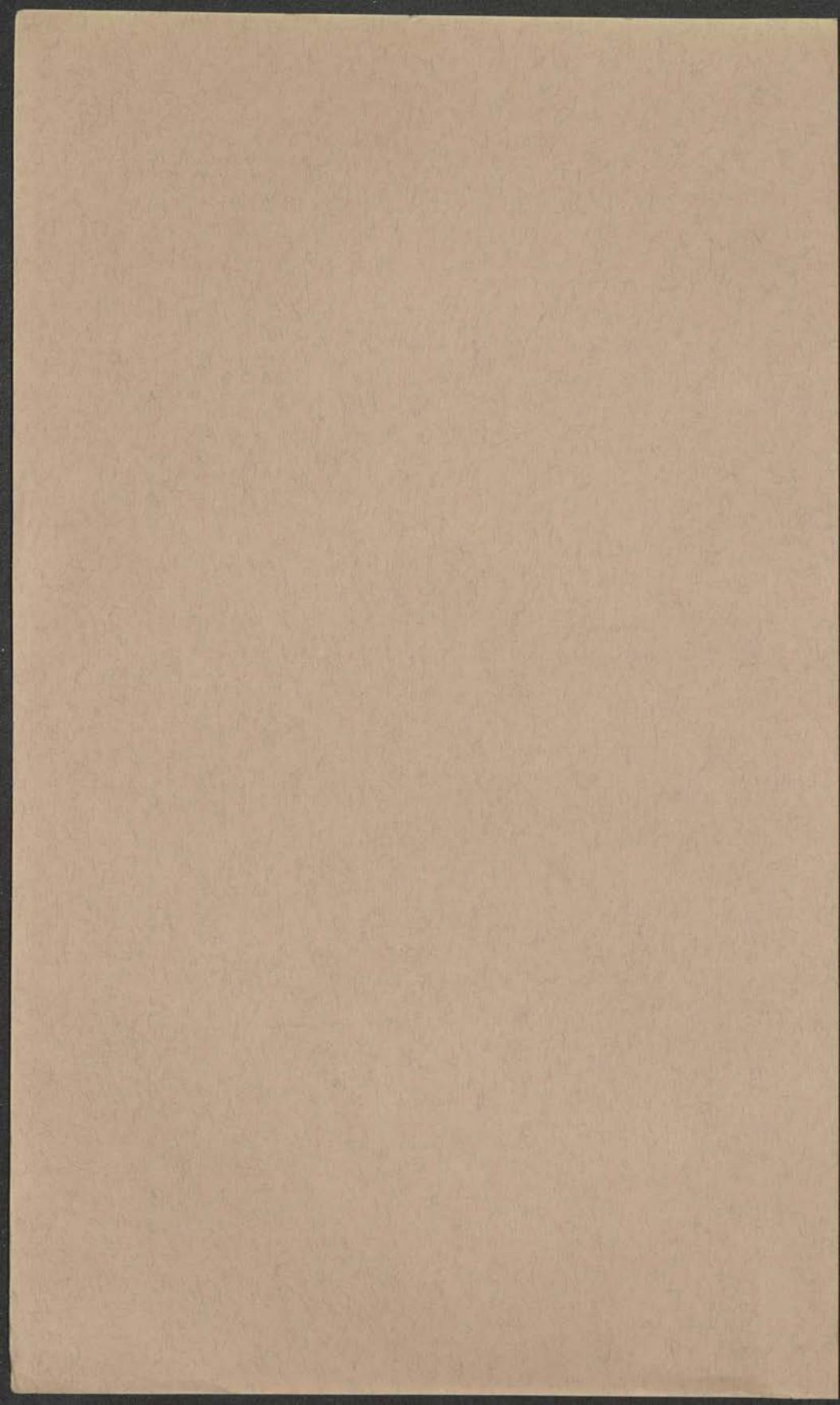
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80-526 O

WASHINGTON : 1981



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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1982

THURSDAY, APRIL 30, 1981.

NATIONAL ENDOWMENT FOR THE HUMANITIES

WITNESSES

JOSEPH D. DUFFEY, CHAIRMAN
THOMAS V. LITZENBURG, JR., ASSISTANT CHAIRMAN
GEOFFREY MARSHALL, ACTING DEPUTY CHAIRMAN FOR PROGRAMS
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GRAMS
CAROLE F. HUXLEY, DIRECTOR, DIVISION OF SPECIAL PROGRAMS
DONALD D. GIBSON, ACTING DIRECTOR, DIVISION OF STATE PRO-
GRAMS
JOSEPH R. SCHURMAN, GENERAL COUNSEL
CHANNING E. PHILLIPS, CONGRESSIONAL LIAISON OFFICER

Mr. YATES. Mr. Reporter, show the hearing as coming to order. This is a hearing on the appropriations for fiscal year 1982, such as it is, for the National Endowment for the Humanities.

Appearing in support of that stunted appropriation is Mr. Joseph D. Duffey, Chairman, accompanied by Mr. Litzenburg, Mr. Marshall and Mr. Whitelaw. Then we come to the veteran, Mr. Tashdinian, Director of the Office of Planning; Mr. Blessing, Division of Fellowship Programs; Harold C. Cannon, Director of Research Programs; Mr. Marty, Education Programs; Mr. Rabin; Ms. Huxley; Mr. Gibson, Acting Director; Mr. Schurman, General Counsel; and Mr. Phillips, the liaison.

The biographical statements of Mr. Gibson, Mr. Rabin, and Mr. Marty will go into the record.

[The biographies follow:]

DONALD GIBSON

Mr. Gibson is Acting Director of the Division of State Programs which supports public humanities programs in each of the fifty states, Puerto Rico, and the District of Columbia. A member of the Endowment staff for four years, he served previously as a program officer and Deputy Director of the Division.

Mr. Gibson received his B.A. from Simpson College and his graduate training in 19th and 20th Century European History at the University of Iowa. He also studied

at the University of Mannheim in West Germany and the Free University of Berlin. His area of specialization is 20th-Century German History, and he has conducted research on the educational system of Germany during the Weimar Republic and an analysis of elections in the City of Bremen from 1912 through 1933.

He taught at Coe College, the University of Iowa, the University of Maryland (overseas), and the University of Mannheim. He received a Fulbright Award to study German language and culture and research grants from the German Academic Exchange Service. Mr. Gibson also served as a legislative aide to Congressman Edward Mezvinsky (Iowa) and Governor Harold E. Hughes.

STEVE RABIN

Steve Rabin has recently been named Acting Director of the NEH Division of Public Programs, following seven years as the head of the Endowment's Media Program. Prior to that he spent 14 years in television and radio production, including five years as Director of Programming for the 32 station Eastern Educational Television Network. Mr. Rabin has worked in all formats and in all areas of cultural, arts, science, news and sports programming. During this period, he also served on the faculty of Brooklyn College (CUNY), was adviser to F.A.C.S.E.A. of the French Embassy, and managed professional theatre—The Sharon Playhouse.

MYRON MARTY

Myron Marty is Acting Director in the Division of Education Programs. Prior to coming to the NEH in May of 1980, he taught at Florissant Valley Community College in St. Louis. His Ph. D. in American history was awarded by St. Louis University in 1967. Among his publications are a co-authored handbook for researching and writing family history and a forthcoming volume, *Nearby History: A Guide for Discovering Your Community's Past*.

Mr. YATES. Mr. Duffey's statement will go into the record at this point.

[The statement follows:]

Statement Submitted for the Record
by
Joseph Duffey
Chairman, National Endowment for the Humanities

Subcommittee on Interior
Committee on Appropriations
U.S. House of Representatives
April 30, 1981

Mr. Chairman and Members of the Subcommittee:

The opportunity to appear before this subcommittee, in behalf of the FY 1982 budget request of the National Endowment for the Humanities, comes at the conclusion of the 15th year of the agency's existence. This occasion also follows by nearly six months the reauthorization of this important program by the Congress.

This is as well a significant time for the National Endowment for the Humanities because our nation's economic problems require us to address questions of priorities and economies in an unprecedented fashion, and we look at the Endowment today against this backdrop.

The 1965 creation of the Humanities Endowment was very much a product of the 1964 Report of the Commission on the Humanities, headed by the late President Barnaby Keeney of Brown University, later the first NEH Chairman. "Upon the humanities," the Commission had declared, "depend the national ethic and morality or the lack of it, the national aesthetic and beauty or lack of it, the national use of our environment and our material accomplishments..." The Congress concurred, and voted that the humanities need and deserve Federal support, as the sciences and technology had long received, lest the nation find itself without that capacity for critical inquiry and those achievements in "the realm of ideas and of spirit" which the humanities foster.

The argument for the existence of the Humanities Endowment has always been fundamentally conservative. Put simply, it calls for the preservation of something of value. Few have contested the worth of scholarly work and teaching in the humanities (though some have criticized contemporary products of such scholarship and instruction).

The argument for Federal funding of the humanities has been equally forthright: the humanities are valuable to America; the humanities need support; the Federal Government should support the humanities.

Both arguments, however, contained then and contain now two fundamental limitations on Federal support for the humanities. One was explicit in the legislation; the other was implicit in the nature of the humanities.

The act creating the Endowment acknowledged that support for the arts and the humanities is "primarily a matter for private and local initiative." The context of this statement, which is accompanied in the Act by the assertion that such support is nonetheless "an appropriate matter of concern to the Federal Government," requires that it be viewed, if not as a prohibition, at least as an effective inhibition on the NEH playing too active a role in determining the future cultural activity in the United States. The Endowment therefore always has been reluctant to shoulder the burden of being the principal supporter of the humanities even in those few fields where its limited budget might make that role possible. It is often overlooked that even among public agencies, NEH's share of the support for the humanities in America is quite small, far smaller, for example, than the funding voted by State legislatures for teaching and research in the humanities at their public universities and colleges.

The implicit limitation on Federal support concerns basic freedom of expression. Scholarship in the humanities is a form of intellectual expression peculiarly needful of the protection of the First Amendment. It would be dangerous and unwise for the Federal Government to dominate the agenda which determines the areas of inquiry into philosophy and politics, into history and literature, into religion and language--not to mention ethics or the theory of the arts.

Accordingly, the NEH very early on adopted a competitive system of peer review of applications for funding. The most important effect of this system is to protect freedom of expression, to interpose a barrier between inquiry in the vast domain of the humanities and its direction by government. The Endowment in these years has not sought to circumvent this barrier.

The benefits of the peer review process have been reinforced by the ordinary procedure at NEH from the start, namely, to write fairly broad guidelines for programs and to invite applicants to propose particular projects thereunder. The peer review process--evaluation by specialists in the field under consideration, review of proposals competing for the same category of funds by panelists drawn from diverse academic, professional, and public constituencies, the Presidentially appointed National Council on the Humanities' reviews of the staff's compilations of reviewer and panelist judgments and the Council's recommendations to the Chairman--this entire safeguarding process is thereby fed and refined by initiatives from outside, and not from within, government.

I believe this system has worked quite well. To be sure, it has lacked the dramatic excitement of bold policy pronouncements, task force reports, and crash programs. But the combination of NEH's broad guidelines and its peer review process, while fulfilling its function of protecting free expression, has also allowed for constant evolution and change.

America is complex. Its cultural life is not "organized" nationally or regionally, and should not be. Its hierarchies of wealth and taste are always subject to attack by newly emergent expressions of quality. Every current of the world's traditional wisdom, like every current of the world's blood, flows through our people. Let us beware, then, of oversimplification and of an ahistorical sense of ourselves. Nothing is so valuable an antidote to those errors as witnessing the complexity and diversity of the cultural creativity which, originating in the thousands of applications addressed to the Endowment, flows through its review processes.

With this statement as background, expressing as it does my own perspective upon the mission of the agency, I am prepared along with members of our staff who accompany me to address the specific concerns of the Subcommittee.

Thank you.

Mr. YATES. Mr. Duffey?

OPENING REMARKS

Mr. DUFFEY. Mr. Chairman, having submitted an opening statement for the record, let me make my remarks at this point very brief.

The Endowment comes before the Congress for the 1982 appropriation at the end of its 15th year.

Mr. YATES. You have fallen on hard times, haven't you?

Mr. DUFFEY. Well, not psychologically—not yet.

Mr. YATES. Do you mean there is hope for a larger appropriation?

Mr. DUFFEY. I always have hope, about everything.

Mr. YATES. Otherwise, you wouldn't be in the humanities.

Mr. DUFFEY. Absolutely.

The judgment of the Congress for 15 years was that the Federal Government should play some role, both in terms of its symbolic support and in terms of genuine social support and encouragement for learning, in a number of fields which we had begun back in the 1950s to support as a Federal Government.

Mr. YATES. Are all these people here from the National Endowment for the Humanities?

Mr. DUFFEY. No, I think some are staff members.

Mr. YATES. We welcome all of you. Go ahead, Mr. Duffey.

Mr. DUFFEY. Federal support for learning, education, research, in the area of sciences, began some years before we determined that it was also in the national interest to support areas of learning such as history, philosophy, the study of culture.

The procedure for doing this was the establishment of a national public foundation, which would administer its grants not as entitlements, but on the basis of competitive review according to guidelines established and reviewed by the National Council on the Humanities.

We come then for this budget first of all at a time of reassessment of the Federal role in that experience of 15 years.

Mr. YATES. Who is doing the reassessing?

Mr. DUFFEY. The Endowment has been engaged in a good deal of reassessing over the course of the last couple of years. I think our previous and current submissions represent our efforts to bring to you the best that we can learn from the experience we have had of administering the programs.

Mr. YATES. What is the nature of the reassessment?

Mr. DUFFEY. It began three years ago when for the first time the Endowment set before the Congress goals for its performance. It continued as some programs were reorganized and moved from some divisions, and several programs were brought together for the sake of more effective administration. It continued beyond that with a more careful examination of our peer review system and the programs we brought before you a year ago with respect to outreach to those institutions in more remote parts of the country without the capacities and experience in grantsmanship.

It continued in our effort a year ago to bring to very sharp focus several areas of more immediate concern and essentially new areas of definition for us, at least in our budget structure.

One was intercultural scholarship and research, and the other the question of conservation, pilot and support programs.

Mr. YATES. May I interrupt at that point?

I don't like to interrupt you, except when you talk about reassessment. I can understand why this is a time for reassessment. I would have thought that as a part of that reassessment you would have included what I consider to be the thrust of this Administration's direction; that is, did your reassessment include the question whether or not the Federal Government should subsidize the arts and the humanities?

Mr. DUFFEY. I will be delighted to respond to you with my own opinions.

Mr. YATES. The question is whether or not your reassessment included that.

Mr. DUFFEY. I think that it had more to do with what areas were appropriate for support.

Mr. YATES. Rather than the fundamental question?

Mr. DUFFEY. Yes.

Mr. YATES. I would like to have your views. Don't you agree with me that that is the thrust of this Administration's direction?

Mr. DUFFEY. Well, I think some statements from spokesmen for the Administration indicate that that whole question would be up in the air. But that has been indicated with respect to higher education, whether the Federal Government has a role there, as well as what role it might play in the support of the arts and the humanities.

I would be delighted to respond to your questions about that in general.

We operate under the basis of the law created by the Congress and reauthorized during the past year—the National Foundation for the Arts and Humanities Act. That anniversary is the first context.

The second context is the situation of inflation. I think I said the first time I appeared before this committee, in one of our first exchanges in 1978, that I thought the Congress could do as much for us, we could collectively do as much for ourselves, if we could bring inflation under control at that point, as to increase our appropriations.

This is an area of American life where inflation has an even more severe impact than it does in certain other areas because the humanities are so labor-intensive, and we are talking about institutions that are not in the competitive marketplace.

It is this second problem confronting the society that has moved the Administration to propose a cutting back of government spending.

We have a reduced budget before us. The first budget you received was prepared—like last year's—by probably the most extensive process of consultation, both with our staff and, at this point now two years running, with our National Council, that has occurred in the history of the Endowment.

For the first time last summer we brought together a special budget subcommittee which spent a great deal of time preparing for that meeting. So the first budget you received was prepared with very careful consultations and deliberations.

BASIS FOR REDUCTIONS

We now have submitted proposals for reductions, and those proposals again were prepared after extensive consultation with staff and the National Council. They were difficult judgments to make, and they were made on the basis of several criteria.

We did not cut simply across the board at the 50 percent rate, but tried to, first of all, select out those activities given support by the Endowment which more clearly are direct responsibilities of the national government or are directly in the national interest and were least likely to receive private support, either from the corporate area or from private individuals or foundations.

We had to look at the legislation in our mandate and try as best we could to respond under a reduced budget to that continued mandate, which is the support both of research and study, and of learning by as broad a public as is feasible, so that opportunities should be made available for everyone who seeks learning in the humanities.

The Endowment's funding for learning in the area of the humanities in the United States is very small. It has been said—I don't know that the figures are exactly right—that something in the vicinity of 10 percent of expenditures in the arts is provided by the Federal Government, a very modest figure.

But the Federal figure for the humanities would be far less because of the tremendous expenditures made by state governments and others for libraries and liberal arts divisions of colleges and universities. So, we are talking about an even more modest share by the Federal Government.

I would stress again, as I did last year, that the Federal role and our goal have been to provide what I called in the submissions last year a margin of possibility to individuals engaged in this activity, to institutions, and to the public with respect to learning.

Mr. YATES. Should one draw a conclusion from the fact that the humanities received much greater fiscal assistance from the states and local governmental agencies that there is no need for Federal assistance?

Mr. DUFFEY. No, I don't think so at all. I think there are a number of indications in the last 15 years that Federal assistance can play an extremely important role and is in some areas the critical margin of possibility, to use my earlier expression.

Mr. YATES. Go ahead and finish your statement.

Mr. DUFFEY. That is the conclusion of my statement.

FEDERAL SUPPORT OF THE HUMANITIES

Mr. YATES. Let's go back to basics.

Let's go back to the time when—I think the Administration is really asking us to do this—Congress had under consideration the question whether Federal support should be given. At that time, the Commission on the Humanities, in 1964, reported that it should be.

The sponsors' forward says this:

Increasingly during the past few years concern has been expressed about the condition in this country of those fields of intellectual activity generally called the humanities.

I would say they are still a subject of concern, wouldn't you?

Mr. DUFFEY. Yes. As a matter of fact, we have now had a follow-up on that Commission report just published in the fall, the new Commission on the Humanities.

Mr. YATES. All right. Then it says:

Responding to that concern, the American Council of Learned Societies, the Council of Graduate Schools in the United States and the United Chapters of Phi Beta Kappa decided to join as co-sponsors of the National Commission on the Humanities.

The commission was asked to consider the state of the humanities in America and to report its findings and recommendations to the sponsoring organizations. The commission began its work early in 1963 and delivered its report on April 30, 1964.

In the opinion of the sponsors, the findings of the commission and its recommendation offer guidelines of great potential significance to the progress of the humanities in the United States.

The report is, therefore, being widely distributed among persons who can and, it is hoped, will assist in bringing to actuality the recommendation of the commission.

The report stresses two fundamental points: One, that expansion and improvement of activities in the humanities are in the national interest.

You and I would agree with that, wouldn't we?

Mr. DUFFEY. Yes, sir.

Mr. YATES [reading]:

Consequently, they deserve financial support by the Federal Government.

I agree with that. Do you?

Mr. DUFFEY. I would say encouragement and support. There are things that can be done even beyond the question of direct support. I think the very fact that the government creates an Endowment, that these areas of learning are considered important, carries the kind of symbolic leadership that is also, perhaps not equally, but certainly as significant as financial support.

Mr. YATES. You are saying that financial support is one aspect of the support, and that there are other ways by which the Federal Government can encourage support for the humanities.

Two, that Federal funds for this purpose should be administered by a new independent agency to be known as the National Humanities Foundation.

That was subsequently changed by the Congress to the Endowment for the Humanities, wasn't it?

There was a foundation for both the arts and humanities, I am aware, but insofar as a single humanities agency was concerned, it became the National Endowment for the Humanities, correct?

Mr. DUFFEY. Yes, sir.

Mr. YATES. Now, we have another question that is coming up. That is on that second point—and I repeat—that Federal funds for this purpose should be administered by a new independent agency to be known as the National Endowment for the Humanities.

The Administration has been floating a trial balloon. I don't know whether it has landed in your office yet.

Mr. DUFFEY. Passed overhead a few times.

Mr. YATES. Then it didn't land. That looks to the creation of a new agency. Here we enter the realm of speculation because I have seen nothing to define what the new agency will be like, except that in passing reference it was suggested that it might resemble the Public Broadcasting Corporation.

Is that your understanding, too? What is your understanding of what the Administration's proposal is?

Mr. DUFFEY. Well, I don't believe the Administration has a proposal, Mr. Chairman. My understanding is that several individuals, none holding positions in the government or in the Administration, interested individuals on the outside, some of whose advice may have been sought, some of whom I think were offering their advice, have talked to members of the White House Staff and to reporters about this proposal in a very vague sense.

It is not my impression that these are people who have studied either Endowment extensively, or know much about their administration. But it has been floated as a proposal.

I think this is a case where the press, as occasionally happens, has made much more of conversation and speculation than anyone in the Administration would have wanted at this point, and certainly it does not reflect any deliberations that I understand are going on within the Administration.

I also have to preface all that by saying that I am not entirely privy to everything going on in the Administration. I think there are conversations with regard to the future of the two Endowments.

Mr. YATES. Have you talked to Secretary Haig?

Mr. DUFFEY. Not in recent months, about that. I don't think that this is by any means a proposal. I am not even sure it is in the nature of a trial balloon to test public reaction, but it could be the case.

Mr. YATES. What would be its purpose, then?

Mr. DUFFEY. Well, I suppose any Administration begins looking at these two agencies. They have been the source of some controversy from their very beginning. I think that is in the nature of the kind of work they have to do.

They work in very sensitive areas of American life. I think they have performed extremely well, but there have always been questions about the nature, and always should be, I think, about the role of the activity, how it is being conducted.

POLITICAL SUPPORT FOR THE ENDOWMENTS

Mr. YATES. I have never really been on the firing line as you have. I have been Chairman of this committee for some years. Ordinarily, when Members of Congress are not happy about a governmental agency, the Chairman of the appropriations committee for that agency usually hears it.

I must say that in the years I have been Chairman, I have not had one complaint about the Endowments.

Mr. DUFFEY. I think that there has been very strong congressional bipartisan support. I am referring to the question of whether—

Mr. YATES. There is no question, there has been strong bipartisan support for both Endowments by the Presidents, starting with John Fitzgerald Kennedy, who brought together the initial commissions, going through Lyndon Johnson, Richard Nixon, and all the way through the other Presidents.

It is interesting to note in passing that the largest single forward step financially was taken under the tenure of Richard Nixon.

Mr. DUFFEY. That is correct.

Mr. YATES. For both the Endowments. Then President Ford supported it; President Carter supported it. Now I have an opinion that there has been a reverse attitude exhibited by this Administration.

Now, the Congresses bipartisanly, if there is such a word, have supported it through all that time. There have been, on occasion, complaints as to individual projects, but by and large nobody in the Congress, that I am aware of, has raised the question as to whether there ought to be Federal support for the arts and humanities.

Mr. DUFFEY. I don't think that question has been raised. It obviously has been debated and discussed in some journals and the arts sections of some newspapers, but I think any Administration at its beginning looks at its programs and tries to determine how they might best be structured.

My impression is, at the moment, that kind of conversation is going on, as I say, more probably among those who are advising and may be even kibitzing the Administration, than among representatives of the Administration itself.

Mr. YATES. What does "kibitzing the Administration" mean?

Mr. DUFFEY. Those who offer advice—

Mr. YATES. Do you mean letters to the New York Times?

Mr. DUFFEY. No. I think those who are offering, in good faith, genuine advice about what an Administration ought to do. A new Administration always gets lots of advice from various sources.

Mr. YATES. Well—

Mr. DUFFEY. Well, my impression is that that is the state of the—

Mr. YATES. The impression I have is that the arts and humanities have a low state in this Administration, and the newspapers show that Mr. Stockman at least considers it among his low priorities.

Mr. DUFFEY. Mr. Stockman has indicated that, in the context of the present economic situation, yes. I am told the language in the blue book you have before you says this is described as a reduction of a program in the national interest.

Mr. YATES. Is it so described?

Mr. TASHDINIAN. That is the overall chapter heading, I believe, Mr. Chairman.

Mr. YATES. Would you like to find that for me, Mr. Tashdinian?

Mr. TASHDINIAN. Perhaps it was the first volume which was submitted.

Mr. DUFFEY. In any event, Mr. Chairman, I would assume, to give the benefit of the doubt at the moment to Mr. Stockman, he has prepared what he acknowledges himself to be something of an emergency program to restrain the spending of the Federal Government. I think a great many people are sympathetic with that goal.

Mr. YATES. Mr. Stockman says, after a discussion of the National Endowment for the Arts, National Endowment for the Humanities. I assume this came out of OMB.

This is a discussion of your history, it says, "Potential range: Reduce the budget authority of the Arts and the Humanities Endowment by 50 percent. The proposed savings reflect a 50 percent reduction in funding for the arts and humanities program beginning in fiscal year 1982. From fiscal year 1984 on for the arts and

fiscal year 1985 for the Humanities Endowment would be held level at \$100 million."

I assume this is a total rather than \$100 million each?

Mr. DUFFEY. Those are the outlay figures, I gather.

Mr. YATES. Would it be \$100 million for each?

Mr. DUFFEY. Right.

Mr. YATES. All right.

Mr. DUFFEY. In total budget authority for each agency.

PRIVATE SUPPORT FOR THE HUMANITIES

Mr. YATES [reading]:

Reductions of this magnitude are premised on the notion the Administration should completely revamp Federal policy for the arts and humanities support. For too long the Endowments have spread Federal financing into an ever wider range of artistic and literary endeavor, promoting the notion that the Federal Government should be the financial patron of first resort for both individuals and institutions engaged in artistic and literary pursuits.

Have the Endowments done so?

Mr. DUFFEY. Certainly not in the last four years, Mr. Chairman, since the Endowments' growth has hardly matched inflation since 1974.

Mr. YATES. Then Mr. Stockman says:

This policy has resulted in a reduction in the historic role of private individual and corporate philanthropic support in these key areas.

That is directly contrary to the facts, isn't it? Do you have to tread on eggs here?

Mr. DUFFEY. I am not treading on eggs. I wrote to Mr. Stockman immediately after that document was published to say that I thought that the evidence clearly contradicted that statement.

Mr. YATES. Then you agree with my assessment? That this is directly contrary to the facts?

Mr. DUFFEY. I do agree.

Mr. YATES. We do know that contributions by the business community have gone up very significantly over the last few years. If my memory serves me correctly, the reports of the Business Committee on the Arts says that support for the arts by the business community has exceeded \$400 million, which is a significant number.

That is not a turndown. That is an ascending curve of constantly increasing support. So, if this is the premise upon which Mr. Stockman's classification of the arts and humanities is based, then his logic is in error, isn't it?

Mr. DUFFEY. That premise is demonstrably not the case.

Mr. YATES. Is his conclusion in error?

Mr. DUFFEY. Based on that premise, yes.

Mr. YATES. That is all I asked you.

These reductions would be a first step towards reversing this trend.

Do you think the reductions would be a first step in reversing that trend?

Mr. DUFFEY. Since the trend is demonstrably not the trend he suggested, if it is reversed, it might be reversed in the other direction.

Mr. YATES. Is your answer yes or no?

Mr. DUFFEY. Well, I think that he misreads and misunderstands the trend. I think the trend has been toward increasing support. I believe one reason for that is the interest in matching funding that has come from the Federal Government.

For the National Endowment for the Humanities, at least, I think it has clearly been the funder of last resort and not of first resort in practically every case I can think of, and has matched and drawn private funding.

So, I believe the consequences of a cutback in these areas of most critical concern at least would be to diminish private funding.

Mr. YATES. Which areas of critical concern?

Mr. DUFFEY. Well, I am thinking of certain particular areas of Endowment interest. The support for research libraries, the support for fellowships for younger scholars and teachers in more remote areas of the country who need an opportunity to keep up with their discipline, and the support for archival work.

I think we have some indication in the last couple of weeks that some corporations which can afford to may increase private giving. I know of two major corporations that have decided to increase their contributions, in both cases going from 1 percent of profit before taxes to 2 percent.

One of the problems that I think has not been discussed is that private support tends to cluster in certain attractive areas where there is some recognition some areas are more favorable than others.

No private foundation is going to be able to establish the kind of thorough peer review system that the two Endowments have used. So that I think even if there is an increase in private support, there are, in my judgment, major areas of national concern that will not be that attractive for the private sector.

So, I would say that there is no indication—my own judgment would be it would not be the case that private support will fill in those areas left by the retraction of Endowment support.

Mr. YATES. As a matter of fact, it might fall off.

Mr. DUFFEY. That is possible.

JUSTIFICATION FOR CARTER BUDGET

Mr. YATES. Here is your submission, your justification for the Carter budget, and even to the Carter OMB you did not claim the kind of domination which Mr. Stockman ascribes to you.

I read from page 7. After you have discussed the agency mission, you say:

This mandate, with its imperatives to advance the state of the humanities through scholarly research and to disseminate the benefits of the humanities to a wide audience reflects the importance which the Nation at large and the Congress in particular places on teaching and learning in this area.

It does not imply that the Endowment should take primary responsibility, even in times of severe strain for the continuing fiscal health or survival of the Nation's educational or cultural institutions.

You did not seek to grasp or to take control over this part of its cultural life?

Mr. DUFFEY. No, I think that would be unwise. We have always been very modest.

Mr. YATES. So that, too, is contrary to Mr. Stockman's premise, isn't it?

Mr. DUFFEY. Yes, I believe it is.

Mr. YATES. I get the impression you are moving very cautiously in response to my questions. Am I treading on eggs with you?

Mr. DUFFEY. You are not treading on eggs with me. I think I should always respond cautiously to your questions. I have learned that over the course of the last few years.

Mr. YATES. Touché.

I continue with our good friend David Stockman, and he is our good friend.

Moreover, in those areas where Federal financing does not wholly supplant private philanthropic means of support, it constitutes a low priority item.

Would you agree with Mr. Stockman on that conclusion?

Mr. DUFFEY. No, I don't, Mr. Chairman. I wrote a letter to Mr. Stockman, again, immediately after that report was issued, and suggested that these were indeed matters of some genuine urgency in our society.

Mr. YATES. Good for you.

Then he goes on to say:

Given the need for fiscal retrenchment across the full range of human Federal programs that meet more basic human needs, low priority items must bear a greater differential burden if fiscal restraint is to be achieved in a balanced and compassionate way.

So, coming to the wrong conclusion, he uses that as the basis for another conclusion.

At any rate, is that your relationship with OMB at the present time?

Mr. DUFFEY. Well, that phrase, 'basic human needs', I think is a very tricky one. I would think that identification, self-understanding, placement in civilization and culture, are demonstrated to be very basic human needs.

This statement seems to suggest that these be pitted against bread and butter. I think even the sort of understanding of what it means to be human, how the human animal functions, the function of learning in the humanities is very much of a basic human need, an understanding of who we are, where we have come from, of our heritage, I would certainly dissent from anyone who would suggest that is not a basic human and social need.

I say that, however, with great—

Mr. YATES. Respect?

Mr. DUFFEY. No, I say it with some concern for the continuing problem of poverty in America. That obviously is a more critical problem and remains a problem with which we have not made a lot of progress in the last few years, so that we don't think as much about it as we once did.

Mr. YATES. Here is Mr. Block of AT&T, Vice President, also President of the American Council for the Arts. He says in his statement in an earlier hearing:

I am also Vice President of AT&T. In the latter capacity, I am the officer responsible for corporate contributions, community relations and cultural support programs. I would like to make some observations.

He talks about the intent of Congress in the Endowment legislation.

I agree with that stated intent of Congress, but I have some difficulty reconciling it with what appear to be contrary assumptions underlying proposals recommended by the new Administration.

AT&T is not the smallest company in the country. So, I would think that the views of one of its vice presidents as to what the attitude of American business is likely to be, and likely to do in the future, are of some importance in this respect.

He asks the question:

Is it or isn't it national policy to continue to encourage the American public in its growing appreciation and appetite for the arts?

Well, I would substitute the word "humanities" there.

How would you reply? The answer is obvious, isn't it, as far as you and I are concerned?

Mr. DUFFEY. Yes, I think so. There is a difference between the arts and the humanities. But it is very close to being obvious as far as we are concerned, yes.

Mr. YATES. Perhaps my premise was wrong in using this statement. Does the American public have a growing appreciation and appetite for the humanities?

Mr. DUFFEY. Well, I think there is a growing interest—the word "appetite" is a troubling word to me. Obviously in the last—two things have happened—

Mr. YATES. Let's say then "appreciation".

Mr. DUFFEY. And interest in and concern for. I mean, I think—

Mr. YATES. That raises a question as to whether that is important. The question is, are the humanities important enough—even without a growing public support as you find in the arts—to the national interest and to the national purpose and to the national goals that it deserves Federal support.

Mr. DUFFEY. I could not agree with you more. There are some things the Endowment has funded—I am really glad to say—that have not necessarily been a response to popular demand but represent, as you suggest, a critical national interest.

Mr. YATES. I am glad that you answered my earlier question so cautiously because we have evolved into what is a consensus on what the role of the humanities should be. It should be one of establishing a preparation, a foundation for the greatness we hope our country will achieve some day.

The humanities are an essential element in that purpose. Don't you agree?

Mr. DUFFEY. I believe they are, yes.

Mr. YATES. I go back to 1964. The first paragraph in the statement:

The humanities are the study of that which is most human.

I think we will get to the budget eventually, but it seems to me that in the atmosphere in which we find ourselves, it is important to try to understand what you are and what you do, and where you think you want to go and where the country should go. Let's go back.

Mr. DUFFEY. That kind of conversation may be one very good thing to come out of the current experience we are going through. I agree with you very much.

Mr. YATES [reading]:

The humanities are the study of that which is most human. Throughout man's conscious past they have played an essential role in forming, preserving and transforming the social, moral and aesthetic values of every man in every age.

We agree so far.

One cannot speak of history or culture apart from the humanities. They not only record our lives; our lives are the very substance they are made of. Their subject is every man.

We propose, therefore, a program for all our people, a program to meet a need no less serious than that for national defense.

With all the emphasis in the budget on national defense, that becomes an important statement, doesn't it?

Mr. DUFFEY. Yes, it does.

Mr. YATES. Do we agree with that?

Mr. DUFFEY. We agree.

Mr. YATES [reading]:

We speak in truth for what is being defended, our beliefs, our ideals, our highest achievements.

I wish I could make this whole report a part of the record because it is so good. As a matter of fact, most of it is probably paraphrased in your justification anyway.

Mr. DUFFEY. I hope our justifications are consistent with it.

Mr. YATES. Let's see what else I want to ask you about this.

Mr. DUFFEY. Much of that language went into the writing of the act itself, I think.

Mr. YATES. Sure.

I think this is so important. The commission says it conceives of the humanities not merely as academic disciplines confined to schools and colleges, but as functional components of society which affect the lives and well-being of all the population. It regards the arts as part of the humanities and indeed essential to their existence.

The arts differ in more ways from the conventional academic disciplines, but the commission is confident that in any practical matter affecting the two, these differences will be recognized and appropriate means devised for supporting each.

This is what I wanted to come to—the commission further considers that science as a technique and expression of intellect is in fact closely affiliated with the humanities. Whatever scientists may learn concerning the physical world is, or should be, of profound interest to the humanities, just as the findings of behavioral sciences, where they issue in social theories and inspire social actions, merely make humans understandable, fall within the humanist's purview.

We are in agreement?

Mr. DUFFEY. We are in agreement.

Mr. YATES [reading]:

The commission warmly supports the statement relating science to other intellectual activity in the report of the President's Advisory Committee of November 15, 1960.

Which says this:

While this report centers on the needs of science, we repudiate emphatically any notion that science research and science education are the only kinds of learning that matter to America.

That is very important, with all the emphasis on science and mathematics.

I remember when we went through that in 1967, when Sputnik went up, and we had grants to the National Science Foundation. But we also realized there had to be Federal assistance for education in other matters as well.

The responsibility of this committee is limited to scientific matters, but obviously a high civilization must not limit its efforts to science alone. Even in the interest of science itself, it is essential to give full support and value to the other great branches of man's artistic, literary and scholarly activity. The advancement of science must not be accomplished by the impoverishment of anything else.

I must say I consider your budget an impoverished budget.

The life of the mind in our society has needs which are not limited by the particular concerns which belong to the committee and this report.

Science is far more than a tool for adding to our security and comfort. It extends the boundaries of experience and adds new dimensions to human character.

Even the most gifted individual, whether poet or physicist, will not realize his full potential or make his fullest contribution to his times unless his imagination has been kindled by the aspirations and accomplishments of those who have gone before him.

Humanist scholars have therefore a special responsibility in that the past is their natural domain. They have the privilege and obligation of interpreting the past to each new generation of men who necessarily must live in one small corner for one little stretch of time.

They preserve and judge the fruits of humanity's previous attempts to depict, to rationalize, and to transcend the world it inhabits.

That is a great phrase.

The arts and letters and the study of them are, therefore, where we look most directly for enrichment of the individual's experience and his capacity for responding to it.

Through the humanities we may seek intellectual humility, sensitivity to beauty and emotional discipline. By them we may come to know the excitement of ideas, the power of imagination, and the unsuspected energies of the creative spirit.

Over the centuries the humanities have sustained mankind at the deepest level of being. They prospered in Greece and Rome, in the middle ages, and the renaissance and in the enlightenment. Architecture, sculpture, poetry and music flourished.

With the growth of colleges and universities, the liberal arts took shape as a body of cumulative knowledge and wisdom. In the formative years of our own country, it was a group of statesmen steeped in the humanities who fused their own experience with that of the past to create the enduring constitution of the republic.

So that is background for the humanities, in trying to show in some respect their importance. I think even the levity of President Kennedy bears on it.

You remember when he invited all of the Nobel laureates of America to lunch at the White House and he said that this was the greatest collection of brains under the roof of the White House, except when Thomas Jefferson dined there alone. He gave credit to Thomas Jefferson, who was one of the great humanists.

At any rate—did you want to say something?

Mr. DUFFEY. Just that I appreciate your reading that into the record and am delighted in hearing it again. It does make good background for our hearing.

Mr. YATES. Well, let's see what Mr. Duffey has said.

Mr. DUFFEY. I can hardly wait to hear.

Mr. YATES. All right, steel yourself.

THE ENDOWMENT'S 15TH ANNIVERSARY

This is from the 15th Annual Report—about time it came out.

On October 1, 1980, the NEH observed its 15th anniversary. On that occasion, Chairman Joseph Duffey wrote the following article for the NEH publication "Humanities".

Even at NEH, where sensitivity to the passage of time and the changes it works is one of our highest responsibilities, we can well use occasional reminders of the value of historical perspective.

The Endowment's 15th anniversary is an eminently noteworthy occasion. Let us use it as a reminder and try to put into historical perspective some of the basic premises, seldom discussed, and always important, which have informed the Endowment's work during those 15 years.

It is worth reminding ourselves at the start of the very different America in which the NEH was created. The thunder of a distant war was still distant; the Nation had embarked on the challenge of space and the race to the moon; our economy was in one of its most expansive periods.

In the Congress, social concerns were paramount. Legislation poured forth, attacking social and economic ills: medical care for the aged, housing, aid to education, highway beautification, immigration reform, cancer research, air and water pollution.

But the National Foundation on the Arts and Humanities Act differed significantly from this other legislation of the period. Many of those measures identified distress and prescribed and administered remedies for social and economic problems.

This was not the case with the National Endowments. The inauguration of Federal aid to the arts and the humanities recognized their importance to the country. The prescription was not for an antidote, but for a tonic.

I see Mrs. Tuchman's picture here. I remember I asked her at a dinner what she was working on. She said she was working on a study she had done some years ago that was entitled "A Treatise on the Continuation of the Unwisdom of Government."

Mr. DUFFEY. "The Manifest Unwisdom of Government."

Mr. YATES. I think that is what happened in this budget for the arts and humanities.

Mr. Duffey, we have a little background. Do you want to say anything else?

Mr. DUFFEY. Not at this time.

PRIVATE SECTOR SUPPORT

Mr. YATES. The thesis of Mr. Stockman, and I heard it from President Reagan himself, was that the cultural institutions of the country—I assume he may have been limiting his remarks to the arts, but certainly the cutting action of Mr. Stockman is to both the arts and humanities—but the President indicated that it was the private community in the country which had done more for the cultural institutions than had the governments of any of the other countries.

He said that for one thing he and Mr. Stockman looked to the private sector providing whatever deficits may occur in the support for the arts and the humanities as a result of the reductions in the budget should the Congress accept their recommendations.

Then we look at the justification. College presidents have written to me over the last several months, and I have the impression that many of them are really falling on hard times financially.

There are some who have very great endowments that permit them to flourish. But by and large, the costs to the students of going to the colleges are rising dramatically, tuition costs are at the highest levels they have ever been and continue to go up.

I don't know how long students can continue to pay those costs, particularly where they cannot get loans from either the Federal Government or the banks. But your assistance has been great to

the colleges of the country for continuation of their cultural programs and research in the humanities and does help in their activities.

Mr. DUFFEY. Yes, I think it has provided a small margin, first of all, to encourage private money to come to the colleges. In that area our funding has stimulated more private funding than I think in any other area; also, to give them what we call that margin of being able to continue with research, sponsor research, especially in a society where the recognition and rewards have been mainly for science and technology.

Mr. YATES. Well, that is one of the things I thought.

I read from your justification. I wonder, as I read through these, whether the private sector will make up the loss of funds from the Federal Government.

SUPPORT FOR THE SCHOLARLY SECTOR

For instance, on page 8 of your justification you say:

The needs of NEH constituents. To nurture the scholarly and public scrutiny of humanistic concerns and issues, the NEH encourages and responds to proposals from a wide array of eligible institutions and individuals from over 3,000 colleges and universities and the 200,000 scholars and teachers in the humanities who serve in them.

The loss of your funds would create a great funding gap, wouldn't it, for that sector?

Mr. DUFFEY. With respect to the humanities, which is of course an area that doesn't require the kind of major funding science does. But it would be a tremendous loss in that area, even though it is a modest amount.

Mr. YATES. That is right.

Then you talk about the 16,000 public school districts. I assume, however, that perhaps state budgets might make up a difference there, except when I think of my home town of Chicago, and think of how close the Chicago school district has been to strikes of the teachers and administrative personnel from time to time for lack of funds, how programs in the curricula are being cut out, how the curricula are being cut back, how difficult it is to obtain additional taxes, and how very hard it is to obtain additional funds from the state legislatures.

Mr. DUFFEY. Our funding there, Mr. Chairman, is and would remain, even with significant increases, very modest in total dollars. I can give you an example of the kind of thing it makes possible.

There are many communities in this country where parents are beginning to be concerned about the fact that their children may not be taught history. They may be taught something called social studies. If they are taught history, it is often not taught with a regard for their own heritage, their own community and region.

The most exciting thing happening in American history is research, development of archives to make that possible. So it is possible for a school district to get a very modest grant from us, \$5,000 to \$10,000, to enable the development of courses which provide a much more adequate understanding of areas of history and literature for the children.

That kind of pilot work is the only work we fund there. But it is increasingly significant to parents who care about the way in which their children are educated.

SUPPORT FOR LIBRARIES, MUSEUMS, AND HISTORICAL ORGANIZATIONS

Mr. YATES. What about the 8,500 public libraries, 6,000 museums and historical organizations? Would the private sector take up any gap in relation to those?

Mr. DUFFEY. Without any question there has been and I hope would continue to be private support for those institutions. Our support again is very marginal.

It is that extra funding you need in a local library, for example, to arrange for a display of materials or some educational programs, or to put together the collections of a museum in a traveling or permanent exhibition and interpret them to the people of the community and the visitors to the museum.

ASSISTANCE TO HUMANITIES EDUCATION

Mr. YATES. Your justification on page 33 says this:

Through its education program, the Endowment provides focused support for activities which respond to the legislated mandate, to strengthen the teaching potential of the United States in the humanities.

Then you say:

Endowment support differs from other Federal and private programs assisting education by an explicit and exclusive concentration on the disciplines and methods of the humanities.

Endowment grants at all levels of education are distinguished by the common thread of content in the humanities. This clear and exclusive focus is also the means whereby the Endowments' grants remain visible and coherent, even though the NEH budget for these programs is a very small fraction of the more than \$150 billion spent each year in support of education nationwide.

What happens if you don't make that? Will private sources make up the difference?

Mr. DUFFEY. Well, we don't know, do we? I would be skeptical as to whether that will happen in some of these areas.

Let me give you an example, if I may, Mr. Chairman, a letter that I received today.

The Endowment has made a grant to make possible an experimental seminar at the Yale University School of Management this summer on the problems of ethics in corporate management.

Now, our funding matched some corporate funding. One of the people involved wrote me today. I would like to read one paragraph.

In response to the grant made by the Endowment, a major corporate foundation has provided \$20,000 in support of this institute. This development seems significant because it isolates the unique and particular role of public funding for important humanities projects.

The support of the Endowment indicated that the project was in the general public interest, although directed specifically at participants from corporations. NEH's support reassured corporate benefactors that their support would not seem simply self-serving of the needs of one sector.

Particularly with regard to management ethics, it is imperative that the work of this institute be perceived in the wider context of the public good, as well as being of benefit to the leaders of corporations who will be participating and seeking to solve problems of responsibility.

I think what he is saying is that in a sense private giving is both encouraged and facilitated by the government's show of interest in certain areas, even though that may be a very modest part of the funding available.

Mr. YATES. I appreciate that. Then we turn to page 9.

In spite of isolated signs of vitality in various areas of the humanities, much of the nonprofit cultural and educational world served by the Endowment continues to be seriously affected by financial difficulties.

The endowments of nearly 20 percent of the Nation's higher education institutions lost money during 1977-78. Between 1974 and 1979, the latest year for which data are available, endowments' earnings generally trailed inflation by significant proportions. It is estimated that when combined with previous years' developments, college endowments have lost roughly one-fourth of their purchasing power in the past five years.

The National Association of College and University Business Officers recently reported that returns on college and university investments are being "considerably diminished" by inflation. Such difficulties have affected every area of expenditure at colleges and universities, from personnel compensation to basic research and development to the elimination of courses (especially in the humanities) that are not "profitmaking."

This is exacerbated by the decline in charitable contributions in certain specific areas. In large part, this may be attributed to the economic conditions of recent years, which have compelled such organizations as the Ford Foundation to make severe reductions in their support for the humanities.

Many of these reductions have centered on international research. In other areas of the humanities, however, particularly scholarly research based in the United States and programs intended for the general public, the level of giving on behalf of NEH-supported projects remains high. Overall, gifts to NEH have exceeded the available Treasury matching funds.

GIFTS AND TREASURY MATCHING FUNDS

What do you mean by a gift to NEH?

Mr. DUFFEY. The law under which we have been operating—and it has been changed now in the reauthorization act—has required that when we match a gift with Treasury money, we have to receive the gift in the government Treasury.

Mr. YATES. Make sure it is there?

Mr. DUFFEY. Right. The last part of our Annual Report, which you have before you, lists the source of funds contributed for those purposes to the Endowment last year.

Mr. YATES. Are those the only gifts you may receive?

Mr. DUFFEY. No. We could receive gifts for general operating support.

Mr. YATES. Suppose the Ford Foundation wants to give you a gift? Can you receive it?

Mr. DUFFEY. Of course we could, yes. We could receive it to match or to use—

Mr. YATES. Have you ever received gifts from outside sources?

Mr. DUFFEY. Yes, we have occasionally.

Mr. YATES. Can you tell us how much they are?

Mr. TASHDINIAN. All of the gifts are from outside sources.

Mr. YATES. You get appropriations from the Federal Government. The challenge grant returns are now required to come into your treasury. If the Ford Foundation wants to make a gift to you. Mr. Duffey says you can accept it.

Mr. DUFFEY. We have not sought them for general purposes.

Mr. YATES. I know. I wonder whether you are authorized to receive them.

Mr. TASHDINIAN. Yes, we are.

Mr. YATES. Have you received any such gifts?

Mr. TASHDINIAN. Not many. Normally they would be coming to the agency in response to matching offers. And it is unlikely that they would offer us just a general gift for us to distribute as we wished.

Mr. YATES. The reason I ask the question is because I assume that the trial balloon of which we spoke a few moments ago may have support in the White House because of the possibility that were it another political device, outside gifts would be acceptable. But outside gifts are still acceptable to you, are they not?

Mr. TASHDINIAN. Yes.

Mr. YATES. And they may be accepted. So that there is no reason for that kind of an arrangement, for that reason.

Mr. DUFFEY. I think there is a strong reason against that kind of an arrangement. If you were to seek that arrangement, where corporations would give money to the Government to be administered by the Endowment, you would be diminishing the kind of pluralism of having both public and private support. You would be giving to the Federal Government a much stronger, more aggressive and determinative role.

I think it would be a very bad idea to ask that corporate money to pass through—in other words, to be in the business of trying to raise it and then administer it in behalf of the Government.

It is far better now to have the independent judgments made by the Endowment which makes a thorough review and then have gifts made by the private sector. And I can imagine nothing worse for the future of the humanities than to have the Federal Government raising private money and then determining its administration exclusively.

It seems to me it would lead to a kind of temptation for abuse that should be avoided.

Mr. YATES. Are contributions which are made to the Humanities tax deductible?

Mr. DUFFEY. Yes, they are.

Mr. YATES. One of the outside witnesses who came in to testify was one of the great American soldiers of World War II, Lt. General James Gavin. And his testimony was fascinating.

He said he grew up as an orphan in a foster family in Pennsylvania. His father was a coal miner. He said:

As early as I can remember I worked before school and after school. They had no library in the town. The only way to get books was to take them out of the bookstore and get them back before they caught me. I read every book I could get my hands on. I wanted an education.

He joined the Army, went to a post where they had a library, and read books continuously.

I owe my being here and motivation to my own ability to get help from our great society through the library system. I am here as a concerned citizen, as a spokesman for an alliance of associations and individuals bound together by the conviction that a democracy such as ours must promote knowledge in the Humanities as well as in the sciences.

That is from a great soldier.

CHALLENGE GRANT PROGRAM

I have the impression that the challenge grant formula is the most successful device for raising money that the endowments have utilized. Yet, as I understand your budget, the challenge grant program takes the largest reduction, 60 percent.

Why? Why did you submit a budget that would do this?

Mr. DUFFEY. The Challenge Grant program has been extremely successful, especially in our use of it. We operate, you may recall, on a three-year award basis—grants are made for a major fund-raising campaign for three years.

I think it is not an adequate tool in itself for the support for the humanities, because in a sense it is one of those situations, as the Bible says, to those who have, more shall be given. It favors those institutions with the popularity, the resources, to raise money.

Obviously, we should do that. But there are some deserving cases that may not be that popular.

Mr. YATES. You sound a responsive bell in my mind. I had also heard from small organizations that the challenge grant favors the larger organization, that the Metropolitan Opera, or the Metropolitan Museum, for example, with a large constituency, had a much easier task in raising private funds than do the smaller ones.

Mr. DUFFEY. Well, we have tried, Mr. Chairman, to correct that. And I think the last couple of years under Mr. Goodell's administration have shown that we can make grants and they can be successfully used by small institutions.

I think we have a remarkable record of small institutions. Maybe an award might be only \$7,000 or \$8,000—in the Challenge Grant program. We have just gotten to that stage now—institutions that have never had fund raising before are beginning to use it.

We confronted a very difficult decision. Do we reduce funds in our definite program budget, that have much more flexibility, and may be able to go to those projects that don't have great public popularity but are extremely important right now, as we said earlier, at the risk of losing such projects—we had to decide between these. And the way we made the decision was to get enough funding to continue our commitments in the Challenge Grants for the next year, and honor those commitments, but to let a year go by without making new commitments.

The impact of taking the rest of that funding from between \$9.6 and \$27 million out of our definite programming would have really been very severe.

BASIS FOR DETERMINING CUTS

Mr. YATES. How did you decide? Why were you selective rather than cutting everything 50 percent across the board? What was your formula for determining how to cut back and how to make funding available? What was the procedure you went through?

Mr. DUFFEY. Through a process of talking with our staff, of taking counsel with the members of our National Council, of going through several drafts, of proposing responses and getting reactions until we arrived at a final one. We had to weigh, first of all, the urgency of some needs. It is probably more critical now, although not as popular, that we have a more adequate understanding and

ability to teach about the civilizations of the Middle East than that we have another major museum exhibit next year, although I happen to think the museum exhibits are very important. But those kinds of needs are there.

Then we factored in what private support is most likely to come for. It is probably most likely to come to public television. I cite the Washington Post of this morning, acknowledging the splendid documentary yesterday on Robert Oppenheimer and the atomic bomb, as indicating a program which received support, by the way, from the Endowment through one of the State programs.

Mr. Shales says this is the kind of film that demonstrates the importance of the humanities, that would only be funded by the NEA and NEH. "We can kiss these kinds of movies goodbye if the budgets go through. There is just no way that corporations are going to fund these kinds of films."

On the other hand, there is some private support coming.

Mr. YATES. I just want to follow that up. Isn't that true of public broadcasting, too? Is it likely that that film would be on a commercial network?

Mr. DUFFEY. It is not likely.

Mr. YATES. That is why the Public Broadcasting Service network is so essential. And that is why it must remain firm and strong and financially sound so that it can be a valid partner with the Endowments in presenting the kind of programming for the American public that is not likely to be found on the commercial networks.

Mr. DUFFEY. I agree with you. I would gladly yield a little time to PBS.

Mr. YATES. Which of us is testifying now?

Mr. DUFFEY. We had to look at the areas where there might be some private support.

Then we made the decisions with great difficulty. I don't think it would have been responsible to have cut everything 50 percent. Everything is not equally important if your resources are diminished.

It was a very difficult set of decisions. But applying those criteria, we tried to make the most responsible judgments we could.

Mr. YATES. It is a tough job.

Did the Council approve this budget as submitted?

Mr. DUFFEY. The Council did not formally vote on the budget. First of all, I received the advice of all the members of the Council and tested with them my overall scheme. Then I distributed to a select committee of the Council chosen last year copies of my proposal and received their comments.

Then I revised the proposal on the basis of their comments. So it is prepared with the advice and consultation of the Council, but it is not representative of a vote of the Council.

Mr. YATES. Did you by any chance take into consideration views of your constituency, your possible grantees?

Mr. DUFFEY. Well, you know, it is very hard to get any consensus out of those points of view.

Mr. YATES. I don't know. I am just asking.

Mr. DUFFEY. We didn't hold anything like a hearing or solicit those kinds of comments. We received some comments unsolicited, however.

Mr. YATES. I am sure that you did.

Mr. DUFFEY. But it is a difficult set of decisions. I bear responsibility for the decisions. I would not want to suggest that every member of the Council or of the staff would agree with me. But decisions had to be made in a fairly short time span.

Mr. YATES. I have just finished citing General Gavin's testimony in support of a library program, only to find that you have merged the library program with museums and historical organizations.

Don't you think as much of libraries as General Gavin does?

Mr. DUFFEY. We think a great deal of libraries. We don't support basic operating costs for libraries, except occasionally through a Challenge Grant. We support the kind of projects that make it possible for them to update their collections and make them more accessible. We will have two programs for which we have put the funding together, in this proposal. We need to consider—as applications increase next year—museums and libraries together in making our basic judgments as to how many projects in each area that we can fund.

Mr. MURTHA. As what increases?

Mr. DUFFEY. The number of applications received by the Endowment. At least we project an increase, since it has been increasing each year.

CONTACT WITH OMB

Mr. YATES. Was there an appeal from Mr. Stockman's decision to cut back your Endowment by 50 percent?

Mr. DUFFEY. There was a period allowed of, I think, about 48 hours for response. Any new Administration, let me just say again—to give the benefit of the doubt—a new administration faces a problem in terms of the timing necessary to look at a budget that has already been prepared.

When I came to the Endowment in September of 1977, I inherited a budget prepared by those who had responsibilities before me. I did not revise that budget because it had been prepared through a great deal of consultation with the staff in a long process.

In this particular case, again I think on the assumption of an emergency, the Administration tried to move with dispatch. We did have an opportunity to respond. But it was pretty much, I think, after the fact.

Mr. YATES. How did you respond?

Mr. DUFFEY. In writing.

Mr. YATES. Did you speak to anybody?

Mr. DUFFEY. Both.

Mr. YATES. Was there a hearing before OMB?

Mr. DUFFEY. There was a hearing on the previous budget.

Mr. YATES. You mean prior to the reduction?

Mr. DUFFEY. Prior to the election there were hearings in the fall.

Mr. YATES. I know that. But I am talking about the 50 percent reduction.

Mr. DUFFEY. No, I don't think there were hearings for any of the agencies on the reductions.

Mr. YATES. You just received a notice and it said this is it?

Mr. DUFFEY. Well, we were asked to respond to these figures.

Mr. YATES. And you responded in writing?

Mr. DUFFEY. In writing.

Mr. YATES. Was there somebody who listened to you also or were you just heard through the written response?

Mr. DUFFEY. I had a few conversations with individuals. But they were informal conversations. There was no formal procedure.

Mr. YATES. Were you persuasive?

Mr. DUFFEY. Well, not persuasive—I did not take the position, Mr. Chairman, and I wouldn't now, that the Endowment should be spared from playing some role in the effort to cut back expenditures of the government.

Mr. YATES. What would you think would be a reasonable cut-back?

Mr. DUFFEY. I suggested in my letter to Mr. Stockman that I thought something in the vicinity of 20 percent would be difficult but reasonable given the effort to restrain government spending at the moment.

Mr. MURTHA. Mr. Chairman.

Mr. YATES. Mr. Murtha.

ADMINISTRATIVE REVIEW

Mr. MURTHA. Mr. Duffey, have you cut any fraud, waste and abuse?

Mr. DUFFEY. We don't have a category called "fraud, waste and abuse."

Mr. MURTHA. There must be a category like that, as much as I have heard about it.

Mr. DUFFEY. We have managed in the course of the last couple of years to make our procedures for audit and follow-up on grants more thorough. That is going to be difficult in the future because of the decline of personnel and resources.

We were on our way, Mr. Whitelaw, to increasing our auditing.

Mr. WHITELAW. We had five auditors. We lost four in the freeze. So we are down to one.

Mr. MURTHA. What you have done is not only not thought it out—I don't say you are encouraging it, but you have less ability to check on the programs that you are administering.

Mr. DUFFEY. Yes, we do. And those are the items that are under the area of administration. Even though the administrative budget now will not permit us to conduct as thorough a review as we have been conducting—we have been striving for an ideal.

Mr. YATES. What was the nature of your administrative review?

Mr. DUFFEY. This is a process that we talked about in our previous hearings, of several tiers of review.

Mr. YATES. Repeat it for the record. What was the nature of that review, which you obviously now will not be able to undertake if your auditing staff is reduced 80 percent? You said you have lost four auditors.

Mr. WHITELAW. The review you are talking about is the review by panelists.

Mr. DUFFEY. We had increased auditing activities up until the time we lost our staff.

Mr. WHITELAW. Up until last year we had money in our budget to hire outside auditor staffs in three major cities in America, to audit the grants that institutions had from the Endowment.

Mr. DUFFEY. Mr. Murtha, my experience in now 3½ years is that each year we have progressively found more problems in audits because we have been able to conduct more. Very few of them I would describe as fraud or abuse. Some are waste, some are misuse sometimes through poor administration, sometimes there is simply carelessness, a lack of understanding that these are public funds to be used in stewardship.

We have, I think, made progress in the area. I don't think it is a major problem for us. The supervision of grants and the thorough review of grants is very important for us.

Mr. MURTHA. I have asked every agency, "Have you cut out any fraud, waste and abuse," because the general conception of the public is that there is an awful lot of waste in the Federal Government.

I am sure there is some, there are tools that you need in order to ferret it out in some cases, and certainly not 50 percent of your program is in that category.

Mr. DUFFEY. It would be more likely, I am sure, much less than 10 percent.

Mr. WHITELAW. We have also improved our ability to get final reports and financial reports over the last three or four years from our constituents. And from these we have a better idea of what they are doing.

DISTRIBUTION OF GRANTS

Mr. MURTHA. One concern I have had with the Humanities and the Arts is that all the big cities get the grants, such as Philadelphia, Bryn Mawr, and Pittsburgh.

Mr. YATES. Is Johnstown a big city?

Mr. MURTHA. I am looking for Johnstown in here. I see a Johnstown, but it is in another State. Do you just give to the big cities or to some of the small communities also?

Mr. DUFFEY. First of all, this is more information than we have ever provided in the past about where the grants go and the nature of the grants. We have done much better in the distribution of those grants.

Let me point out that sometimes those grants made in large cities affect individuals in the small towns. If you would permit me just to take your own District, because I looked at these figures earlier.

A young man in Indiana University, in Pennsylvania.

Mr. MURTHA. That is in my District.

Mr. DUFFEY. He participated in a seminar in New Haven. This is a grant we made to Yale University, but it enabled him to spend time there, at a research library, catching up with his own discipline. Actually there were two teachers from Indiana University. The second went to Arizona to study the problem of minorities in the southwest. And a third, from St. Francis College, at the University of Chicago.

So while I think the problem of distribution is one we have tried to work on, we have tried to do it not by quotas, because we don't have entitlements, but by saying to an institution, to the large institutions, that our grants are for national work that benefits other people.

I think in almost every case much of that concentration is attributable to our effort to get those institutions to become more responsive, and indeed to be the kind of national service institutions that they can be.

This means, however, that we need our staff—and our staff really, I think, has done a remarkable job—to carefully administer the programs to reach out, so that people in other areas know about the opportunities, to encourage them to apply, and, operating as we do just with one office in Washington, that is not always easy.

But I think the staff has done a good job.

Mr. MURTHA. Do you remember a couple of years ago the poll I had taken, when I was not yet enlightened, that 97 percent of the people wanted to cut the arts and humanities, and foreign aid was another area. But after I have been enlightened in my District, and talked a little about the benefits, it is not quite as bad. It is probably 50-50.

They understand a little bit about the advantages, because the money has been better distributed and because there has been more publicity.

Mr. YATES. Let me ask you a question about that.

Mr. MURTHA. Yes.

GRANTS TO VARIOUS STATES

Mr. YATES. The summary of awards and grants by states on page 128 of the justification shows New York getting \$29 million. The next highest grant going to California, which is just about half. And I was impressed as I looked at that.

I would have assumed that New York would have received the highest number of grants, but not by that differential.

Now, tell me how New York gets so much and California gets \$15 million; and Massachusetts, \$14 million, and Pennsylvania only gets \$9 million?

Mr. DUFFEY. Well, this goes back, first of all, to a question that was talked about earlier in terms of one of the results of matching funds. The figures you are looking at on page 128 included the private gift. So that raises the total to some extent.

On the other hand, national institutions, educational institutions, libraries, are located in these particular centers.

The New York Public Library, for example, 10 percent of its business is national. It has to do with the inquiries that come from corporations, from the government, and other parts of the country for special archives and materials they have there.

Even here in Washington, for example, there are many things that the State Department and others look to the New York Public Library to supply, because they are not even in the Library of Congress.

Our higher education institutions are often centered in these areas—California and New York both happen to be large States, both in population and institutions. The figures—you would have to look at the number of students from other States and other districts who come to those areas.

You also have a museum exhibit, like the Shakespeare exhibit, which is in Pittsburgh this year, and Kansas City, and Atlanta.

That grant—I am not sure whether in that case the grant went to New York—but you have major travelling exhibits in which the grant may go to New York or a museum in California, but it is redistributed across the country.

Many of the programs in New York are international or national programs in which the funds are regranted. It is far more efficient for us to have an institution in New York distribute several million dollars for a particularly special kind of program to applicants from across the United States than to create the further bureaucratic structure we would need to create.

Mr. YATES. Are you saying the amount of money that goes to New York doesn't necessarily go to New York?

Mr. DUFFEY. Yes.

Mr. MURTHA. It appears that half your money goes to those two States, New York and Massachusetts. That is just a quick analysis. That is a lot of money going to those two States.

Mr. DUFFEY. The New York and Massachusetts figures include gifts, sometimes \$3 for every \$1 NEH funds. About \$12 million are gifts that came from the private sector and are included in that total.

Mr. MURTHA. Wouldn't that be true in all the figures, for a certain number of grants?

Mr. DUFFEY. Yes. But not to that extent. For example, there are many States where there are no large contributions.

Mr. MARSHALL. One statistic would illustrate that. There are in New York State over 4500 private foundations. There are seven in Alaska. And under those circumstances, with that kind of disparity of private response to projects, we get this sort of disproportion.

If we look at the largest grantees, or the largest grants, they are almost without question projects which are national in scope. For example, the largest grantee, single grantee, of the Endowment in 1980, was the University of California, Berkeley.

The project included the Bay Area, what is now called the National Writing Project, which is housed at Berkeley but which is conducted at 70 sites in 39 States in the United States.

A second grant was for the scholarly edition of the Works of Mark Twain. It is being produced there, but it will appear in every library in the United States.

So the locus of where the grants are made is not necessarily a reflection of the benefit of the programs.

Mr. YATES. If this is true, why put out a table like this?

Mr. DUFFEY. Because it is requested by the Congress.

Mr. YATES. I don't know that this is the kind of table that was requested.

Mr. DUFFEY. Let me suggest another table. Suppose we break it down per capita. There obviously are many ways to break it down. The following States receive more per capita than New York: Alaska, Massachusetts, Connecticut, New Hampshire, North Dakota, South Dakota, Rhode Island, and others.

So we are a country in which the distribution of population is very skewed, as well obviously as the capacity to make private matching gifts.

Mr. YATES. The Congress wanted to know the extent of your largess to the States. This kind of table does not show that. If it

contains challenge money, then that is a factor. But shouldn't we know how much of this is challenge money?

FORMULA FOR STATE COMMITTEES

We also should know whether your formula is like that of the National Endowment for the Arts. As I understand the arts formula, the grants are based upon the amount of appropriations by State legislatures as well as by population.

Now, are those factors in your formulas?

Mr. DUFFEY. No, it is not a factor in our formula.

Mr. YATES. What are the factors in your formula?

Mr. DUFFEY. You are talking about the distribution of funds to the State Committees?

Mr. YATES. Yes. Beyond the set percentage. Do you give 22 percent to each of the States first?

Mr. DUFFEY. Right.

Mr. YATES. What other grants do States receive?

Mr. DUFFEY. All other grants are competitive on the basis of applications that are received. But there are no other grants to States themselves. They are to institutions or individuals.

Mr. YATES. Suppose the State legislature appropriates money to the State Committee on the Humanities. Would that be a factor in receiving an extra Federal grant?

Mr. DUFFEY. It might be under matching, of the funds set aside for the States. But it would not be a separate—

Mr. YATES. It is counted as part of the match, I see.

Mr. DUFFEY. Yes.

Mr. YATES. Okay.

ANNUAL REPORT

Mr. DUFFEY. One of the things we are able to do now in our Annual Report is to describe what grants are for, and also to separate in some categories what we call national organizations, national grants from local grants.

So I think because of the use of the computer that prepares this, we are able to give more information about how that breaks down.

I think it is entirely valid for the Congress to be interested in that distribution. It ought to be watched. What we hope we have been able to do in the last couple of years is to provide some explanation as to how this occurs.

Mr. YATES. The Congress does look at that. The Congress will look at that table. And the Congress will be misinformed by that table.

Mr. DUFFEY. Well, that table—

Mr. YATES. Misinformed in this sense. I first looked at that table and I looked at the Arts table. And together, according to those tables, New York gets almost 20 percent of your funds.

But then I am told by way of explanation that at least in the case of the arts the funds which a State receives are not only those which every State receives but as well it may receive additional funds which are based upon, one, population, and; two, the amount made available for the arts in the State by a legislative grant. Of

course, New York has the largest legislative grant to the arts in the country.

Mr. DUFFEY. We are now talking about State committees. The grants that are listed here are to individual institutions, or individuals, who compete with everyone else in a particular category.

They are not continuing grants to institutions like the State committees.

Let me just say, Mr. Chairman, in its wisdom last year, the Congress changed our legislation so we no longer will have to receive these funds into the Federal Treasury. We will be able to report them with a breakdown that I think will be much more helpful.

But at the moment, the law has required the receiving and the obligation of the funds so that it appears that way in our records. We will be able to break that down next year when we begin operating under the new procedures which don't require that money to come through the Treasury.

Mr. YATES. Why shouldn't you set out separately, as a part of that table, the amount of money and the number of organizations which you consider to be national in scope?

Mr. DUFFEY. We can provide that information.

Mr. YATES. How would that change the New York figure?

Mr. DUFFEY. I think it would fairly significantly change it, because so many national organizations are located there.

Mr. YATES. Half?

Mr. DUFFEY. I am not sure, Mr. Chairman.

Mr. YATES. Members of Congress do look at the distribution of funds. Every bill that comes along which provides a formula for the distribution of the funds throughout the States will achieve its success or failure possibly as a result of how those funds are distributed.

Members of Congress are provincial to that extent. And the tables that Congress requested don't really tell the story. They don't tell about the national organization. For example, in the Arts table, the District of Columbia receives \$9 million.

I was told that the District of Columbia has a tremendous number of what are called National Arts Organizations, and they are centered there, just as yours are centered in New York.

Mr. DUFFEY. Well, I think we would welcome the chance to break that down. As I have said, providing more detail will help.

Mr. YATES. It will help eradicate what must be an initial feeling of hostility as a Member of Congress looks at that. I think that kind of information should be given not only for that reason but as well to permit others who are interested in the activities of your organization to explain how you arrived at those tables.

You raised a very good point.

Mr. MURTHA. Thank you, Mr. Chairman.

RATIONALE FOR THE BUDGET

Mr. YATES. Mr. Duffey, I read your statement to the committee.

I wonder whether you furnished us with the wrong statement. This should go to an authorizing committee. There is no reference to your budget here.

Mr. DUFFEY. As you began to suggest earlier this morning, this is a good time to raise sort of first principles and general background. I know we were going to have plenty of opportunity to talk about the budget.

Mr. YATES. I would be glad to forward this over to Mr. Simon, if you want me to.

Mr. DUFFEY. My impression from the hearings I have had with you is that the background and purpose of the Endowment are equally important. That is what the budget stands on.

Mr. YATES. What about the equal consideration of the budget?

Mr. DUFFEY. The budget derives from a rationale.

Mr. YATES. This is a very good delineation of the purposes of the Humanities Endowment, but it doesn't help in the budgeting. Are you prepared to talk about the budget?

Mr. DUFFEY. I am quite prepared to talk about the budget.

IMPACT OF INFLATION

Mr. YATES. May I say this was prepared for the Carter OMB. On page 10 of the justification, you say:

The Endowment continues to adhere rigorously to the goal of holding or reducing Federal spending and the size of the Federal workforce wherever possible. Thus, the funding the Endowment is seeking for fiscal year 1982 is considerably below the amount needed simply to maintain the fiscal year 1980 level of support and to offset inflation.

I understand that to mean that the amount you requested from the Carter OMB wasn't what you consider to be adequate for the purposes of the Endowment.

Mr. DUFFEY. Well, it was restrained, as I indicated, because of the nature of the economic problems that the country confronts. We have a stake in fighting and controlling inflation as well as getting appropriations. So we began with some restraint.

I like to feel we have operated for 3½ years with an eye on the need for restraint in government spending.

Mr. YATES. If you are going to maintain in 1982 your budget level of 1980, how much money would you need?

Mr. DUFFEY. 1982 for 1980? I would have to do a little calculating.

Mr. YATES. Taking inflation into consideration.

Mr. DUFFEY. Between 1976 and 1981, each dollar was worth about 30 cents less. If I can get the particular figures that you asked for—you asked for the relationship between what it would take—

Mr. YATES. Would it help you if I gave you the book you prepared?

Mr. DUFFEY. This is administrative only. You are asking for the whole Endowment.

Let's see, I think we can do that in a moment.

Mr. TASHDINIAN. Unless we have a computer in the room, I think we will have to provide an exact figure for the record. But it probably would have been about \$30 million more.

Mr. YATES. Your 1980 appropriation was \$150 million.

Mr. TASHDINIAN. Right. So it would have to go—by 1982, an additional two years, taking two years of inflation—I think that would have to be close to an additional \$30 million.

Mr. YATES. It would have to go up to \$180 million just to be even.
Mr. DUFFEY. Yes.

Mr. YATES. The request of the Carter OMB was \$169 million, is that right?

Mr. DUFFEY. If I might, Mr. Chairman, just point out the context. The Endowments grew very dramatically in the first 10 to 11 years of their growth. I think one reason for that obviously is they were new agencies, and there was some effort to determine the appropriate size.

There were years when the proposals of the Administration—this is before I arrived—were to double the expenditure. But they always grew by 25 percent. The first year I arrived at the Endowment, at the end of the first year that budget increased by about 25 percent. It was prepared by the previous Administration.

The growth in the last four years has been substantially less, with inflation. As you may recall, there were years when our total increase was \$3 million, or \$5 million. 1982 was an attempt—the first budget which would have inched a little ways back to where we were in 1976. So we have fallen steadily behind.

Obviously, though, everything has fallen further behind. Most family incomes have fallen further behind. Inflation is a severe problem.

SIZE OF REDUCTIONS

Mr. YATES. When I asked you the size of the reduction you said you thought the Endowment could take 20 percent. What figure do you use as a base for the 20 percent reduction?

Mr. DUFFEY. The original 1982 request, as in fact—

Mr. YATES. Would it be 20 percent of \$169 million?

Mr. DUFFEY. Yes.

Mr. YATES. Roughly a \$32 million reduction.

Mr. DUFFEY. Well, I think that would not be easy, but in the spirit of not being spared, as I don't think we should be spared, we should play our role.

Mr. YATES. That would be the maximum reduction that you thought would be reasonable.

Mr. DUFFEY. Well, I would rather say it would be an appropriate reduction in the light of the fiscal—in the light of all the criteria Mr. Stockman has used, I think it would be appropriate.

We were always talking from the 1982 figure at that point.

Mr. YATES. What will a 20 percent reduction do to your budget? Would you have to reassess the entire budget? Would you have to reallocate funds?

You submitted a budget in which you made certain allocations. Suppose instead of having a budget that cuts 50 percent from the \$169 million, you had a budget that cut 20 percent. How would you go about allocating the funds? Would you use what you have submitted to this committee as a base and add to that?

Mr. DUFFEY. I think I probably would, since with a very stringent cut, that reflects my basic priorities. They may not be the priorities of my successor, but they represent mine.

I wouldn't want to make a rash answer. But I think generally that curve would probably represent the nature of the cuts.

I would want to look at it carefully, however.

Mr. YATES. You have 30 percent more money with which to deal. You have eliminated certain activities entirely in this budget, have you not?

Mr. DUFFEY. Yes.

Mr. YATES. Would you not want to go back and consider putting some money into those activities? Or would you just build up the ones that you have by that amount of money?

Mr. DUFFEY. I would be able to restore some things that have fallen.

Mr. YATES. What would you want to restore?

Mr. DUFFEY. I think that there are three areas in which we had requests for—let me suggest the three areas. The first priority would be the Challenge Grant program, so that we could make some new challenge grants in addition to continuing the commitments—it is a proven effective program.

My second priority I suspect would be elementary and secondary education. Those grants are modest pilot grants. But the very distinguished Commission on the Humanities singled that out as the area for most critical attention. They were critical of the Endowment's level of support and urged us to support more. I think that would be my second priority.

My third priority. At this point I would begin to look at some restoration in two or three different areas. You are asking for a sort of quick judgment about a very serious question.

I think the Challenge Grant is the most immediate target obviously because that is high leverage money.

Mr. MURTHA. How much would you restore to the Challenge Grant program?

Mr. DUFFEY. I would like to bring it back to \$27 million. Again, if I had my druthers, you are asking me—

Mr. YATES. We are asking you to give us a budget based on 20 percent reduction rather than 50 percent reduction. Let me ask you this question. Did you submit a budget based on a 20 percent reduction to OMB?

Mr. DUFFEY. No, Mr. Chairman.

ALTERNATIVE BUDGETS

Mr. YATES. Suppose we were to take this 50 percent table that you have given us and give it back to you and told you to give us a budget that is based on a 20 percent reduction.

Mr. DUFFEY. We would be responsive.

Mr. YATES. Okay. How many hours would it take you?

Mr. DUFFEY. I think we could do it in a couple of days.

Mr. YATES. Do you mean you just happen to have one prepared?

Mr. DUFFEY. No. But of course in this as in all things we would try to be responsive to the committee, Mr. Chairman.

Mr. YATES. Could you come back tomorrow with one?

Mr. DUFFEY. Certainly.

Mr. YATES. You could, so fast?

Mr. DUFFEY. Absolutely. At your disposal.

Mr. Chairman, do I understand there is a request for that?

Mr. YATES. There is such a request. I know you are under constraint to defend the OMB budget. I would not want you tossed in the hoosegow.

This is a request by the committee.

I have sat in this chair and listened to witnesses squirm when I have made similar requests. You have not squirmed.

Mr. DUFFEY. I began squirming. I am getting more relaxed as the afternoon goes on.

Mr. YATES. I asked them about their reduced budget, and some of them said, "Well, we will have to be smarter, Mr. Chairman, in administering the program."

Another one said, "We will just have to streamline."

I said what does that mean? They have not defined it yet.

Mr. MURTHA. It means innovative administration, or something like that.

Mr. YATES. Yes.

Let's ask you to give us that budget. And also to prepare the rationale for that budget, as to why you think the extra 30 percent is needed for the program, if indeed it is needed.

Do you think it is needed for the program?

Mr. DUFFEY. You know—

Mr. YATES. You obviously must think it is needed for the program because your first reaction was that the 50 percent cut is too much, and when I asked you what would be reasonable—is the word "reasonable"—

Mr. DUFFEY. Appropriate.

APPROPRIATE LEVEL OF SUPPORT

Mr. YATES. When I asked you what you thought was appropriate, you said a 20 percent reduction. I assume, and correct me if I am wrong, that that meant that you thought in order for an administrator of NEH to carry out the responsibilities that Congress has given to him, that he would need a budget that reflected not less than 80 percent of the amount of that you originally filed for.

Mr. DUFFEY. I think I would say—

Mr. YATES. You are back to squirming.

Mr. DUFFEY. This is a difficult time. I am very interested in seeing inflation controlled. We have tried to administer the agency responsibly, to tighten up our administrative procedures. I think we have done well. I think the staff, our staff has done remarkably well. And there are not a lot of incentives in the government for good management. So we have been working on that problem.

I would say that I believe that a 20 percent cut would—that the funds there available could be used wisely and prudently by the Endowment.

You and I agreed earlier, maybe we didn't agree—

Mr. YATES. I am sure by what you are saying now we didn't agree.

Mr. DUFFEY. It is very hard to talk about what are needs in this area. There are lots of needs but there is not—

Mr. YATES. You are arguing in favor of cutting inflation. Why don't you take a budget that is 75 percent of what it was?

Mr. DUFFEY. You have different responsibilities, Mr. Chairman.

Mr. YATES. I know.

Mr. DUFFEY. We are trying to enforce the law also, which clearly states some responsibilities.

Mr. YATES. That is right. But you administer NEH. You have responsibility of trying to carry out the mandate of Congress. If a 50 percent cut does not permit you to do that, you ought to tell this committee that. I don't think you ought to be citing the inflation factor. You ought to say—if I may suggest this—"I have the responsibility of administering this budget for the Humanities in the way that I think Congress directed me to do it."

If you believe that a 50 percent cut will not permit you to do it, you ought to tell this committee that. Although I am aware of the fact that OMB requires you to say that you will do your best to administer under that budget limitation.

However, Congress has the burden of deciding how much money should be made available under the budget. This committee is trying to find out what will permit the director of NEH to administer his charge as he conceives that charge to be in the Congressional mandate. What budget will let you do that?

I understood you to say, a few moments ago, that a budget that cut it by 20 percent would let you do it. If there were a reduction beyond that, you didn't think it would permit you to do it, but you would try to do your best anyway.

Am I interpreting correctly or misinterpreting?

Mr. DUFFEY. You have stated the case exactly. I would be happy to let your statement stand.

Mr. YATES. All right. I may be accused of leading the witness.

At any rate, you are going to prepare a budget that will permit you to have an appropriate administration of the National Endowment for the Humanities. And if a 20 percent cut is too much, tell us that, too.

What I am trying to get from you, Mr. Duffey, is the amount you need for your constituency. You are going to tell me about the inflation factor again. It is a present fact. And the cutbacks are a fact of life. I respect that. I respect the position in which you find yourselves.

Mr. DUFFEY. We also have programs that are not entitlement. I was looking at some multivitamins the other day, and they say of some of them that no estimate has been made of the adult minimum daily requirement.

I don't suppose that a scientific estimate is made of the minimum national yearly requirement in terms of knowledge in the humanities. We know that the society is richer and better for it. We know there are some goals we have that we cannot achieve without it. And we do the best we can with the resources available.

Mr. YATES. Right.

Mr. DUFFEY. The Endowment has survived with much smaller budgets in the past. I think it has been maturing and emerging in terms of meeting a full range of responsibilities.

Obviously, all of this is relative to one's values and goals and interpretation of the law.

PREVIOUS ENDOWMENT FUNDING

Mr. YATES. Where does the 50 percent cut take us? It takes us back to a time—how many years ago—when you had \$85 million?

Mr. DUFFEY. It goes back, Mr. Chairman, to 1976.

Mr. YATES. In 1976 you had \$85 million with which to deal.

Mr. DUFFEY. That \$85 million today would be worth about \$55 million. Mr. Whitelaw?

Eighty-five million dollars tlday in constant dollars would be—\$55 million. The last year in which there was \$85 million was 1976, which in constant dollars today would be \$55 million.

Mr. MURTHA. Where do you go back to in constant dollars?

Mr. DUFFEY. In constant dollars of \$55 million, we go back to 1974, when the budget was \$54 million.

Mr. MARSHALL. The question is where would you go back to get the equivalent of \$85 million in constant dollars.

Mr. DUFFEY. The equivalent of 85 in constant dollars is 55. If you go to the 1974 budget, you find 54 million. So it would be 1974, I think.

Mr. YATES. Without having to go through all this difficulty and turmoil, why don't you distribute the funds on the basis of the 1974 budget?

Mr. DUFFEY. We have learned some things since 1974.

Mr. YATES. What have you learned?

Mr. DUFFEY. I mean about the actual distribution and administration of programs. There are some programs we had then that we probably haven't been as successful as other programs. The Endowment has evolved. But you are not suggesting that it be administered exactly as it was in 1974.

Mr. YATES. No, I am not. But if you are going to be using the 1974 budget level—

Mr. DUFFEY. I am not suggesting the 1974 budget level.

Mr. YATES. No. The Administration is suggesting that you return to a level of funding that was prevalent in 1974, as I understand the Administration's cutback and your answer.

Is my interpretation wrong?

Mr. DUFFEY. In terms of constant dollars, no.

Mr. MURTHA. Mr. Chairman, I would hate to see where their budget would be without your prodding the rest of this committee over the years.

Mr. YATES. I didn't prod any committee. The case was made by the administrator.

Mr. MURTHA. As the result of your strong support this program has gotten through all these years. I can see you are going to have to do it again.

Mr. YATES. Or they are going back to 1974.

Mr. MURTHA. Yes.

APPLICATION LEVEL

Mr. YATES. Will you be receiving the same number of applications for the next fiscal year?

Mr. DUFFEY. Mr. Chairman, the applications have increased substantially the last several years. Four years ago we were receiving—let me distinguish here while some agencies consider applications to be inquiries or letters of inquiry, for us an application is a formally prepared document which submits a budget and a full proposal.

In 1977, we received 7,800 roughly, and this year we anticipate 9,000 to 10,000. I am not sure what impact the announcement of reductions would have. But my guess is that it will not diminish

the number of applications for the following reason—I think Congressman Murtha referred to it earlier. There are many institutions in this country that have learned, due to our efforts in the last couple of years, about the Endowment and its opportunities, and consider this activity important.

They have come to understand what it is about. So I would anticipate we will have no fewer applications in the next year.

SUPPORT FOR RURAL AREAS

Mr. MURTHA. If it is cut back 20 or 25 percent I hope that the money won't be completely eliminated from the rural areas. I hope there will still be some distribution throughout the country.

It seems disproportionate to New York and the bigger areas right now.

Mr. DUFFEY. Mr. Murtha, I will point out this exchange to my successor when he arrives this fall.

Mr. YATES. Why point it out to your successor? Why not point out to Congressman Murtha what you do in the rural areas?

Mr. DUFFEY. I think the Congressman is probably aware of that.

Mr. YATES. I don't think so. He wants to find out what you do. He has the impression that all of your goodies go to the cities. And I don't believe that is true, is it?

Mr. DUFFEY. Let me indicate several grants.

Mr. YATES. You ought to reply very strongly on this point, because Mr. Murtha speaks for a great number of Members of Congress who do worry about the fact that rural areas are quite frequently discriminated against.

Mr. DUFFEY. Mr. Murtha, this document I have here, which is a new statistical summary, and I realize statistics are not all that useful, but this indicates the number of applications we have received, and the number of awards made in various regions of the country and the percentages.

I notice, for example, that in the Midwest, Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, 39 percent of the applications, that is across the board, were funded, whereas in certain urban areas the figure is much lower. One of the most successful projects the Endowment has funded for the last several years has been with an organization in Denver, a national farm organization, which has been working across the country with groups to try to provide more information, appreciation, and understanding of the traditional American farm, of rural life, particularly, and through the last several generations, through exhibits, through a number of educational programs located at the University of Minnesota, in Marshall, Minnesota, but taking place all over the country. This is only one example of the great number of projects the Endowment has funded benefiting rural areas.

I would say confidently an increasing number of grants in the last several years have paid attention to that aspect of American life.

Mr. MURTHA. That doesn't tell me anything, because Pennsylvania is one of the largest rural States as well as having large metropolitan areas. I cannot tell by looking at a region or State where these grants have gone, and what they have gone for.

For instance, it may be that in New York much of that money has gone to New York City, and in Pennsylvania it has all gone to Philadelphia and Pittsburgh.

Mr. DUFFEY. I am looking at the Pennsylvania grants. I appreciate that, Mr. Chairman. I see a grant—just looking at the list here Narberth, in Montgomery County, Chambersburg, Laverock, Newtown, Kingston, Meadville.

Mr. MURTHA. What page is that?

Mr. DUFFEY. Page 277, where the Pennsylvania grants begin—actually, 276. I am only picking out some of the communities. Swarthmore, Narberth, Chambersburg, Laverock, Newtown.

On the following page, Kingston, Meadville, Easton, Reading, Elizabethtown. I believe that that represents a concerted effort on behalf of the Endowment staff. As a matter of fact, I see one here to a town called Jim Thorpe; also to Reading, West Mifflin, Monroeville, Easton, Annville, Villanova, Glenside, Meadville.

On the following page I notice the towns of Prosperity, Milton, Lewisburg. We are doing better. We are not doing as well as we should. We need to continue to work on it, but—

GRANTS TO SMALLER ORGANIZATIONS

Mr. YATES. Let's see what you said last year. Mr. Murtha asked you the same question then.

Mr. MURTHA. On the grants, do you have any idea what breakdown would go to the smaller rural areas. I know one of the problems I have been concerned about is that the grants seem to go to large organizations in line with what the Chairman has been asking you. Is there a percentage that goes to the smaller organizations?

Mr. YATES. You mean like Lord Fairfax College?

Mr. MURTHA. Like St. Francis College—

Mr. DUFFEY. In our first year, we tried to get that kind of information. I gave to the Chairman earlier a breakdown which we just did for six months with regard to states.

Incidentally, it wasn't submitted to us for the record. It should have been.

One of our problems is that people in some states are well aware of the opportunities. They have more institutions and they overwhelm the others.

This shows the number of applicants we have received since the beginning of the year and then the number of grants and then the percentage paid in the states.

I would be glad to submit for the record details in terms of the number of applications we get, let's say from the small colleges, our percentages are probably higher in terms of those that get funded.

Our problem is getting applications, and that is one reason why we have used this workshop approach, so that people learn something about the Endowment. We only have one office in Washington. Our staff go to the regions of the country and meet with people who come and explain the program, and let them talk with people who have had successful grants.

I think we are doing better, and I think we could do better than we are now. When we talk about technical assistance, we are talking about precisely the problem you have raised.

These institutions do very well when they submit applications, and our staff are ready to work with them. It is a matter of overcoming—sometimes they feel overwhelmed by the institutional process.

Mr. MURTHA. So the real problem in the rural or smaller institutions is the ability to know that these things are available?

Mr. DUFFEY. I believe that is the major problem.

Mr. MURTHA. Once they make an application, they seem to do as well, if not better, than the larger ones?

Mr. DUFFEY. That is the purpose of our Consultants' program. I have a list of the institutions that received the Consultants' Grants for the first time. You may want

to take a look at it. They help the institution to take the first step in getting that kind of preparation.

Mr. MURTHA. How much money was involved in these grants, the total?

“Mr. DUFFEY. Each grant would be four to five thousand dollars, about \$500,000 for the whole program. But those were first-time grantees last year—institutions that received grants from us during fiscal 1979, which had never received a grant from the Endowment prior to that time.

Mr. MURTHA. How many would have been turned down in that period?

Mr. DUFFEY. Many institutions would not be eligible for that program. I suspect the answer to your question would be not very many. About 90 percent of those are funded, because it is their first step.

I would make the suggestion that tomorrow you come, if you can, prepared to tell us what you do do for rural areas. If in fact you did have that breakdown, and perhaps you ought to submit that report that you had last year.

Mr. WHITELAW. It is in there.

Mr. YATES. It is important, because one of the most significant points I was able to make in support for the Endowment for the Arts was the testimony given by Mr. Wally Richardson of Dunning, Nebraska, a town of 800 people. He talked about the Arts coming to the town of Dunning, and the farmers coming around and witnessing this.

Now, in the very nature of things I suppose the Humanities is a different operation. You cannot see the visual programs, you cannot see the ballet, and you cannot see the theatre as well.

But judging by the nature of the programs that you fund, you do duplicate the arts in a tremendous number of cases. If you are actually doing good work out in rural areas, you ought to tell us that, so that Mr. Murtha can go back to his farmer constituents and tell them when they ask him why are you supporting the humanities, that not only do they serve the cities, as he thinks you do, but they are serving the less populated areas as well.

I think you have an obligation to do that. I would like to know it, if you are.

I will give you the opportunity and I would appreciate it if you do come in and tell us that.

Mr. DUFFEY. Let me say, Mr. Murtha, I believe the Annual Report we have in front of us is more impressive than the ones we have had in the past, in terms of the communities I mentioned.

SUBMISSIONS FOR THE NEXT HEARING

Mr. YATES. I would suggest that you take your annual report and use that as the basis for coming in tomorrow and telling Mr. Murtha what you did. Don't make him plow through your annual report. I don't know how many people are going to read your annual report besides people on your subcommittee.

Mr. DUFFEY. Could I submit now for the record some examples of grants?

Mr. YATES. I would rather you come back tomorrow. I am giving you an opportunity to prepare it as adequately as I think you ought to prepare it.

Mr. DUFFEY. We will submit it then for the record tomorrow.

Mr. YATES. Okay. I hope you submit something else other than that for the record tomorrow.

Mr. DUFFEY. What time are we convening in the morning, Mr. Chairman?

Mr. YATES. Ten o'clock. Would you rather meet at 9:30?

Mr. DUFFEY. I am sorry.

Mr. YATES. At ten o'clock I not only want your 20 percent budget—I want a 10 and a 15 percent budget. If you would rather not meet tomorrow and come back some other time, we can arrange that, although that will create a hardship on the committee.

Mr. DUFFEY. I think, Mr. Chairman, as you have been aware all day, I have certain responsibilities. I am here to defend the budget that has been submitted by the Administration. I believe you are putting me in something of a bind. I would have to find out whether materials like that would have to be submitted first to the Office of Management and Budget.

Mr. YATES. I don't think they would be because we are asking you to prepare that for our information. You are not asking OMB for approval of that budget.

I am asking you to tell this committee what a 10 percent cut budget would look like, what a 15 percent and a 20 percent budget would look like.

I don't know why that has to go to OMB.

Mr. DUFFEY. I have a feeling that you and OMB would disagree. But let's leave that aside.

Mr. YATES. OMB and I never disagree.

Mr. DUFFEY. In terms of making a response, we can make—you can understand—an overnight response will be not as careful and judicious as a longer response would be.

Mr. YATES. Let's take a one-minute recess.

Mr. DUFFEY. Counsel tells me he believes, Mr. Yates, you are right.

Mr. YATES. Well, thank you, counsel.

What we are going to do, Mr. Duffey, is postpone the hearing from tomorrow until the 15th. That is still a Friday. And that will give you time to provide the material for the committee.

Mr. DUFFEY. Fine.

Mr. YATES. Is there any misunderstanding between us?

Mr. DUFFEY. No. Well, we will be as responsive—

Mr. YATES. As you possibly can. Just as you would be to the 50 percent cut.

Mr. DUFFEY. Absolutely.

Mr. YATES. Thank you very much.

It is pointed out you only had 24 hours to respond to a 50 percent cut. I would have thought it would have taken you more time for that than a 20 percent cut.

Mr. DUFFEY. I know you like lots of documentation.

Mr. YATES. The committee stands in recess.

FRIDAY, MAY 15, 1981.

Mr. YATES. The hearing will come to order.

This is a continuation of the hearing on the appropriation for 1982 of the National Endowment for the Humanities and again, we have our good friend Mr. Duffey appearing as the Chairman of the Council, National Endowment for Humanities. Mr. Tashdinin, Mr. Lyman, Mr. Marshall, Mr. Whitelaw, Mr. Blessing, Ms. Berlin-

court, Mr. Marty, Mr. Rabin, Ms. Huxley, Mr. Gibson, Mr. Schurman, and Mr. Phillips.

Mr. Lyman has a statement which will be made a part of the record. But before he begins, Mr. Duffey, have you a statement you would like to make?

Mr. DUFFEY. Not at this meeting, Mr. Chairman. There are two representatives of the State humanities committees present: Mr. Gary Holthaus from Alaska and Miss Karen Munro.

Mr. YATES. All right, with that, we will turn to Mr. Lyman. Your statement may be made a part of the record. We are glad to see you again. You may proceed.

TESTIMONY OF RICHARD LYMAN

Mr. LYMAN. I am Richard W. Lyman. I have been a member of the National Council on the Humanities since 1976, and currently serve as the Vice Chairman, elected by my Council colleagues. I also served as Chairman of the Commission on the Humanities, a private body which reported last October on "The Humanities in American Life." I am a foundation executive, but my testimony is that of a private citizen, in that I do not claim to speak for any of the organizations in which I hold or have held office.

I have scarcely heard anyone attempt to argue that the National Endowment for the Humanities, or its counterpart for the Arts, should not incur reductions in budget along with other Federal agencies in 1982. The issue is whether a 50 percent cut, a considerably deeper cut than most agencies are being asked to undertake, makes sense and is justified. I believe that it is too severe, and will do lasting harm to a very promising effort to broaden and deepen the American people's cultural opportunities.

Others have spoken about the support given to scholarship by the Endowment, particularly the work of the Research Division and of the Fellowships Division. It is crucial to the overall health of learning in these fields. As a former president of a major research university, I am keenly aware of this. But during my years on the National Council I have come to appreciate also the many and various efforts made to extend the reach of the humanities to the American people, wherever they may live and whatever their occupations or their educational experiences. It is these efforts that will bear the brunt of the cuts. They will be cut more than the more familiar scholarly core of the Endowment's activities in any event, even if some money is restored by the Congress to the NEH budget. But if the full 50 percent cut is sustained, they will be hit very hard indeed, and some of them will simply not survive.

Let me give four examples of the kind of thing I am talking about.

Through the branch of the Endowment called "Program Development," and in cooperation with the private sector, NEH has supported over the past 4 years a wide range of public education activities focused on the history and culture of China, U.S.-China relations, and of Chinese Americans. The work is being directed by the Asia Society's China Council, which disseminates material prepared by scholars to the public through news briefings for the film and print media, monographs, collections of essays, and resource guides. It also sponsors nonpolitical public forums and interpretive

exhibits of Chinese art and culture. With strong encouragement and financial support from the Endowment, the Council, located in New York, has successfully established 12 regional China Councils throughout the entire country. Their educational programs include: newspaper stories, media briefings, public radio discussions, conferences and seminars, art and photography exhibits, and book publications for the general public. The regional councils respond to particular needs and interests of local areas. Thus in Colorado, Georgia, Missouri, and Minnesota projects are under way documenting the Chinese American experience in those States. And in southern New England an oral history of "old China hands" is being developed.

Much has been said about the shortcomings in knowledge and understanding of the rest of the world from which we Americans, so long safe and sound on our own huge land mass, tend to suffer. We and the Chinese mainland were largely cut off from each other for more than two decades, which made our understanding of that country, its ancient culture and its people, all the more deficient. Recent events elsewhere have reminded us forcibly that crises in foreign affairs can be related to cultural inheritance, and not just to contemporary political or ideological developments. Whatever our future relations with the 1 billion people who live in the People's Republic of China, an understanding that goes far beyond a handful of experts is going to be vitally important to us. Obviously the Endowment's effort here is not going to produce such understanding singlehandedly, but it will help.

Another very different way in which the NEH tries to broaden people's understanding of the humanities is through its youth programs. Youth grants are easy to make fun of; the Federal Government giving money to teenagers or very young adults to pursue humanities research? But the money is in small amounts, the projects are often fascinating, and the opportunity to reach a person in his or her formative years with a grasp of what history or literature or folklore can offer us all is a priceless one. And the product can reach many others as well, as in the case of a Minnesota undergraduate who was supported by a Youth grant to prepare an exhibition of Depression-era Farm Security Administration documentary photographs. This exhibition has toured rural areas in several States over a 4-year period, while the grantee went on to obtain a graduate degree in American studies and has become a curatorial director of a major Ohio historical society. It seems to me hard to dismiss this as a frivolous use of \$3,883.

PROJECTS IN DIVISION OF PUBLIC PROGRAMS

In the Public Programs Division of the NEH, grants are made for such diverse activities as major television productions, interpretive exhibits in museums, and programs designed to increase the effectiveness and extend the reach of public libraries. A good example, though bigger than most such grants, is the grant of about a quarter of a million dollars to the Mountain Plains Library Association to put together a program entitled "Country School Legacy: Humanities on the Frontier." The project is designed to enable MPLA to document the country school experience, to present semi-

nars and discussions concerning one-room schools and the part they played in the history of this country.

The programs will be hosted by 188 public and academic libraries in eight States. A 30-minute film has been produced, exhibits for each State have been mounted, oral history collections have been acquired, and booklets, brochures, reading lists, and bibliographies have been published. The project director is a professor of history. Other participants include small rural libraries, vast multicounty systems, academic libraries, and medium-sized public libraries. In all areas, humanists from local institutions, or those nearby, have been involved in planning and presenting the programs.

For all of this, the Endowment bore just over half the cost, the Association the other half.

Finally, let me mention a major television production, "Odyssey I" and "Odyssey II." This series is designed to explore different cultures over time as they have been revealed and analyzed through the work of anthropologists and archeologists. The range has been wide, from inhabitants of this country 1,500 years ago to the process by which modern scholars learned how to read ancient Egyptian hieroglyphics.

"Odyssey I" ran from April through June, 1980, attracting one of the largest audiences ever to watch a Public Broadcasting spring program. It reached an estimated 3 million homes each week. The entire series was aired again between January and March of this year, and will be repeated at least twice more in the next 2 years. This kind of thing, in short, is not a one-shot proposition by any means. The individual programs are currently in distribution to schools, libraries, and community organizations. It is impossible even to guess how many people will, as a result of this production, have a better understanding of where mankind has come from, and also of how we have learned what we know about our ancestors in every continent and under all cultures.

It is, of course, possible to argue that material things come first, and that therefore these contributions to the life of the mind and the spirit are of secondary importance. If we are a rather special kind of animal, however, it is because of our capacity to create a culture, to develop complex and powerful ways of conveying our meaning to one another, and to reflect on what it means to be human. Such things must not be the monopoly of a limited class of people; they are not to be labeled, "for scholars only, no one else need apply." The humanities clearly will not die if the National Endowment is decimated; but neither will the United States budget be balanced by the few tens of millions proposed to be cut from these programs. The Endowments should, for symbolic as well as other reasons, contribute a fair share to the budget-cutting program. I do not believe that a 50-percent cut, achieved by such severe limiting of the scope of activities in the humanities, is a fair share. It looks like a punitive share, and that is what it will feel like to many, many people beyond the boundaries of academic life in America.

Thank you very much for the privilege of presenting this statement to you.

Mr. YATES. Thank you, Dr. Lyman, for an excellent statement.

FISCAL YEAR 1981 RESCISSION

Rumors are always rife in Washington, and having checked, now the latest rumor is that the Senate, pursuant—is requiring a cut-back on 1981 appropriations; the amount we do not know yet. It is rumored that amount may be in the neighborhood of 10 percent, and the supplemental appropriations bill in the Senate for fiscal 1981 would reflect such a cut because of a reduced authorization level.

What would be the effect upon your operation if in fact that came into being?

Mr. DUFFEY. The action by the subcommittee yesterday caught us completely by surprise. We had no official word of anything being planned.

Last evening, Mr. Chairman, I asked that we hold up all new grant awards while we assess the status of our expenditures. The effect of that subcommittee's action, if it were sustained, would reduce our appropriation to \$140 million, \$11.3 million less than what has been appropriated.

We have obligated about \$50 million of our Definite funds and fully committed our Challenge and Treasury funds, and we have about another \$5 million to \$10 million in approved awards currently under negotiation.

Our Council met last week and recommended grants totaling about \$30 million.

So the prospect for us would be this: We have advertised now for nearly 18 months various categories of competition. These applications have been prepared in good faith, they have been very carefully screened by panels and reviewers, and they will come to the August Council, in the following categories: elementary and secondary; higher education/regional and national; State, local, and regional studies; conferences; publications; remaining State humanities committees, and other programs.

Our administrative budget is stretched to the limit. If we had a rescission we would not have the funds for which grant competition has been advertised for more than 18 months. Some awards would be severely reduced; other projects could not be funded. The grants to State committees would have to be revised downward. The matching situation would be even worse for us in terms of offers that are outstanding where organizations and individuals are now trying to raise money and expect to have it matched. Again, they are raising the money in good faith. The award was made earlier, but has not been completed. All of those would be subject to rather drastic revision.

Mr. YATES. What proportion of your budget is represented by the Challenge and Treasury grants?

Mr. DUFFEY. The percentage would be 20 to 25 percent in the current year.

Mr. YATES. I am talking about 1981.

Mr. DUFFEY. Right, the current year.

So, what we have done simply as a safety measure is to hold new awards momentarily, until we get data on how to plan if we have to face this eventuality. Once we get that information, we will go right back to proceeding with business. We will be hanging in limbo until then.

Mr. YATES. I assume your constituency will be hanging in limbo.

Mr. DUFFEY. Yes, I am afraid they will.

The process of preparing an application as you are aware is a very elaborate process. It involves tremendous commitment on behalf of an institution. Many of them will simply be caught quite unfairly. In fact, if they happened to have come in the last cycle, they may find themselves confronting this at the end of the year.

Mr. YATES. How difficult would it be to make an across-the-board cut?

Mr. DUFFEY. We simply could not do it across the board because we have already completed awards in many programs this year. So we would not be able to distribute it equitably in any way.

Mr. YATES. It does not seem to make much sense to do it with only 3½ months left in the fiscal year when all your commitments and work for the whole year have been almost completed.

Mr. DUFFEY. To a large extent it has.

Mr. LYMAN. It would be rather demoralizing for all concerned—applicants, staff, council members—all who think they are operating on a rational basis. Not to even see 3 months ahead is pretty hard.

Mr. YATES. As far as I know, that is just rumor at the moment. We will just have to wait and see how the ripple effect of this budget discussion in the Congress impacts, what it hits, how it hits, when it hits, and what programs it hits.

ALTERNATIVE REDUCTIONS IN FISCAL YEAR 1982 BUDGET

The committee thanks you for having prepared the additional budget based upon reductions of 10, 15, and 20 percent to accompany the other budgets that were prepared. You have a statement which is attached to computations for reductions based upon those cuts. The table shows the 1981 appropriation, the original 1982 request, the Reagan revised request, and in other columns, the effect of what the council thinks should be done if the budget were reduced by 10, 15, and 20 percent.

Which of the budgets did you apply the percentage reduction to? To the 1981? To the 1982? Or to the revised 1982?

Mr. DUFFEY. The original 1982 request that came up to the Congress.

Mr. YATES. That may go into the record at this point, together with the summary of grants by States showing the distribution in fiscal year 1980.

[The information follows:]

NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20506

Rationale for Budget Reductions of
10-15-20 Percent
FY 1982

The original FY 1982 budget request submitted to the Congress in January of this year was the product of a lengthy and thorough process of program review which began in the previous spring with in-depth assessments with program staff and management of the needs of the NEH constituencies, how those needs had evolved over the course of the past year, and what were the best mechanisms for meeting those needs. This assessment was followed by elaborate and formal discussion with the National Council on the Humanities on agency priorities and relative funding levels. This carefully - structured and deliberate process ultimately resulted in a budget request seeking an overall increase in funding for the agency of 12 percent for a broad range of program offerings responding to the needs of the NEH constituencies and the mandate given the agency by the Congress. While proposing relatively higher levels of support for the scholarly side of NEH programming, in the main, the general program balance reflected conclusions about the relative efficacy of the agency's programmatic emphasis over the years.

The attached table, reflecting, as requested by the Committee, reductions in the agency's funding of 10 percent, 15 percent, and 20 percent, would basically safeguard the program balance of the original FY 1982 budget. At up to a 20 percent reduction, in other words, sufficient resources would still exist to permit the agency to respond to the wide diversity of important needs outlined in the previous justifications, and the rationale for the original request would therefore generally apply to these reduced levels. As will be noted, each major program area has been reduced across-the-board by 10 percent, 15 percent, and 20 percent, as has funding for Challenge Grants. In many instances, the funding for specific program lines within these areas is also reduced uniformly. In those rare cases where program funding is not reduced across-the-board, the funding figures reflect new intelligence and reassessment of constituency needs subsequent to the drafting of the original FY 1982 request.

Finally, it might be noted that the differences between the Administrative budget required at a 50 percent reduction and at a 20 percent or even 10 percent reduction are quite slight. There are quite obviously economies of scale in this area. Thus, while it would cost \$11 million

to administer responsibly \$74 million in grant funds (at the 50 percent reduced level), an additional \$1.3 million (an increase of 11.8 percent) in Administrative funds would allow the agency to administer an additional \$66.2 million (an increase of 90 percent) in grant funds.

Treasury Funds would be reduced slightly more than across-the-board at the various levels in order to provide extra Definite funds for outright grants. This funding is necessary in order to permit the Endowment to provide support for deserving projects in areas of the country which might not be able to sustain high levels of private contribution, particularly those areas outside major metropolitan locations. The House Authorizing Committee report last year cautioned about too great a use of matching funds because of the burdens placed on grantees. Considerable matching money would be available, however, and would be adequate to provide support for major on-going projects as well as to respond to some new applications.

NATIONAL ENDOWMENT FOR THE HUMANITIES

DEFINITE APPROPRIATION	FY 1981 Approp.	FY 1982 Original Request	-10%	-15%	-20%	FY 1982 Revised Request
<u>Public Programs</u>	<u>\$ 21,450</u>	<u>\$ 23,450</u>	<u>\$ 21,105</u>	<u>\$ 19,933</u>	<u>\$ 18,760*</u>	<u>\$ 8,400</u>
Humanities projects in media	9,500	11,000	9,900	9,350	8,800	3,800
Humanities projects in museums and historical organizations	8,500	9,000	8,100	7,650	7,200	4,600
Humanities projects in libraries	3,450	3,450	3,105	2,933	2,760	--
<u>Education Programs</u>	<u>16,770</u>	<u>18,620</u>	<u>16,758</u>	<u>15,827</u>	<u>14,896</u>	<u>10,700</u>
Elementary and secondary education	4,500	5,500	5,200	5,000	4,900	3,050
Higher education/regional and national grants	5,100	5,200	4,530	4,300	3,960	3,000
Higher education/individual institutions	7,170	7,920	7,028	6,527	6,036	4,650
Consultant grants	(920)	(920)	(800)	(727)	(686)	(400)
Pilot grants	(2,250)	(3,000)	(2,678)	(2,500)	(2,250)	(2,125)
Implementation grants	(4,000)	(4,000)	(3,550)	(3,300)	(3,100)	(2,125)

DEFINITE APPROPRIATION	FY 1981 Approp.	FY 1982 Original Request	-10%	-15%	-20%	FY 1982 Revised Request
Fellowships and Seminars Program	\$ 15,805	\$ 17,454	\$ 15,709	\$ 14,836	\$ 13,963	\$ 9,200
National Endowment for the Humanities Fellowships	7,200	7,900	6,880	6,630	6,280	5,350
Fellowships for Independent study and research	(2,900)	(3,200)	(3,200)	(3,075)	(2,900)	(2,675)
Fellowships for college teachers	(2,900)	(3,300)	(3,200)	(3,075)	(2,900)	(2,675)
Residential fellowships for college teachers	(1,400)	(1,400)	(480)	(480)	(480)	(-0-)
Summer stipends	575	742	644	600	600	550
Summer seminars for college teachers	5,950	6,432	5,860	5,750	5,750	3,000
Fellowships at centers for advanced study	300	600	600	600	600	300
Fellowships and seminars for the professions	1,780	1,780	1,725	1,256	733	-0-

DEFINITE APPROPRIATION	FY 1981 Approp.	FY 1982 Original Request	Percentage Change			FY 1982 Revised Request
			-10%	-15%	-20%	
<u>Research Programs</u>	<u>\$ 18,000</u>	<u>\$ 20,450</u>	<u>\$ 18,405</u>	<u>\$ 17,382</u>	<u>\$ 16,360</u>	<u>\$ 13,000</u>
General research	7,100	8,000	7,200	6,800	6,400	4,950
Basic research	(2,200)	(2,500)	(2,250)	(2,125)	(2,000)	(1,800)
Intercultural research programs	(3,000)	(3,500)	(3,150)	(2,975)	(2,800)	(2,200)
State, local, and regional studies	(1,500)	(1,500)	(1,350)	(1,275)	(1,200)	(650)
Research conferences	(400)	(500)	(450)	(425)	(400)	(300)
Research materials	6,500	7,350	6,615	6,247	5,880	5,050
Research tools program	(2,800)	(3,500)	(3,150)	(2,975)	(2,800)	(4,000)
Program for editions	(2,000)	(2,000)	(1,800)	(1,700)	(1,600)	--
Translations program	(1,300)	(1,400)	(1,260)	(1,190)	(1,120)	(750)
Publications program	(400)	(450)	(405)	(382)	(360)	(300)
Research resources	4,400	5,100	4,590	4,335	4,080	3,000
Organization and improvement projects	(3,900)	(4,100)	(3,690)	(3,485)	(3,280)	(3,000)
Conservation and preservation projects	(500)	(1,000)	(900)	(850)	(800)	--

	FY 1981 Approp.	FY 1982 Original Request	+10%	-15%	-20%	FY 1982 Revised Request
<u>DEFINITE APPROPRIATION</u>						
<u>State Programs</u>	\$ 23,947	\$ 26,471	\$ 23,824	\$ 22,500	\$ 21,177	\$ 13,200
<u>Special Programs and Planning</u>	10,550	11,305	10,174	9,609	9,044	4,500
Youth programs	1,600	2,000	1,800	1,702	1,600	1,000
Science, technology, and human values	1,200	1,200	1,000	1,000	984	600
Program development	5,150	5,405	5,020	4,700	4,500	2,400
Special projects	1,750	1,750	1,500	1,400	1,200	-0-
Planning and assessment studies	850	950	854	807	760	500
<u>TOTAL DEFINITE PROGRAM APPROPRIATION</u>	\$106,522	\$117,750	\$105,975	\$100,087	\$94,200	\$59,000
<u>Treasury Funds</u>	9,500	12,000	9,960	9,024	7,986	5,400
<u>Challenge Grants</u>	24,000	27,000	24,300	22,950	21,600	9,600
<u>Administrative</u>	11,277	12,733	12,300	12,000	11,800	11,000
<u>TOTAL</u>	\$151,299	\$169,483	\$152,535	\$144,061	\$135,586	\$85,000

NATIONAL ENDOWMENT FOR THE HUMANITIES
Summary of Grants and Awards by State
Fiscal Year 1980

State	Grants for state/ local/individual projects		State Humanities Committee Grants		Grants for regional/ national projects		MEH \$ Per-Capita	National Organizations	Grand Total
	\$		\$		\$				
Alabama	407,479		2,250		48,840		0.12		458,569
Alaska	102,498		580,379		---		1.31		683,077
Arizona	52,347		370,938		643,671		1.56		1,566,854
Arkansas	216,569		1,659,468		153,105		0.58		1,566,854
California	7,938,248		1,058,344		3,027,140		0.35		12,284,048
Colorado	530,444		403,823		30,962		0.33	280,116	1,284,048
Connecticut	1,973,223		328,250		1,076,695		1.11	228,301	3,193,530
Delaware	399,661		46,083		3,454,198		1.38		3,560,331
Dist. of Columbia	1,729,840		56,660		85,660		5.37		821,404
Florida	539,086		402,057		1,233,592		0.17		6,171,755
Georgia	1,622,226		486,370		607,196		0.37		1,668,282
Hawaii	406,303		455,867		325,244		1.03		2,635,795
Idaho	81,222		371,250		127,082		1.03		989,232
Illinois	4,764,803		656,178		1,299,420		0.48		432,482
Indiana	2,286,354		578,698		6,720,401		0.59		452,482
Iowa	462,332		375,578		3,106,183		0.30	548,312	3,268,713
Kansas	509,514		370,568		48,058		0.37		3,106,183
Kentucky	238,565		389,500		48,570		0.39		883,969
Kentucky	1,219,658		471,896		6,000		0.18		928,632
Maine	550,096		339,000		1,697,554		0.40		648,063
Maryland	2,144,407		501,843		889,096		0.79		1,697,554
Massachusetts	6,888,218		429,743		436,077		0.73		889,096
Michigan	1,904,752		429,000		4,490,855		2.06		3,082,437
Minnesota	2,134,373		260,642		11,818,073		0.36		3,082,437
Mississippi	610,728		513,433		3,350,849		0.73	335,323	12,333,396
Missouri	762,898		374,256		2,937,029		0.35	189,777	3,350,849
Montana	139,134		428,948		156,315		0.63		3,116,806
Nebraska	193,766		349,337		1,348,359		0.63		984,984
Nevada	57,035		382,100		488,471		0.39		1,348,359
New Hampshire	285,944		352,885		1,242,920		0.57		488,471
New Jersey	1,526,901		333,840		456,288		1.48		1,242,920
			324,003		1,364,760		0.39		456,288
					811,670		0.39	113,603	1,438,355
					2,862,576		60,000		2,922,576

Summary of Grants and Awards - State, Fiscal Year 1980 (cont'd.) 1/

State	Grants for state/ local/individual projects	State Humanities Committee Grants	Grants for regional/ national projects	State subtotal	NEH \$ Per Capita	National Organizations	Grand Total
New Mexico	\$ 570,432	\$ 326,000	\$ 94,815	\$ 1,001,267	\$ 0.77		\$ 1,001,267
New York	14,419,035	763,058	3,851,919	19,038,012	1.08	4,292,466	23,330,478
North Carolina	2,209,782	48,675	773,977	2,532,355	0.43	8,050	2,540,404
North Dakota	2,951,093	459,577	524,261	4,103,618	1.38		4,321,071
Ohio	2,722,180	457,377	8,000	3,187,557	0.24	217,433	3,404,990
Oklahoma	316,680	398,765	6,000	721,445	0.24		721,445
Oregon	3,470,600	389,215	49,922	3,909,737	0.54	132,538	4,042,275
Pennsylvania	3,182,027	873,808	398,791	4,454,626	0.58		4,454,626
Rhode Island	435,052	38,800	166,177	640,029	1.32		640,029
South Carolina	230,713	38,800	16,750	286,263	0.31		286,263
South Dakota	1,889,982	459,500	371,175	2,720,657	0.48		2,720,657
Tennessee	1,506,908	278,243	218,243	2,003,394	0.35	613,667	2,617,061
Texas	1,506,908	723,792	768,869	2,999,569	0.19	15,835	3,015,404
Utah	407,135	333,109	--	740,244	0.57		740,244
Vermont	504,145	239,385	--	743,530	1.69	75,000	818,530
Virginia	2,302,979	439,588	641,891	3,384,458	0.63		3,384,458
West Virginia	1,300,351	616,907	86,251	2,003,509	0.53	94,915	2,098,424
Wisconsin	211,305	371,403	--	682,708	0.43		682,708
Wyoming	2,140,362	424,789	437,537	3,002,688	0.94	88,162	3,090,850
Territories 2/	135,428	328,700	--	464,128	0.20		464,128
Other 3/	130,993	396,600	29,931	557,524	1.05		557,524
Totals	\$ 82,913,449	\$ 23,646,754	\$ 25,684,363	\$ 132,244,569	\$ 0.58	\$ 10,344,899	\$ 142,589,466

1/ Figures include Definite, Treasury, and Challenge funds obligated in Fiscal Year 1980 for new and supplemental awards. Gifts are excluded.

2/ Figures exclude funds awarded to national organizations.

3/ Awards to Puerto Rico, the Virgin Islands, and the Marshall Islands.

4/ Awards to American citizens residing abroad at time of award.

NOTE: Detail may not add to total due to rounding.

ADMINISTRATIVE EXPENSES

Mr. YATES. There is an additional statement relating to administrative expense funds with appropriate tables which may go into the record at this point.

[The information follows:]

NEH Administrative Budget Memo Accompanying
Requested Analysis of Impact of Budget Cuts
(From Original 1982 Figures)

Attached are three tables showing administrative costs related to reductions of 10%, 15%, and 20% in total Budget Authority. These estimates do not provide funds for staff above the levels set by OMB.

	<u>FY 1982 Original</u>	<u>FY 1982 Revised</u>	<u>10% Reduction</u>	<u>15% Reduction</u>	<u>20% Reduction</u>
Total Approp.	\$169,483	\$85,000	\$152,535	\$144,061	\$135,586
Admin	12,733	11,000	12,300	12,000	11,800
Admin as Percent of Total Approp.	7.5%	12.9%	8.1%	8.3%	8.7%

The percentages above compare favorably with the overhead costs of other U.S. government grant-making agencies.

Over the years, the Endowment has attempted to relate administrative costs to program dollars, applications, grants awarded and active grants. For several reasons this kind of formula budgeting has not proven accurate. In fact, because of management improvements initiated during the last four years, administrative costs have declined while program dollars, applications, grants awarded and active grants have increased substantially. We therefore use these only as measures of performance. For example, administrative costs cannot be directly related to program dollar increases or decreases without considering other factors such as the number of active grants to be administered, the effect of program changes on the number and types of applications received, and the degree of complexity of each application. Each application and active grant requires a varying amount of staff effort.

The Endowment achieves accuracy in its estimates by incorporating documented data carefully analyzed, measured, and costed out. For example, the previous year's actual costs serve as a base and current year planning is considered. Estimates are based upon the number of panel meetings held by each Division, number of panelists used, costs incurred for compensation, subsistence and allowance, and the number of applications considered. This type data analyzed on a continuing basis enables the Endowment to develop statistics such as the average cost of each panel meeting for comparison to previous experience. Such analyses are done for each administrative activity and are used in determining how much will be needed in subsequent years. The final test is what we refer to as the "overhead rate," or percentage of the administrative budget in relation to total appropriations. The Endowment has never experienced an overhead rate in double digits.

It is my intent, through reinstating many of the reductions reflected in the revised budget submitted in March, to provide my successor an administrative budget which will permit carrying on the activities and duties of NEH in a rational and responsible manner.

While the amounts shown at the various levels of reduction are not greatly reduced from the original request, neither are they excessive; \$895,263, or 7.8% higher than FY 1980 at the 10% level, \$595,263, or 5.2% higher than the FY 1980 at the 15% level and \$395,263, or 3.5% higher at the 20% level.

The first table relates to a 10% reduction in total budget authority. It does not alter the personnel ceiling established by the Administration. Funds would provide for 250 consultant days at \$150 each. Overtime is reduced to approximately the FY 1980-81 level. Travel and transportation, an important facet of Endowment work is restored to a level \$8,500 lower than the requested level. Fourteen trips for invitational travel at \$605 each would be deleted. Increased rent for the Old Post Office has been deleted.

The second table relates to a 15% reduction in the total budget authority. This budget reduces 46 staff visits at \$605 each, 43 consultant trips at \$605 each and 18 invitational travel trips at \$605 each. Use of long-distance telephone calls will be limited, requiring advance approval. Some telephone instruments and lines will have to be removed. Use of telegrams will be curtailed and mailing lists will be reduced, as will Endowment publications. Audit activity will be reduced 25%. Miscellaneous contracts will be reduced 33% and planned improvements in the automated management information system will be deferred.

The final table relates to a 20% reduction in total budget authority. Staff travel will be further curtailed by 71 trips at \$605 each. Mailing lists and publications will be further reduced. Audit activity will be reduced 45%. No funds will be available for employee development training. Contracting will be reduced 39%. Enhancements to the MIS will be eliminated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

OBJECT CLASSIFICATION
ADMINISTRATIVE EXPENSE FUNDS

	FY 1980 Actual	FY 1981 Approp.	FY 1982 Original Request	FY 1982 10% Reduction	FY 1982 Revised Request	FY 81-82 Revised Incr. or Decr. (-)
Personnel Compensation						
11.1 Permanent Positions..	\$5,779,665	\$6,085,000	\$6,175,500	\$ -34,000	\$6,141,500	\$ 56,500
11.3 Positions Other than Permanent.....	635,832	636,500	1,167,800	-196,200	971,600	335,100
11.5 Other Personnel Compensation.....	37,852	40,000	60,000	-21,000	39,000	-1,000
Total Personnel Compensation...	6,453,349	6,761,500	7,403,300	-251,200	7,152,100	390,600
12.1 Personnel Benefits - Civilians.....	579,762	601,800	658,900	-22,400	636,500	34,700
21.0 Travel and Transpor- tation of Persons..	451,896	399,500	567,900	-8,500	559,400	159,900
22.0 Transportation of Things.....	15,556	25,000	25,000	--	25,000	--
23.0 Rent, Comm., and utilities.....	580,202	831,000	848,700	--	848,700	17,700
23.1 SLUC.....	479,899	804,000	954,900	-150,900	804,000	--
24.0 Printing and Reproduction.....	399,763	479,100	566,700	--	566,700	87,600
25.0 Other Services.....	1,379,671	481,200	674,200	--	674,200	193,000
25.92 Panelist Comp. and Travel.....	905,223	738,900	878,400	--	878,400	139,500
26.0 Supplies and Materials.....	139,961	135,000	132,000	--	132,000	-3,000
31.0 Equipment.....	19,455	20,000	23,000	--	23,000	3,000
TOTAL	\$11,404,737	\$11,277,000	\$12,733,000	\$-433,000	\$12,300,000	\$1,023,000

1/ Includes reimbursement of \$13,175.

NATIONAL ENDOWMENT FOR THE HUMANITIES

OBJECT CLASSIFICATION

ADMINISTRATIVE EXPENSE FUNDS

	FY 1980 Actual	FY 1981 Approp.	FY 1982 Original Request	FY 1982 15% Reduction	FY 1982 Revised Request	FY 81-82 Revised Incr. (o) Def. (-)
Personnel Compensation						
11.1 Permanent Positions...	\$5,779,665	\$6,085,000	\$6,175,500	\$ -34,000	\$6,141,500	\$ 56,500
11.3 Positions Other than Permanent.....	635,832	636,500	1,167,800	-196,200	971,600	335,100
11.5 Other Personnel Compensation.....	37,852	40,000	60,000	-21,000	39,000	-1,000
Total Personnel.....	6,453,349	6,761,500	7,403,300	-251,200	7,152,400	390,600
12.1 Personnel Benefits - Civilians.....	579,762	601,800	658,900	-22,400	636,500	34,700
21.0 Travel and Transpor- tation of Persons..	451,896	399,500	567,900	-59,600	508,300	108,800
22.0 Transportation of Things.....	15,556	25,000	25,000	--	25,000	--
23.0 Rent, Comm., and Utilities.....	580,202	831,000	848,700	-54,000	794,700	-36,300
23.1 SLUC.....	479,899	804,000	954,900	-150,900	804,000	--
24.0 Printing and Reproduction.....	399,763	479,100	566,700	-66,700	500,000	20,900
25.0 Other Services.....	1,379,671	481,200	674,200	-128,200	546,000	64,800
25.92 Panelist Comp. and Travel.....	905,223	738,900	878,400	--	878,400	139,500
26.0 Supplies and Materials.....	139,961	135,000	132,000	--	132,000	-3,000
31.0 Equipment.....	19,455	20,000	23,000	--	23,000	3,000
TOTAL	\$11,404,737	\$11,277,000	\$12,733,000	\$-733,000	\$12,000,000	\$723,000

1/ Includes reimbursement of \$13,175.

NATIONAL ENDOWMENT FOR THE HUMANITIES

OBJECT CLASSIFICATION

ADMINISTRATIVE EXPENSE FUNDS

	FY 1980 Actual	FY 1981 Approp.	FY 1982 Original Request	FY 1982 20% Reduction	FY 1982 Revised Request	FY 81-82 Revised Incr. or Decr. (-)
Personnel Compensation						
11.1 Permanent Positions..	\$5,779,665	\$6,085,000	\$6,175,500	\$ -34,000	\$6,141,500	\$ 56,500
11.3 Positions Other than Permanent.....	635,832	636,500	1,167,800	-196,200	971,600	335,100
11.5 Other Personnel Compensation.....	37,852	40,000	60,000	-21,000	39,000	-1,000
Total Personnel Compensation....	6,453,349	6,761,500	7,403,300	-251,200	7,152,100	390,600
12.1 Personnel Benefits - Civilians.....	579,762	601,800	658,900	-22,400	636,500	34,700
21.0 Travel and Transpor- tation of Persons..	451,896	399,500	567,900	-99,600	468,300	68,800
22.0 Transportation of Things.....	15,556	25,000	25,000	--	25,000	--
23.0 Rent, Comm., and Utilities.....	580,202	831,000	848,700	-79,600	769,700	-61,300
23.1 SLUC.....	479,899	804,000	954,900	-150,900	804,000	--
24.0 Printing and Reproduction.....	399,763	479,100	566,700	-86,700	480,000	900
25.0 Other Services.....	1,379,671	481,200	674,200	-243,200	431,000	-50,200
25.92 Panelist Comp. and Travel.....	905,223	738,900	878,400	--	878,400	139,500
26.0 Supplies and Materials.....	139,961	135,000	132,000	--	132,000	-3,000
31.0 Equipment.....	19,455	20,000	23,000	--	23,000	3,000
TOTAL	\$11,404,737	\$11,277,000	\$12,733,000	\$-933,000	\$11,800,000	\$523,000

1/ Includes reimbursement of \$13,175.

RURAL GRANTS

Mr. DUFFEY. We are trying to be responsive.

Mr. YATES. You are responsive, and you have also furnished us with selected NEH fiscal year 1980 grants to individuals and organizations located in rural areas or small towns.

I had always heard that Selma, Alabama, referred to itself as the Queen City of the South, but I find you have included it among the aid to rural areas and small towns. I expect you do not want to make any comment on that.

These documents may go into the record in order to comply with the request of Congressman Murtha for information respecting your grants to his constituency.

[The information follows:]

Selected FY'80 NEH Grants to Individuals and
Organizations located in Rural Areas or Small Towns

ALABAMA

- | | | |
|--|---------------|--------|
| Selma University | Selma | 28,840 |
| Henry O. Dixon | | |
| To support a youth project to assess the emergence and course of the civil rights movement in Selma, Alabama in 1965. The activities will include interviewing, researching, and collecting information and materials for the development of a brochure, archive, and a book on civil rights history in the area. | | |
| Tuskegee Institute | Tuskegee Inst | 5,000 |
| William A. Clark | | |
| To support a pilot project in which high school youth, predominately Black and poor, will research and produce a calendar showing historical contributions of rural Black citizens in education, religion, arts, humanities, law, politics, medicine, and business in Bullock, Russell, Macon, and Lowndes Counties, AL. | | |
| Amos J. Wright | Auburn | 1,318 |
| To support research and writing on the activities of Texas outlaw John Wesley Hardin in Florida and Alabama between 1874-1877, a little explored period in his career in a rarely examined Southern wilderness culture. | | |

ARIZONA

- | | | |
|--|-------------|---------|
| College of Ganado | Ganado | 5,000 |
| W. Mathias Bildhauer | | |
| To support consultant help in developing a Southwestern studies program for adults. | | |
| Hopi Cultural Center Board | Second Mesa | 17,470 |
| Michael Kabotie | | |
| To support planning by Hopi and humanities consultants for programs related to Hopi history, language, archaeology, art, social systems, and other aspects of the culture. | | |
| Hopi Organization for Progress, Inc. | Oraibi | 100,000 |
| Eugene Sekaquaptewa | | |
| To support oral history research for a bilingual book on the Hopi Indian pueblo village of Old Oraibi, the oldest continually inhabited settlement in the U.S. | | |
| Northland Pioneer College | Holbrook | 5,000 |
| Eugene C. Luke | | |
| To support consultant help in developing a humanities program for Native Americans. | | |

ARIZONA

Yavapai College
 Michael A. Topper
 Prescott
 5,000
 To support consultant help in strengthening the humanities and in developing a women's studies program.

ARKANSAS

East Arkansas Regional Mental Health Center
 Walter A. Darnell
 Helena
 5,000
 To support a pilot project in which youth will research the contributions of Blacks in the Phillips County, AR area and will write, produce, perform, and videotape a skit based on their findings.

Joint Educational Consortium
 Ray Thornton
 Arkadelphia
 137,730
 To support the development of a Rural Studies Center to analyze, study and disseminate information about the cultural heritage of the rural south and southwestern regions of the United States.

Ouachita Baptist University
 Everett Slavens
 Arkadelphia
 5,000
 To support consultant help in strengthening the humanities program.

CALIFORNIA

Cabrillo College
 Bette G. Hirsch
 Aptos
 5,800
 To support consultant help in strengthening foreign language instruction and curriculum development.

Flower of the Dragon, Inc.
 Peter T. Cameron
 Santa Rosa
 25,000
 To support planning for a project to preserve historical records of the Vietnam war by collecting the personal papers, organizational records, newsletters, photographs, and oral histories of Vietnam veterans.

Palmcar Community College
 Michael W. King
 San Marcos
 5,000
 To support consultant help in strengthening the African studies program.

United American Indian Involvement, Inc.
 Joann Morris
 Mt. Baldy
 5,000
 To support a pilot project sponsoring a humanities conference at which Los Angeles County Native American youth will participate in lectures and discussions with major Native American speakers and will form ongoing research groups. Proceedings will be video- and audiotaped for wider dissemination.

CALIFORNIA

Deborah A. Schlenker Lodi 1,970
 To support preparation of articles and a slide show on historic sites and landmarks of San Joaquin County, California.

COLORADO

Arapahoe Community College Littleton 5,000
 Sally L. Perisho
 To support a consultancy for developing programs involving humanities and the art gallery.

Fort Lewis College Durango 5,000
 Larry W. Gasser
 To support consultant help in the overall strengthening of the humanities.

Fort Morgan Museum Ft. Morgan 6,000*
 Stafford Crossland
 To establish an endowment fund and to furnish a new building.

North Fork Valley Public Radio, Inc. Paonia 9,995
 Linda J. Lindsey
 To support development by public radio station KVNF-FM of a long range plan for humanities programming and an assessment of community needs and resources in the humanities.

Southern Ute Indian Tribe Ignacio 118,000
 Tom Givon
 To support a study of oral, naturally-produced traditional tests of the Ute Indian language as spoken in Southwest Colorado to interpret the tribe's cultural traditions through its folklore.

CONNECTICUT

Kent Library Association Kent 4,913
 Marsden Epworth
 To support planning for a public library discussion program. Participants will read books, essays, and articles and view contemporaneous films on major issues of each decade from 1930-1980. Lecturers will introduce each of the discussion sessions.

Quinebaug Valley Community College Danielson 5,000
 John J. Geary
 To support consultant help in developing a general humanities curriculum.

*Amount includes gift monies, matched or to be matched with federal funds.

CONNECTICUT

Scoville Memorial Library	Salisbury	287,500*
Sara B. O'Connor		
To support renovation; provide access to senior citizens and the handicapped; and for needed additions.		

DELAWARE

Frankford Public Library	Frankford	40,000
Eunice Holloway		
To support renovation and to increase the library's humanities collections.		

FLORIDA

Florida Atlantic University	Boca Raton	5,000
John F. Schwaller		
To support consultant help in developing a Latin American studies program.		
Serge A. Zenkovsky	DeLand	13,000
To support translation of the "Nikonian Codex", the latest "official" Muscovite chronicle dealing with eight centuries of Russian history from its earliest beginnings to 1568. It is the main source dealing with Russian history in Mist of the 16th century		

GEORGIA

Coastal Georgia Historical Society	St. Simons Is	35,000
Anne Shelander		
To create an endowment fund; hire professional staff; and enable the society to reach a larger audience; and to offer programs encouraging scholarship in Coastal Georgia history and culture; support educational and acquisitions programs.		
Georgia Agrirama Development Authority	Tifton	69,936
Arthur J. Lawton		
To support a research effort to determine effective ways of exhibiting and interpreting rural life in Georgia, with particular attention given to agricultural systems, technological innovations, the Agrarian-Populist movement, and the roles of women, blacks, and immigrant, ethnic groups.		

*Amount includes gift monies, matched or to be matched with federal funds.

GEORGIA

- Georgia Association for Retarded Citizens College Park
 Michael Morris 2,500
 To support planning for a project involving youth in research and dissemination of information on the historical, literary and philosophical background of mental retardation and how it has been regarded in our society.
- Ocmulgee Regional Library Eastman
 Guy D. Chappell, II 5,000
 To support a pilot project in which Eastman, GA area youth, ages 14-17, will conduct field research and interviews to discover and document sites of historical importance in five counties. Findings will be presented to a larger youth audience and senior citizens through exhibits and workshops.

HAWAII

- Seabury Hall Makawao
 Leilani Bronson 9,319
 To support collection on slides and tape representative examples of Palauan and Yapese traditional crafts and skills. A slide/tape presentation and an accompanying manual will result.
- Waioli Mission House & Grove Farm Museum Lihue
 Margaret R. O'Leary 10,800
 To support preparation and printing of a descriptive record of the papers of Elsie H. Wilcox (1878-1954) and Mabel I. Wilcox (1882-1978) to supplement the archives of the Grove Farm Plantation in Hawaii, owned and operated by a single Yankee family since the mid-19th century.

ILLINOIS

- College of DuPage Glen Ellyn
 John A. Harkins 5,000
 To support consultant help in developing a basic skills program.
- Illinois Eastern Community Colleges Robinson
 Stanley W. DeJarnett 5,000
 To support consultant help in developing an interdisciplinary program.
- MacMurray College Jacksonville
 Richard McGuire 50,000
 To support consultant help in strengthening the role of humanities in career programs.

ILLINOIS

Southern Illinois University, Edwardsville Edwardsville
 John Barker 5,000
 To support consultant help in strengthening the general education program.

INDIANA

Battle Ground Historical Corporation Battle Ground
 D. Clarke Evans 46,428
 To support implementation and testing of a pilot exhibit at Tippecanoe Battle-
 field on the history of Native American people in the Old Northwest and to
 illustrate the cultural changes resulting from their contact with Europeans,
 and the resistance led by Tecumseh.

Midwest Museum of American Art Elkhart
 Mark J. Meister 2,500
 To support a pilot project involving Elkhart, IN area high school students,
 including minorities and the underprivileged, in educational experiences and
 museum activities relating art history to American history and culture.

Florence A. Fowler Frankfort 1,085
 To support preparation of an annotated record and a slide/tape program
 on the life and work of Harlan Hubbard, a painter of the landscapes and
 life of the Ohio River Valley.

IOWA

Cornell College Mount Vernon
 Richard W. Potter 554,000*
 To be used for renovation; to support faculty endowments in the humanities;
 support endowment of library purchases in the humanities; and to endow the
 humanities portion of a lecture series.

Indian Hills Community College Ottumwa
 David G. Harris 44,487
 To support a pilot project entitled "Humanistic Studies in Technology" that
 will include team-taught elective modules covering history, philosophy, art
 literature as viewed from a technological reference point.

Westmar College LeMars
 Harold E. Kamm 125,000
 To be used to eliminate debt and to endow a chair.

*Amount includes gift monies, matched or to be matched with federal funds.

LOUISIANA

Northwestern State University
 Mark D. Cottrell
 Natchitoches
 9,900
 To support the preparation of a film concerning the role four women—Kate Chopin, Clementine Hunter, Cammie Henry, and Marie Thérèse Coin-Coin—have had on Natchitoches Parish, LA.

St. Bernard Parish Police Jury
 Frank M. Fernandez, Jr.
 Chalmette
 13,298
 To support arranging, microfilming, and indexing of the late 18th- and 19th-century manuscripts of the Clerk of Court's Office of St. Bernard Parish. The collection details the history of this Louisiana parish which served as a post in the colonial era.

MAINE

Bates College
 David L. Gassman
 Lewiston
 5,000
 To support consultant help in integrating classical and medieval studies.

Penobscot Nation
 Frank T. Siebert
 Indian Island
 112,500*
 To support the compilation and publication of a complete lexicon of the Penobscot (an Eastern Algonquian) language with an English-Penobscot index. The publication will provide scholars with a better understanding of the language and culture.

YWCA Intervention Program
 Sherman Smith
 Auburn
 5,000
 To support a pilot project in which youth, ages 11-18, from Lewiston and Auburn, Maine will learn historical research and interviewing techniques in order to investigate and develop a slide/tape presentation on Franco-American cultural influences on the community.

Diane A. Dupuis
 Biddeford
 2,495
 To support preparation of a written and photographic essay on the traditions, folklore, and daily customs of Maine fishermen and their communities.

*Amount includes gift monies, matched or to be matched with federal funds.

MARYLAND

- St. Mary's City Commission
Robert A. Shaw
St Mary's Cty
1,684
To support research and development of an interpretive program for regional schools on the adaptation by southern Maryland Indian cultures to the pre-colonial environment.
- Wor-Wic Tech Community College
Lynn Tolbert
Salisbury
5,000
To support consultant help in evaluating the humanities curriculum at a technical college.
- Jack E. Kollman, Jr.
Cambridge
12,000
To support an annotated translation of the "Stoglav," the proceedings of the Moscow Church Council of 1551 in response to 69 questions submitted to the council in the name of Tsar Ivan IV, ("the Terrible").

MASSACHUSETTS

- DeCordova Museum
Lana L. Branton
Lincoln
2,500
To support a pilot project in which Boston area teenage Scouts and 4-H Club members will prepare a youth-oriented catalogue and give youth tours of the upcoming DeCordova Museum exhibit "350 Years of New England Crafts."
- Greater Lawrence YWCA
Carletta Nevers
Lawrence
5,000
To support a pilot project in which Lawrence and North Andover, MA English-speaking youth will explore Spanish language and culture through activities developed by area Hispanic youth.
- Westfield State College
Martin Kaufman
Westfield
5,800
To support consultant help in developing a Massachusetts studies program.
- Edward L. Bell
G. Barrington
2,491
To support research and publication of a preliminary archaeological assessment of historic housing foundations in Monroe, New York. The project will include local archival research, a transit survey, a study of artifacts, and photographs of the sites.

MICHIGAN

Alma College Alma 629,000*
 Ronald O. Kapp
 To support the fund-raising campaign; for library acquisitions; language labs and audio-visual equipment; and for an endowment for increased program costs.

Rockford Area Historical Museum Rockford 3,000
 Katherine B. Mancell
 To make year-round activities possible; for building additions for exhibits and demonstrations; and to construct an access ramp for the elderly and handicapped.

Siena Heights College Adrian 50,000
 Spencer C. Bennett
 To support a pilot project in humanities core curriculum development to train a 12-person humanities faculty in basic skills needed to design and teach an interdisciplinary basic course on Western Civilization. The six-hour course would provide the foundation for a new 12-hour humanities core.

Suomi College Hancock 200,000*
 Charles K. Piehl
 To be used to increase annual gift income to reduce debt and to increase endowment for humanities programs.

Penny A. Linderoth Sau.Ste.Marie 2,434
 To support production of a slide/tape presentation for classroom use on the 300-year history of Sault Ste. Marie, Michigan.

MINNESOTA

Bemidji State University Bemidji 61,371
 Judy L. McDonald
 To support eight public programs resulting in the production of slide-tape programs which will be available at branch libraries. Topics on regional history will include folklife, family history and Ojibwe art.

College of Saint Benedict St. Joseph 350,000
 Robert L. Baker
 To raise funds for renovation; endowment for faculty salaries; library needs; and faculty development and scholarships for upper division students in the humanities.

Otter Tail County Historical Society Fergus Falls 112,500*
 Carol J. Swenson
 To help build an addition and modify current facilities; for general operating support; and to establish an endowment fund.

*Amount includes gift monies, matched or to be matched with federal funds.

MONTANA

Institute of the Rockies John Badgley	Missoula	150,000*
To build an endowment to secure a permanent administrative staff capability.		
Northern Montana College Mary R. Blew	Havre	43,719
To support planning, implementation, and evaluation a multi-disciplinary freshman course sequence, "Change and Values," emphasizing the humanistic dimensions of a technological society.		
Judith M. Fouhy	Peerless	1,901
To support production of resource materials on the historical development of Peerless, Montana, a rural community typical of many in the Northern Great Plains.		

NEBRASKA

Adams County Historical Society Barbara J. Minshall	Hastings	24,480
To support a project in which up to 3,000 12-16 year olds will receive an introduction to the Dust Bowl era by Great Plains historians and instruction in specific oral history techniques. Students will then tape interviews with people who lived through the era for inclusion in local archives.		
**Stuhr Museum of the Prairie Pioneer Jack A. Learned	Grand Island	17,920
To provide supplementary support for a senior historian and a research assistant who will establish the data base for future Sturh Museum interpretive programs on the Great Plains pioneer era.		

NEVADA

Western Nevada Community College Faun M. Dixon	Carson City	5,800
To support consultant help in strengthening the humanities.		

*Amount includes gift monies, matched or to be matched with federal funds.

**Approved in FY80: Funding expected in FY81.

NORTH CAROLINA

Alamance County Schools Kaye C. Richards	Graham	2,500
To support enrichment of the current eighth grade language arts and United States/North Carolina history curriculum with a regional studies program.		
Northampton County Community Schools Helene G. Smith	Jackson	5,000
To support a pilot project involving youth in Northampton County, NC in collecting, interpreting, and performing traditional Black religious folk-songs.		
Piedmont Technical College Mike Kerwin	Roxboro	5,000
To support consultant help in developing a writing program.		
Pitt County Community Schools Meredith S. Foltz	Greenville	2,500
To support a pilot project in which Pitt County, NC youth will gather, organize, and make accessible a beginning oral history of this rural county.		
William L. Bamberger	Bahama	2,485
To support production of a visual history and written account of a typical southern, tobacco-growing community, Bahama, North Carolina. The study will focus on the effects of social change on three families representative of distinct rural subcultures.		
Samuel D. Smith	Bolivia	2,500
To support development of resource materials through oral history research on the lives of commercial fishermen in Brunswick County, North Carolina.		

NORTH DAKOTA

Fort Berthold Community College Donald Z. Rush	New Town	5,000
To support a pilot project in which youth from the Fort Berthold Indian Reservation, ND will conduct oral history interviews with tribal elders and prepare an exhibit and workshop on the environmental, cultural, and social impacts of the flooding of the reservation's most fertile land.		
University of North Dakota Demetrius J. Georgacas	Grand Forks	(Renewal) 225,000*
To support continuing composition of entries and preparation of typescript for a comprehensive and authoritative Modern Greek-English dictionary.		

*Amount includes gift monies, matched or to be matched with federal funds.

OHIO

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|--|---------|-------|
| Ashland College
Duncan R. Jamieson | Ashland | 6,009 |
| To support consultant help in strengthening the liberal arts requirements. | | |
| Bolivar-Zoar Youth Center, Inc.
John R. Skelley-Watts | Bolivar | 2,500 |
| To support a pilot project in which youth, ages 12-18, from Ohio's rural Tuscarawas Valley School District will learn proper methods of excavating and cataloging findings at an archaeological site. Participants will prepare a slide program for presentation to a larger youth audience. | | |
| Clermont County Youth Services
Tom S. Long | Batavia | 5,000 |
| To support a pilot project in which young people, ages 12-18, will research, prepare, and participate in public programs, videotapes, and brochures for younger children and adults on the cultural and historical background of the Appalachian region in Clermont County, OH. | | |

OKLAHOMA

- | | | |
|---|-------------|--------|
| Cherokee Nation of Oklahoma
Ron Pitman | Tahlequah | 10,000 |
| To support exploration of ways to introduce Cherokee Indian culture to elementary school children in the Tahlequah, OK area. | | |
| Otoe-Missouria Tribe
Wallace E. Coffey | Red Rock | 25,000 |
| To support a lasting record in book form of oral history materials collected over several years from Indian elders on the experiences and philosophies of the Otoe-Missouria Tribe. | | |
| Southwestern Oklahoma State University
Robin N. Montgomery | Weatherford | 5,800 |
| To support consultant help in developing a regional studies program. | | |

PENNSYLVANIA

Dinty Moore Chambersburg 9,222
 To support research and production of a film on the tradition of auctions in Franklin County, Pennsylvania, from colonial days to the present.

RHODE ISLAND

Bryant College Smithfield
 Stanley J. Kozikowski 5,442
 To support consultant help in developing programs for business students.

Roger Williams College Bristol
 John L. Christina 17,500
 To support planning, research, and the compiling of bibliographical materials relating to the Portuguese experience in America, with special focus on the concentration of Portuguese-Americans in southeastern New England.

SOUTH CAROLINA

Dorchester County Assn. for Retarded Citizens Summerville
 Linda H. A. Karges 2,500
 To support a pilot project in which special education students, ages 11-17, from Dorchester County, SC will learn about the historical background of Charleston, Black history, and local folklore and will share this information with the community through presentations and discussions.

Lander College Greenwood
 Marvin Cann 2,500
 To support planning for a program which will allow youth, ages 14-20, from Beaufort, Charleston, Columbia, Greenwood, Abbeville, McCormick, Greenville, and Spartanburg counties, SC to gain an appreciation of the historic and continuing relationship between their state and France.

Voorhees College Denmark
 Robert L. Satcher 270,000
 To be used to consolidate humanities offerings in the renovated Booker T. Washington Building and to increase the endowment for a chair in the humanities.

Winthrop College Rock Hill
 Edward W. Clark 5,000
 To support consultant help in developing a humanities program for blue collar workers.

SOUTH DAKOTA

Dakota Wesleyan University	Mitchell	
David L. Putman		310,000
To be used for two endowed chairs; general humanities endowment; library renovation acquisitions and endowment; and for endowment of scholarships.		
Mount Marty College	Yankton	
Rhoda Foecke		3,649
To support consultant help in strengthening the humanities program.		
Northern State College	Aberdeen	
John W. Proctor		5,000
To support consultant help in developing communication skills.		
South Dakota School of Mines and Technology	Rapid City	
Leland R. Luckhart		5,800
To support consultant help in developing curricular review and evaluation for the liberal arts department.		

TENNESSEE

Morristown College	Morristown	
Raymon E. White		5,000
To support consultant help in strengthening the humanities program.		
Rocky Mount Historical Association	Piney Flats	
Liz M. Johnson		2,500
To support a pilot project in which high school age youth from the rural Appalachian Overmountain area of Tennessee will research and produce a 15-minute film on the history of the area, with Rocky Mount as the focal point. The film will be viewed by a larger youth audience as well as the general public.		
Tennessee Technological University	Cookeville	
Homer D. Kemp		5,800
To support consultant help in developing a regional studies program.		
Johnnye M. Fye	Greeneville	2,495
To support preparation of a manuscript and an audio tape on the personal experiences and recollections of Black residents of Greene County, Tennessee, as they relate to the development of the Black community there from the Reconstruction era to the present.		

TEXAS

Carson County Square House Museum John R. Hogge	Panhandle	50,000*
To expand endowment so as to cover the cost of a paid director and to fund other professional staff members in the future.		
Cooke County Heritage Society, Inc Margaret P. Hays	Gainesville	36,000
To support professional staff; to offset costs of building repairs and maintenance; to fund conservation work; and to support general operations and programs.		
Panhandle-Plains Historical Museum Bobby D. Weaver	Canyon	16,439
To support a planning project for development of a temporary traveling exhibit on the lives of German, Russian, Polish and other European immigrants who established "folk islands" in northwest Texas and to research the history of each group.		
Chester Dunning	Coll. Stat.	3,143
To support an annotated translation and the first critical edition of Jacques Margeret's "State of the Russian Empire". This work was commissioned by King Henri IV in 1607 and is based upon the careful observations of one of the first Frenchmen to visit Russia.		

UTAH

Southern Utah State College Eugene T. Woolf	Cedar City	49,944
To support a pilot project to establish a humanities program designed to provide 14 credit hours of humanities instruction in four separate courses of a multidisciplinary nature.		
Ute Indian Tribe Venita K. Taveapont	Ft. Duchesne	5,000
To support a pilot project to expose native American youth, ages 13-20, to the traditions, culture, and values of the Ute tribe.		

*Amount includes gift monies, matched or to be matched with federal funds.

VERMONT

Fairbanks Museum and Planetarium St. Johnsbury
 William G. Brown 41,805
 To support planning to interpret the Museum's significant regional collections in the context of Vermont's resources, geophysical characteristics, values and aspirations.

Norwich University Northfield
 Edward L. Richards, Jr. 5,000
 To support consultant help in restructuring the humanities core curriculum.

Rutland Free Library Rutland
 Patricia L. Bates 110,835
 To support two reading/discussion projects — "Women in Literature" and "Myths in Marriage" — and a poetry and lecture program — "Vermont Authors" — in 20-25 Vermont public libraries. The project will be designed to serve non-traditional library users.

VIRGINIA

Central Rappahannock Regional Library Fredericksbrg
 Betty G. Kohler 30,000
 To fund structural improvements; installation of equipment; and renovation.

Friends of the Handley Library Winchester
 Melvin R. Rhodes 2,500
 To support planning for a project in which local youth will conduct oral history and archival research on the personal accomplishments and cultural contributions of the Black community in Winchester, VA. Findings will be disseminated through exhibits, workshops, plays and multimedia presentations.

Lord Fairfax Community College Middletown
 Jerome J. Friga 24,769
 To support a three-part project on ethical considerations in public issues: 1) a sequence of three college courses; 2) open class sessions and a forum for the community; 3) formation of a community advisory committee for the college's humanities programs.

Mary Baldwin College Staunton
 Alice C. Hogsett 5,000
 To support consultant help in developing an International dimension in the curriculum.

WASHINGTON

Eastern Washington University	Cheney	
Elizabeth L. Cook		20,000
To support the planning of approximately 10 half-hour television programs to inform the scholarly community, American Indian communities and the public of the American Indian viewpoint on issues and problems.		
Edmonds Community College	Lynnwood	
Barbara Morgridge		6,156
To support consultant help in designing humanities programs for vocational students.		
Spokane Tribe of Indians	Wellpinit	
Pauline P. Flett		17,500
To support summer workshops to teach 20 fluent speakers of the Spokane Indian Language (Salish dialect) to read and write the language using the Phonetic Writing System, as part of an effort to preserve the language.		
Yakima Indian Nation	Toppenish	
Gary Young		430,026
To support a National Museum of the Yakimas designed to interpret the story of the Yakimas for themselves, their neighbors, and visitors to Washington.		

WEST VIRGINIA

Bethany College	Bethany	
Larry E. Grimes		5,866
To support consultant help in evaluating the humanities program.		
Karl Fezer	Athens	
Karl D. Fezer		12,000
To support interdisciplinary research on the relationships among the ethics and values of scientific thought, other public systems of thought and private beliefs.		
Southern West Virginia Community College	Williamson	
Robert E. Carlson		5,000
To support consultant help in developing an interdisciplinary studies program.		
West Virginia Wesleyan College	Buckhannon	
Kenneth B. Welliver		800,000*
To be used for endowment for general operating expenses; and for endowment for library acquisitions, microfilm conversion, and preservation of rare books.		
*Amount includes gift monies, matched or to be matched with federal funds.		

WISCONSIN

- River Falls Area Schools River Falls 5,000
 Carol L. LeBreck
 To support a pilot project involving River Falls, WI high school students in field study, archival research, oral history interviews, and seminars on local and regional historical events and sites in the St. Paul/Minneapolis area. They will present findings to elementary students, peers, and senior citizens.
- Sokaogon Chippewa Community Crandon 48,194
 Robert P. W. Gough
 To support the establishment of a tribal archive for the Sokaogon Chippewa community in Wisconsin to build a collection of primary and secondary source materials relating to the tribe's history and cultural identity.
- St. Croix Tribal Council Webster 2,500
 Eugene P. Connor
 To support planning for a program designed to broaden the knowledge of St. Croix Reservation, WI youth, ages 13-17, in the areas of oral history, literature, cultural anthropology, and archaeology as they relate to the St. Croix Chippewa/American Indian culture.
- Helen L. Dickas Superior 1,765
 To support preparation of a slide show and written articles on the oral history of the native-born Scandinavian population of northwestern Wisconsin.
- Matthew S. Gallmann Ashland 3,472
 To support preparation of a scholarly paper and a radio program on the historical and contemporary function of music in rural Finnish communities in northern Michigan.

WYOMING

- Sheridan County Fulmer Public Library Sheridan 5,000
 Nola F. Lutz
 To support a pilot project in which high school youth in Sheridan, WY will assist in teaching children in special education classes the rudiments of photography, oral history, and writing for the preparation of a manuscript to be entitled "A Pictorial History of Sheridan, Wyoming, 1980."

RURAL-RELATED GRANTS

Mr. YATES. You have a list of selected NEH grants for nonrural projects, serving rural areas. You have a series of grants for fiscal years 1979, 1980, and 1981. I have not had a chance to analyze these yet, but they may go into the record so that everybody may analyze them.

[The information follows:]

SELECTED NEH GRANTS
NON-RURAL PROJECTS SERVING RURAL AREAS
Fiscal Years 1979, 1980, 1981

<u>1979</u>	<u>Total Grant Amount</u>	<u>% of Grant to Rural Areas</u>
The Amalgamated Clothing & Textile Workers Union, New York, NY "THREADS, A Humanities Program for ACTWU Members"	\$317,316	16% -- \$ 50,77

The ACTWU has developed a curriculum for use in its labor education programs concentrating on the themes of "Work", "Family", and "Community". The materials have been tested in six different sites, one of which is Erwin, North Carolina, a rural area.

American Association of Community and Junior Colleges, Washington, DC "Energy and the Way We Live: A National Issues Forum"	360,000 OR 300,000 GM	66% -- 435,60
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"Energy and the Way We Live" was a series of forums which examined energy questions through humanistic perspectives. Ten coordinating community colleges were chosen in states and regions throughout the country to assure that the series of community forums took place in as many communities as possible. Two thirds of the audience has been in communities or rural areas from the following states: Massachusetts, New York, Florida, Minnesota, Illinois, Montana, Oklahoma, Colorado, Washington, California.

American Association for State and Local History, Nashville, TN	400,000	75% -- 337,50
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AASLH has three Program Development grants. One has been used to produce independent study courses in four major interpretive areas of museum and historical society work. The two others provide seminars for local historical society directors and staff. Approximately 75% of the participants in these projects have been from small museums or historical organizations in rural areas.

1979, Continued	Total Grant Amount	% of Grant to Rural Areas.
National Council on the Aging, Washington, DC "Senior Center Humanities Program"	\$760,000	50% -- \$380,000

This program was designed to enhance the lives and to increase the involvement of older Americans in the humanities. By conducting discussion groups on the basis of a series of study units and supplementary materials prepared by the project, and by encouraging outside projects in related fields, the program provided participants with opportunities for self-discovery and personal growth. The program was offered at more than 1200 service centers for older Americans, including senior centers, nutrition sites, day care programs, and nursing homes. Approximately 50% of these sites were in rural areas or cities under 50,000. Additional data, including names of specific communities, is attached.

National Farmers Union, Denver CO "The American Farm: Roots, Values, Challenges"	199,500	90% -- 179,550
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The project's objectives have been to establish a permanent dialogue between the professional humanities community and rural America; to train a core of young farm couples to bring humanities programs on the project's 4 chosen themes (The Land, Rural Image, Rural Community and Economics) to a wider rural audience, and to develop humanities perspectives and humanities materials. Additional data, including names of specific communities where these programs took place, is attached.

1980

Foreign Policy Association, New York, NY "The Humanities and Foreign Policy: A Program of Study and Discussion"	300,000 OR 100,000 GM	40% -- 160,000
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FPA has been developing a series of publications and media programs which focus on foreign policy issues through the perspectives of the humanities. The publications are used by hundreds of discussion groups throughout the country, approximately 40% of which are rural. Additional data is attached.

<u>980. Continued</u>	<u>Total Grant Amount</u>	<u>% of Grant to Rural Areas</u>
Indiana University, Bloomington, IN "Assisting Community Projects in Indiana Folklore and Oral History"	\$ 77,331 OR 100,000 GM	60% -- \$106,398
The project was designed to initiate cooperation between Indiana University and community libraries, historical societies, museums, ethnic associations, and other interested groups, to provide Indiana residents with a better understanding of folklore and oral history and their use in local projects. Of the total project, 60% of the activities and presentations are planned for rural Indiana communities.		
Foundation for Promotion of State Heritage, Providence, RI Rhode Island Folklife Project"	36,100	66% -- 23,826
This project proposes to engage in a specialized folklife study of three representative communities in the state of Rhode Island. Through a combination of field study and workshops aimed at both the communities studied and numerous state agencies, the project hopes to reach a broad range of the state's citizenry to the benefits of incorporating folklife component in programs oriented towards community awareness and for public policymaking. One of the three studied communities is a rural area, and another is a small maritime community.		
<u>981</u>		
Cornell University, Washington, DC Voices of the Civil Rights Movement: National Dissemination Phase"	300,000	75% -- 225,000
Dissemination of major exhibitions, video and radio programs on the culture of the Civil Rights movement. Special emphasis will be given to small, southern communities where the movement originated.		
Cayey University College, Cayey, PR Ethical, Artistic and Historical Aspects of Modern Puerto Rico"	26,803	100% -- 26,803
This grant will support the planning and preparation of conferences, media presentations, and seminars for communities in the central mountain region of Puerto Rico on a variety of topics relating to the humanities to local history and culture.		

<u>51. Continued</u>	<u>Total Grant Amount</u>	<u>% of Grant to Rural Areas</u>
Texas Historical Commission, Austin, TX "Interpretation of History in Museums"	\$ 28,117	75% -- \$ 21,088
<p>This grant was made to support two ten-day seminars on administration, conservation, fund-raising, and interpretive humanities programs for small to medium-sized museums in six southern and southwestern states -- Texas, New Mexico, Arizona, Arkansas, and Louisiana.</p>		
Center for Southern Folklore, Memphis, TN "Mid-South Folklife Festival"	75,000	25% -- 18,750
<p>The objective of this program is to plan and execute a comprehensive folklife festival in the Mid-South that will celebrate and interpret through the humanities the region's traditional folklife and ethnic diversity. Followup workshops will feature a humanities scholar meeting with artists in their own communities.</p>		
The Film Fund, New York, NY "The Ella Baker Documentary Film Education Project"	59,500	75% -- 44,625
<p>To support dissemination and study of the NEH-supported film "Fundl," the story of Ella Baker, a leader in the Civil Rights movement, and the black racial equality struggle for the last 50 years. It is planned to be presented in 75% rural sites.</p>		
Chatfield College, Saint Martin, OH "The History of a Community Through the Interaction of Humanists and the Elderly"	48,747	50% -- 24,374
<p>This projects will develop two series of six-week mini courses for the elderly on local social and arts history -- one for urban Cincinnati and the other for rural Brown County, Ohio. The project is expected to serve as a model for other regions and will be publicized nationally.</p>		

SENIOR CENTER HUMANITIES PROGRAM
THE NATIONAL COUNCIL ON THE AGING

Introduction

The Senior Center Humanities Program (SCHP), developed by the National Council on the Aging in 1976, has reached over 60,000 older Americans. With current course offerings at approximately 1,200 sites, in both rural and urban locations, the SCHP has grown dramatically in recent years. . . .

<u>Distribution of Sites by Size of Community:</u>	<u>% of Total Sites</u>
1. Large metropolitan area (population greater than 500,000)	21.4%
2. Metropolitan area (population 50,000 to 500,000)	26.9%
3. Non-metropolitan community (population less than 50,000 within 50 miles of metropolitan area)	30.3%
4. Rural community (population less than 50,000) more than 50 miles from a metropolitan area	21.1%
5.- No response	0.3%

Quotes from Site Directors' Questionnaire

Mass.

Senior Center

The Humanities program has offered us enrichment through guided discussions which would otherwise never have occurred. To my amazement, interest in the series has continued which definitely indicated participants need and want this kind of mental stimulation. Without colleges or even a movie theater in town, our resources are definitely limited. Furthermore, the price of materials is wonderful as well as being of good quality. Thank you for making this possible. We hope our good fortune will continue and that your program grows so that all matured adults will have access to it.

NY

Nursing Home

This has been an outstanding program at our institution. The patients look forward to the weekly sessions. The group has developed an identity. They interact as individuals both as group members as well as now moving on out to relate to members outside of the group. They no longer rely on support systems to get them to the meeting - they negotiate the elevators by themselves or arrange their own assistance. They tell us that they look forward to "their" Wednesdays. It's the best part of the week.

PA

Senior Center

We have been successful in conducting Humanities programs using retired teachers and qualified Seniors (as volunteers) to teach the programs. Some of the classes we held are: French, Local History and the Steel Titan - Charles Schwab. We also took a field trip to the Schwab Estate in Loretto, Pa. and there we had a tour of the grounds. We hope to get into American Literature and English Grammar in the future.

IN

Senior Center

Being a rural agency we have started using the SCHP units with our isolated elderly who participate in the homebound day activities. This is done by a program aide or volunteer working with the isolated person on a one-to-one basis. It has been very well received by those who have participated in this use of the units. Also, being a small rural county, funding is limited for us and being able to use the units and tapes of the Humanities program enabled us to start discussion groups and the homebound study program.

AMERICAN FARM PROJECTNEBRASKA

West Point
 Neligh
 Milford
 Norfolk
 Stanton
 Pilger
 Cearmey
 Elgin
 Clarks
 Hemingsford
 Walthill

MICHIGAN

Portage Lake
 Northland
 Iron Mountain

OHIO

Toledo
 St. Martin
 Hillsboro
 Georgetown
 Willmington
 Belle Fontaine
 Mt. Orab
 West Union
 Ganeville

SOUTH DAKOTA

Langlord
 Britton
 Watertown
 Ft. Sisseton
 Kidder

COLORADO

Agate
 Simla
 Matheson
 Limon
 Hugo

COLORADO (continued)

Bailey
 Genoa
 Trinidad
 Lamar
 Walsenburg
 Kiowa
 Rocky Ford

North Dakota

Valley City
 Mandan
 Montpelier
 Velva
 Wing
 Rock Lake
 Ruso
 Minat
 Langdon
 Donnybrook
 Osnabrook
 Binford
 Turtle Lake
 Jamestown
 Garrison
 Powers Lake
 Enderlin
 Carpio
 Whitmen
 Oberon
 Lorimore
 Whapeton
 Kenmore
 Lamoure
 Glenburn
 Bismark
 Max
 Maddock
 Hannah
 Fessendeu

INDIANA

Walcott
 Brookston
 Mortinsville
 Star City

OREGON

Athena
Pendelton

MINNESOTA

Wheaton
Marshall
Clarkfield
Balaton
Thief River Falls

NEW MEXICO

Tucumcary
Clovis
Carlsbad
Portales
LasCruces

IOWA

Toledo
Oelwein
Clutier

PENNSYLVANIA

Fannetsburg
Oil City
Clarion

MONTANA

Big Sandy
Ft. Benton
Great Falls
Haure
Inverness
Rudyard

TEXAS

Midland
Odessa
Tulia
Big Spring

UTAH & IDAHO

Hooper
Ray
Agden
Logan
Idaho Falls, ID

OKLAHOMA

Tecumseh

WISCONSIN

Verona
Mondovi
Independence
Stevens Point
Eau Claire
Tomah
Menomonie
Wausaw
Rice Lake
Black River Falls
Durand
New Richmond
Baraboo
Glenwood City
Chippewa Falls
Biroqua
Marshfield
Platteville
Reedsburg

KANSAS

Garden City
Kinsley
Great Bend
Belleville
Strong City
Larned
Hayes
Onaga
McPherson
Burdett
Smita Center
Greensburg
Mankota

Foreign Policy Association

ALABAMA

Tuscaloosa

ALASKA

Anchorage

ARIZONACasa Grande
Glendale
Sedona
Sun City
TucsonARKANSASCherokee Village
Gurdon
Harrisburg
Hot Springs
Little Rock
Magnolia
WarrenCALIFORNIABerkeley
Bolinas
Burlingame
Calimesa
Davis
El Cerrito
Fallbrook
Foster City
Friant
Kensington
King City
Laguna Hills
Long Beach
Loomis
Los Angeles
Modesto
Pasadena
Pinedale
PomonaCALIFORNIA (continued)Riverside
San Bernardino
San Diego
San Francisco
Santa Barbara
Santa Monica
Santa Rosa
Saratoga
Sonoma
Thousand Oaks
Walnut Creek
WhittierCOLORADOBoulder
Colorado Springs
Denver
Ft. Collins
Longmont
USAF AcademyCONNECTICUTBridgeport
Greenwich
Guilford
New Canaan
New Milford
Noroton
Riverside
Southbury
Southport
StamfordDELAWARE

Wilmington

DISTRICT OF COLUMBIA

Washington

FLORIDAClearwater
DeLand
Delray Beach
Dunedin
Fort Myers
Gainesville
Highland Beach
Largo
New Port Richey
Orlando
St. Petersburg
St. Petersburg Beach
Seminole
West Palm Beach
Winter Garden
Winter ParkGEORGIAAtlanta
Commerce
Decatur
ForsythIDAHO

Boise

ILLINOISAurora
Batavia
Brentwood
Carbondale
Chicago
Glencoe
Glenview
Granite City
Highland Park
Homewood
Lake Forest
Morton Grove
Palatine
Pekin
Skokie
Winnetka

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INDIANA

Bloomington
 Clarksville
 Ft. Wayne
 Granger
 Indianapolis
 Muncie
 Plainfield
 Terre Haute

IOWA

Davenport
 Des Moines
 Monticello
 Muscatine

KANSAS

Abilene
 Garden City
 Overland Park
 Shawnee Mission

KENTUCKY

Frankfort
 Louisville
 Richmond

MAINE

Ellsworth
 Kingfield
 Moody
 Wells

MARYLAND

Annapolis
 Baltimore
 Catonsville
 Chevy Chase
 Cockeysville
 Columbia
 Gaithersburg
 Kensington
 Pasadena
 Salisbury
 Silver Spring

MASSACHUSETTS

East Weymouth
 Framingham
 Mill River
 Quincy
 Springfield
 Wellesley
 Westwood

MICHIGAN

Bloomfield Hills
 Detroit
 East Jordan
 Grand Rapids
 Midland

MINNESOTA

Cannon Falls
 Cloquet
 Hibbing
 Minneapolis

MISSISSIPPI

Columbus
 Hattiesburg

MISSOURI

Brentwood
 Chesterfield
 Lee's Summit
 St. Louis

MONTANA

Hamilton

NEVADA

Reno

NEW HAMPSHIRE

New London
 Wolfeboro

NEW JERSEY

Berkeley Heights
 Demarest
 Jamesburg
 Kenil
 Medford
 Montclair
 Mountain Lakes
 New Providence
 Saddle River
 Summit
 Upper Montclair

NEW MEXICO

Los Alamos

NEW YORK

APC New York
 Albany
 Armonk
 Bronxville
 Brooklyn
 College Point
 Corona
 Forest Hills
 Geneva
 Ithaca
 Mahopac
 Mount Kisco
 New York City
 Oyster Bay
 Penfield
 Rochester
 Roosevelt Island
 Saratoga Springs
 Scarsdale
 Shenorock
 Sparkill
 Syosett
 Syracuse
 Yonkers

NORTH CAROLINA

Asheville
 Black Mountain
 Burlington
 Chapel Hill
 Charlotte

NORTH CAROLINA (continued)

Durham
 Fletcher
 Foxfire Village
 Fuquay-Varina
 Hendersonville
 Raleigh
 Waynesville
 Wilmington

OHIO

Ashtabula
 Boardman
 Cincinnati
 Euclid
 Granville
 Hiram

OKLAHOMA

Duncan
 Tulsa

OREGON

Ashland
 Corvallis
 Glenden Beach
 Neotsu
 Otter Rock
 Portland
 Salem
 Vale

PENNSYLVANIA

Abington
 Allentown
 Bryn Mawr
 Carlisle Barracks
 Coraopolis
 Hatboro
 Kane
 Kennett Square
 Merion
 Murrysville
 Narberth
 Philadelphia
 Pittsburgh
 Stroudsburg

RHODE ISLAND

Cranston
 Kingston

SOUTH CAROLINA

Florence

TENNESSEE

Knoxville
 Memphis

TEXAS

Dallas
 Ecleto
 Houston
 Richardson
 San Antonio

VERMONT

Brattleboro
 Middlebury
 Montpelier

VIRGINIA

Alexandria
 Arlington
 Charlottesville
 Manassas
 Roanoke
 Williamsburg

WASHINGTON

Davenport
 Port Townsend
 Tacoma

WISCONSIN

Hales Corners
 Milwaukee
 Neenah
 Shorewood

Youth Programs

GRANTS WITH RURAL OUTREACH

National History Day - Cleveland, Ohio

NEH Funding to Date:

1976: \$.17,500 planning grant
 1977: \$160,000 OR
 1978: \$118,977 OR; \$44,602 G & M
 1979: \$254,141 OR; \$506,716 G & M
 1981: \$186,000 OR:to May Council

Number of Youth Participants:

Through 1980, 21,663 young people have participated
 Anticipated 1980: 40,000
 Total: 61,663

Brief Description:

National History Day encourages secondary school students to research and prepare historical papers, projects and performances around an annual theme. These efforts are entered into contests, judged by history professionals and rewarded for academic excellence. Contests are held at district and state levels as well as a national contest and thus involve large numbers of young people in rural areas.

The Museum - Michigan State University - East Lansing, MI

NEH Funding to Date:

1979: \$2500 planning grant
1980: \$78,000 OR
1981: \$65,000 OR

Number of Youth Participants: 5200

Brief Description:

Folkpatterns is a cooperative effort of the Museum at Michigan State University and the Michigan 4-H Youth Program to explore local community traditional cultural patterns in relationship to historical and contemporary trends. Michigan 4-H draws its membership from all 83 counties in the state.

Northwest Projects Office for Education Services - Portland, Oregon

NEH Funding to Date:

1978: \$ 2,500⁺ planning grant
1979: \$21,380
1981: \$34,481

Number of Youth Participants: 10,000 to date

Brief Description:

Production and dissemination of youth activity packages on the multicultural heritage of the Northwest region. Materials are used by youth leaders throughout that area.

YWCA of Oklahoma City - Oklahoma City, Oklahoma

NEH Funding to Date: _____

1980: \$23,331 \$23,331

Number of Youth Participants: 660

Brief Description: _____

Teen women from a largely rural population investigate women's contributions to the professions and will create a slide presentation and project manual to be distributed to 50 YWCA's throughout the country. Additional youth will be reached through program fairs in Oklahoma City.

Mr. DUFFEY. Many of these are similar to the projects Dr. Lyman mentioned in his presentation; they serve a wide public through a national program.

Mr. YATES. They are national and serve all communities in the country.

Tell me how you happened to select these. These are referred to as selected grants. Who selected them and how, and what standards did you use?

Mr. DUFFEY. We asked the members of our various divisions to pick grants that were typical of grants made—in this particular case—to an institution in an urban area which essentially had a large rural constituency or in which the project had to do with the theme of rural life—the American farm, for example.

The effort was to find grants that were representative, because we were covering here 3 fiscal years.

We looked for some geographical representation and some representation of types of projects.

Mr. YATES. I looked at your budget and at first glance, it appears that what you have done in preparing the three columns relating to a 10 percent, 15 percent, and 20 percent cut is to take the 1982 request and just reduce it by a percentage cut.

Mr. DUFFEY. Generally that is the case, down to about 20 percent—that is not the case in every example, but down to 20 percent it is possible to do that without having severe administrative implications. It is below that point that we have to ask whether some programs are being reduced to the point where it is simply administratively not reasonable to keep them.

Geoff, would you like to say a word about this?

DEVELOPMENT OF REDUCED BUDGET LEVELS

Mr. MARSHALL. We applied that percentage reduction to the total budget, but within the budgets for the separate divisions staff were asked to take a second look at their programs to see if they should be reduced across-the-board. That did not take place uniformly.

In the Education Division, for example, the total amount is reduced systematically, 10, 15, and 20 percent, but the amount of that budget which goes to elementary and secondary education is higher than if it had been derived from a simple mathematical reduction. As the Chairman mentioned at our last hearing, it is one of the areas we would like to sustain at a higher level.

Mr. YATES. Tell the committee why. I keep thinking of the large funding that goes to elementary and secondary education from the Department of Education. Why then do you feel you have to supplement it to that extent?

Mr. MARSHALL. Our money is very different from that used in the Department of Education. It provides, as you see, this amount of \$5 million a year. There are 170,000 school districts in the Nation. And formula use of that money would not be coherent. Our funds are designed to concentrate just on disciplines of the humanities, such as, history, literature, and languages, and make available to teachers improved course materials or new knowledge. Most schools are going to have the same teachers for a good period of time; the population of students is not growing and teachers who are now in the classroom will be in the classroom for a while. As

new knowledge is developed in the United States, it is important for them to come to that new knowledge so they can use it in the classroom effectively. We have a series of institutes in the summer where teachers come together to learn, for instance, local history. There are some grants relating to the teaching of foreign languages, and so on. So, this amount of money is targeted specifically to bring new information into the classroom in the disciplines primarily of history, language—

Mr. DUFFEY. Dr. Lyman chaired a committee that looked at some models to help meet this need. There was a rather surprising outcome from the report after the deliberations. We were specifically asked—

Mr. YATES. The committee would be interested in seeing the report if you would make that available to us.

We have already read this. I did not know you were referring to this one [indicating].

Mr. LYMAN. One of the main things we had to say about the Endowment is that in the past maybe it has underestimated its impact in the schools. The fact that the amount is small is an obvious indicator that the Endowment will not be supporting the schools as such.

Mr. YATES. Dr. Lyman, what role will your Humanities play? Are you in the nature of an oversight group for the American public education system?

Mr. LYMAN. Are you referring to the Commission or the Endowment?

Mr. YATES. I am referring to the Commission and the Endowment.

Mr. LYMAN. The Commission disbanded after publishing its report.

Mr. YATES. I meant the Endowment. Is the Endowment's function going to be an oversight function?

Mr. LYMAN. I would think less that than a stimulating function. I think Geoff Marshall has put very succinctly the kind of thing Endowment money can do to keep humanities matters in the curriculum where they tend to get downgraded at times by driver ed and the like.

Mr. YATES. I am going to have trouble with this; I do not know where the Department of Education's line needs to be drawn. I have had trouble before trying to determine where the line is to be drawn between arts and humanities. Now I am having difficulty determining where humanities are in education. I suppose that is true of every activity in which we engage that has some educational force. What was determined as the result of the legislation passed by Congress? Was it to be an activity of this kind?

Mr. DUFFEY. The Department of Education exists in response to certain national goals, and administers activities that are essentially entitlement programs.

Mr. YATES. Under standards originally created by the States?

Mr. DUFFEY. Yes, and it is called the Department.

The Endowments should be compared to national public foundations created to stimulate learning on the basis of competition, no entitlements involved, no ongoing projects, in the same way the

National Science Foundation tries to stimulate certain other aspects of learning.

Mr. YATES. You are emulating the National Science Foundation in its activities in science?

Mr. DUFFEY. Oversight is a word that troubles me—we think of the agency's function in terms of competition and encouragement.

Mr. YATES. Why do you find objection to oversight, because you are looking at what they do and deciding perhaps there are areas that need strengthening?

Mr. DUFFEY. In that context, I will accept oversight.

Mr. YATES. As opposed to congressional oversight, maybe that is what you had in mind.

At any rate, we have your views on what the effect would be on your various divisions. What do your Division Chiefs think about this? They are more intimately connected with it, I think, than the bosses.

Mr. DUFFEY. Would you like to pick any of the divisions?

Mr. YATES. Which is anxious to go first?

IMPACT OF 1982 REVISION ON PUBLIC PROGRAMS

How about the Public Programs, for example. Mr. Rabin, tell us what the effects of the various cuts would be. First of all you are faced with a 50 percent cut.

Mr. RABIN. Sixty.

Mr. YATES. I would just assume nobody would get more than 50 percent. Why is it you are the least liked of all of them?

Mr. RABIN. As the Chairman explained a week and a half ago at the last hearings, there are certain costs in the agency which cannot be reduced neatly in half. Therefore, some of the programs of the Endowment have to take a little more of a reduction.

Mr. YATES. Let me find out first, what do you take your 60 percent reduction from? From the 1981 appropriation or from the Carter 1982 appropriation?

Mr. RABIN. From the 1981 budget, it is a 60-percent reduction; from the Carter budget, a 64-percent reduction.

Mr. YATES. All right, go ahead. Tell us how this would help you.

Mr. RABIN. Let me start with the consequences of the largest cut. In the Division as a whole, cumulatively, it would have a rather dramatic effect on approximately 215 grants that currently exist in a planning stage across the division in media, museums, public library work, particularly the early initial work, which then goes on to seek additional funding from the Endowment and other sources.

Mr. YATES. You have three basic programs—the media, museums, and libraries. What would be the effect on the media?

Mr. RABIN. The media program—

Mr. YATES. For 1981, we see an estimated number of 273 grants for the public, and under media, there would be 78 grants.

Mr. RABIN. That is correct.

Mr. YATES. These are 28 percent funded for this fiscal year, correct?

Mr. RABIN. Twenty-eight percent of all applications.

Mr. YATES. Now 1982, the effect of that would be to reduce the 78 to 42.

Mr. RABIN. That is correct.

Mr. YATES. This would be 13 percent.

Now what are we talking about? What is this in tangible programming? Media, are these the public broadcasting television programs?

Mr. RABIN. Mr. Chairman, all our grants through media are offered free of charge by condition of the grant to public television or public radio as a noncost further means of distribution.

In the media program, at the current budget that is before you, \$8.4 million in the Division, there would be no production support for future major television series such as Odyssey.

Mr. YATES. Nova?

Mr. RABIN. Nova had received support, Odyssey, Hard Choices, which covered biomedical concerns, moral questioning; American Short Stories, not that it is in as a proposal, but if it were to come in next year, it would be impossible to support it. There are a number of single important programs, a program that screened last night at the National Archives called "Image before My Eyes," it would have difficulty.

Mr. YATES. This is on people in Poland before the Holocaust?

Mr. RABIN. That is right.

An important work by two women who live in Missoula, Montana, received a grant for a production called Heartland about ranch life in Montana and Wyoming. That program would not be made if it came in as an application in the next year.

No television series would be able to be supported. We would be able to provide some limited support to some single programs.

In radio it is possible no major series, such as the F. Scott Fitzgerald program and some on Twentieth Century Theater, would be funded; they would be unlikely to receive anything other than symbolic support.

Mr. YATES. What would be produced?

Mr. RABIN. There would be funding for some individual, shorter documentary specials of approximately 1 hour in length. There would perhaps be a contribution toward 10 or 12 of those. There would be some very limited support for a few planning grants in areas yet underexposed in the humanities, such as philosophy and linguistics.

Mr. YATES. These kinds of programs are expensive.

Mr. RABIN. They cost more to make, but they have a life and a use that makes them a very cost-effective type of work. The initial outlay is more expensive than some other kinds of projects.

Mr. YATES. But probably most effective. More people see these programs.

Mr. RABIN. Almost all the projects we have been able to help have a life of at least 10 to 20 years, at least.

MUSEUMS AND HISTORICAL ORGANIZATIONS

Mr. YATES. Let us talk about museums, now. You have 151 grants which reflects 39 percent of the applications and for 1982 that would be reduced from 151 to 73, or 16 percent.

Now what does this mean in terms of museum programs?

Mr. RABIN. It means that some of the major and new areas of support for museum work would take a nosedive.

Mr. YATES. Give us examples.

Mr. RABIN. There would be a very sharp reduction in interpretive exhibitions. I will give you an example of a type of grant that would be hard to make in the future. The Field Museum in Chicago is able to present an exhibit on Eskimo life and culture with our temporary support. It is a very expensive type of work. It is unlikely that that kind of project, though it has a lasting value, would be made.

Mr. YATES. Did you support The Great Bronze Age of China?

Mr. RABIN. Yes.

Mr. YATES. Would that be possible?

Mr. RABIN. At a reduced level, because it has a traveling element. The temporary interpretive exhibitions that do not travel—they are at one site, local or small would be hard to sustain and it would be hard to support very many of them.

Mr. YATES. Did Humanities also provide funding for the Egyptian show?

Mr. RABIN. Yes.

Mr. YATES. That show was probably the most popular show ever held in any public museum in the country, was it not?

Mr. RABIN. We were one of, or the principal supporter of—

Mr. YATES. Could that show be shown now?

Mr. RABIN. No. Some very small parts of that might.

Mr. YATES. What would the Council do with limited funding and faced with a series of shows such as The Great Bronze Age at the same time as they had the Egyptian show? Does it make sense to have one show a year and use all your funds for one show? What happens to the other museums if you do something like that?

Mr. RABIN. That is always the question, does it make sense to support one major exhibition with a national potential? Does it make sense to fund one major television series and use up your funds in that way? I would think not.

Mr. YATES. I think there is a difference. The museums are a permanent constituency which live on funding from year to year. I can understand why you would have to provide funds to support them from year to year, whereas choosing a television show or not is not a matter of life or death, whereas funding for museums might make the difference as to whether they are open for a full week or not.

Is that a correct interpretation?

Mr. RABIN. It is of a kind, since our work is to develop certain ideas by those who make radio and television programs. It is clear if there is no money, then one could hypothetically say, those ideas can just wait. In the same sense that it is not possible, to put it a little more harshly, it is not possible for the public to know about a range of areas at this time through NEH-supported projects. Perhaps 5 years from now, it will be important.

Mr. YATES. What else shall we say about museums that we have not said?

Mr. RABIN. A great deal of the basic planning for particular ideas and self-study—self-study of the holdings of museums so they can get on with other kinds of interpretive work without calling on us—would have to be canceled.

Mr. YATES. Give us an example.

Mr. RABIN. May I ask Cheryl McClenney, Assistant Director for the museum program to speak to that.

Ms. McCLENNEY. We gave 23 grants to State historical societies a couple of years ago, because we felt the State historical societies, given the opportunity to take a look at their public humanities program, would be able to strengthen the programs they delivered to the public. These are very modest grants of \$15,000 to \$20,000, and they have made a tremendous difference in the directions that those institutions have taken. They have developed very aggressive public humanities programing since then. These are the kinds of grants we simply would not be able to give. It has a rippling effect in turn of taking away from the public the kinds of strong public programing that these types of State institutions can deliver.

Mr. YATES. Can you give us an example of what you mean?

Ms. McCLENNEY. The New Jersey Historical Society is located in Newark. By its own admission it was an insulated and isolated historical society in an urban setting. The community was not aware of that historical society nor was it interested in the work it was doing. In turn, the historical society was not interacting with its own community. What it decided to do through a self-study was to take a look at its role with the community. As a result of this, it set up genealogical programs, it began to make its facility available to the public. It now has very aggressive public programing whereby the public gets access to its facilities, its archives, its libraries; it has set up programs more related to the community in which it is located. As a result, the New Jersey Historical Society has an entirely different reputation in Newark.

Mr. YATES. Do you mean good?

Ms. McCLENNEY. Very good.

Mr. DUFFEY. I have one more thing as to media and museum projects.

The Chinese Bronze show received the largest corporation support, from Coca-Cola Co. In each case, the bringing of the concept to the point where it was a viable project, all the basic background work, was supported by the Endowment. I would be prepared to say that corporations should not be required to do the early work. They have shared with the funding of implementing these plans in a major way on these projects, but the projects would not get off the ground without Endowment support.

PRIVATE SUPPORT OF THE HUMANITIES

Mr. YATES. I am glad you brought this up. I was thinking of this problem yesterday as I reviewed some material. It seems to me what we have in connection with the proposed reduction in the funding of the arts and the humanities and the rationale of the Administration in proposing such a drastic reduction is establishing what in many minds seems to be a confrontation between public giving and nonpublic giving. I do not think that is the case at all. I think what you have here is really a very fine partnership in existence as a result of the public programs under which the Government establishes what can only be described as a minimum initial concept to which the corporate and the business community rallies around and provides the kind of funding necessary to bring a particular project into being.

Mr. DUFFEY. A few years ago the question was raised as to ethnic studies in the United States, about whether it is possible to bring the best scholars in the country to work on that particular subject. The Rockefeller Foundation made a relatively small grant and demonstrated there was interest that the project could be conceived. It would be unrealistic for the Rockefeller Foundation to have been expected to carry the whole project. The Endowment carried it from that point and produced the Encyclopedia of Ethnic Groups, which was awarded a scholarship prize last year. The interesting thing about it is that it has received a great deal of popular attention and within a year or two will be a standard reference book in high schools and public libraries all over the United States.

That was a case, in a sense, where the Government played the other role. So, I think it works both ways.

Mr. YATES. Let us take a look at a program in which you have participated called "It's Your Business" dated April 25-26, put on by the Chamber of Commerce of the United States. Among the participants is Mr. Schmerz of Mobil, Mr. E. G. Marshall, the actor, then Dr. Leshner of the Chamber and you, Mr. Duffey. You are talking about the budget cuts, and Mr. Schmerz said:

Well, first of all, we gained something tremendous, and that's getting the government out of the business of funding the arts. I just don't think that that's an appropriate role for the government, and I would favor an ultimate phase out of the entire government role.

Secondly, I think that vast amounts of this money now go to the arts bureaucracy, and don't go to artists. We have an arts bureaucracy in government, we have an arts bureaucracy in all the big museums, and performing groups. They spend all their time filling out forms to get government grants—so that there is an enormous opportunity just to save money without affecting actual artwork at all.

How do you get a business grant? Do you not fill out a form? Can you tell me?

Mr. RABIN. It depends on whether it is small business or not.

Mr. YATES. Somebody has to ask or to fill out a form, or make a phone call. At some level, somebody who works for a business has to pass that on to a higher level and say this is what is passing. I do not understand this business about filling out more forms to get more grants as though the grants came like manna from heaven.

Then he says:

Thirdly, I think that with 90 percent of the money coming from the private sector, there's really no great problem in continuing the great tradition of private support for the arts in this country.

Mr. MARSHALL. Well, when you say 'government involvement,' you don't mean that government is controlling what sort of programs are being funded. Now, I'm a trustee of the Westchester Arts Council, and we have a capitation funding basis—50 cents per head. And we have, through out local communities and on the county level, started art galleries, children's theaters, chamber orchestras, dances, things for senior citizens—we have done that on the local level. No one is dictating to us what we do with that money.

Mr. SCHMERTZ. But your colleague, Mr. Duffey, to some extent, is making artistic decisions as to what he will support on behalf of the government and what he won't support on behalf of the government.

Somebody in business has to do that in business, do they not, Mr. Duffey?

Mr. DUFFEY. I tried to point that out.

Mr. YATES [reading].

Secondly, the money that is coming from Mr. Duffey and its sister agencies is going in to organizations that are providing opportunity for people who can well afford the tickets to go to those activities.

How many millions did you get for the Egyptian exhibit?

Mr. RABIN. About 7 million people.

Mr. DUFFEY. There were great numbers of school children. At some of the museums there was no charge at all, and at others the charge had to do with the cost of security.

Mr. YATES. Then Mr. Schmerz continues:

My thesis is that arts groups, just like everybody else, ought to make it in the marketplace. If there's not a market out there for them, I don't think they should be funded by the government.

I keep thinking of William Faulkner, whose early novels were rejected at the marketplace.

IMPORTANCE OF FEDERAL SUPPORT FOR HUMANITIES

Then Mr. Duffey says:

I think what you say about the role of the Endowments is absolutely right—but is it safer to have this completely in the role of the corporations? I think that what we need is kind of a partnership. Corporations are just as liable as individuals to abuse that opportunity as the government.

Mr. YATES. And Mr. Schmerz should have said, "touche," at that point, should he not? It was Mr. Schmerz or someone in Mobil who tried to persuade the Public Broadcasting Service not to show "Death of a Princess" and to its everlasting credit, the PBS said, "No, we are committed to show it even though Mobil happens to be one of the largest contributors to PBS.

Mr. Duffey says.

We need a check—at least I have to answer before Congress and the public for the fairness and equity of my decisions, and I have to consult the wide community on it.

I suppose I will leave this for another time, but at the same time, there is this partnership, and I agree with you, there is a role for both.

Mr. DUFFEY. I think, Mr. Chairman, as we brought out in our last hearing, the most dangerous aspect of the corporation, even a governmental corporation, as I understand it, is the theory that this quasi-corporation will be gathering in the money from the private sources and then determining how it will be spent. It seems to me that concentrates authority in a way that is dangerous. Whereas now with the pluralism, there has to be a kind of matching or response from two or three sectors before a project, major project gets off the ground and that, it seems to me, is a kind of safety check on the Endowment in terms of arbitrary behavior, and on the corporation as well.

What troubles me about the idea being floated around by the corporations is that we are talking about concentrating all that decision-making and having it administered by—it seems to me what Mr. Schmerz may be arguing for is corporate culture, an overview by business as to what it considers to be proper in the field of arts and humanities. I think that is inappropriate. A corporation has a primary responsibility to its stockholders rather than to the public, and I think the courts have taken that position as well. I think there is room for both, for participation by the Gov-

ernment and by the community, and I think it is working out very well.

Mr. YATES. In the corporation that has funded the programs on the PBS. Do you break into the commercial networks at all? I never see any reference to you on the commercial networks. Is that because you do not choose to go on commercial networks, or that you feel the programing should not?

Mr. RABIN. We would love to see that programing brought up on the commercial networks. The network circumstance is different. On principle, they are loath to involve themselves in anything that has Federal support, irrespective of the quality of the program. The same is not true of local commercial stations.

Mr. YATES. As a matter of fact, that is one of the prime reasons the networks and the commercial establishments support the concept of National Public Radio and Public Broadcasting Service. There is an outlet for programing which they do not think their stockholders would like to be shown, and it is unfortunate that PBS has had its funding cutback, because it is an important outlet for the kind of programing that has graced it.

Have we finished with museums?

Mr. RABIN. Yes.

Mr. YATES. Are we in agreement that a partnership between the Federal Government and the business sector is desirable?

Mr. RABIN. Unquestionably.

Mr. YATES. All right, we have an agreement.

The next category is libraries; 50 percent funding—

Mr. RABIN. They are much smaller grants.

Mr. YATES. For 1982, a reduction to 20 grants, which represents 13 percent of the applications submitted. There are too many figures here; you get lost.

What will happen to the libraries under the revised budgeting—as though those figures did not speak for themselves.

Mr. RABIN. Any large grants to carry out actual projects—

Mr. YATES. What is a large project?

Mr. RABIN. The kind Dr. Lyman read for the record. The library project which focused on the use of the single-room schoolhouse which went through 18 States is a large regional library project. That would be considered a large library project, with many parts of the country sharing. It would be hard to make more than two of those under the present planned budget.

Planning work by libraries to look at their budgets to see if they can find ways of attracting others would be held down. Local projects would be very hard to support, at least with other than what I call symbolic funding.

Mr. YATES. I ought to put into the record the data that Mr. Rabin has been discussing. That may go into the record at this point.

[The information follows:]

NEH Application and Grant Data, FY 1981-82
(\$ in millions)

	1981 (est.)				1982 (revised)						
	Applications	Grants	% funded		Applications	Grants	% funded				
	#	\$	#	\$	#	\$	#	\$			
Competitive Grant Programs											
Public - total	837	\$103.0	273	\$19.7	33%	870	\$95.0	135	\$8.4	15%	9%
Media	362	68.7	78	7.9	28%	320	61.0	42	3.8	13%	6%
Museums	387	26.6	151	8.5	39%	325	25.0	73	3.6	16%	14%
Libraries	88	7.7	44	3.3	50%	150	9.0	20	1.0	13%	18%
Education - total	632	\$75.7	198	\$16.1	31%	660	\$73.2	160	10.4	22%	14%
Elementary and secondary	285	30.0	75	4.5	26%	300	32.0	49	3.1	16%	9.5%
Pilot	174	9.2	56	2.5	28%	200	9.2	46	2.1	23%	23%
Implementation	45	10.5	22	4.0	49%	45	10.0	14	2.1	30%	21%
Higher Ed/Regional & National	128	26.0	45	5.1	35%	95	22.0	31	3.1	32%	14%
Fellowships - total	3,989	\$62.6	647	\$12.9	16%	4,264	\$72.9	556	\$9.2	13%	13%
Independent Study and Research	1,324	26.5	145	2.9	11%	1,400	30.8	133	2.6	9.5%	8.6%
College teachers	663	14.6	155	2.9	23%	850	18.7	141	2.7	16%	14%
Summer stipends	1,685	4.2	230	.6	13.6%	1,700	4.3	220	.6	12.9%	12.9%
Summer seminars	309	16.2	110	5.9	36%	300	16.2	55	3.0	18%	19%
Centers	8	1.1	7	.3	88%	14	2.9	7	.3	50%	10%
Research - total	1,156	\$81.5	415	\$17.7	36%	1,271	\$87.5	300	\$12.75	24%	14.6%
Basic	190	22.0	55	2.2	25%	190	15.2	45	1.8	23%	12%
Intercultural	7	3.9	7	3.0	100%	7	4.5	7	2.2	100%	48%
State, local, and regional	135	7.5	38	1.5	28%	145	9.0	17	.6	12%	7.2%
Conferences	90	1.2	45	.4	50%	110	1.5	34	.3	31%	20%
Tools	121	12.9	46	2.6	38%	160	19.2	33	2.2	20%	11%
Editions	99	11.6	34	2.0	34%	139	13.4	27	1.6	19%	10%
Publications	160	.9	64	.4	46%	140	1.0	60	.3	43%	29%
Translations	180	6.2	54	1.3	30%	190	7.2	27	.75	14%	10%
Resources	194	15.3	72	4.3	37%	190	14.5	50	3.0	26%	21%

	1981 (est.)		1982 (revised)					
	# Applications	Grants \$	#	% funded	Applications \$	Grants \$	% funded	
Special - total	1,372	\$45.4	315	23%	1,305	\$48.2	185	8%
Youth	1,042	9.8	210	21%	1,000	9.0	139	14%
Science, technology and human values	150	5.6	35	23%	105	4.2	15	14%
Program Development	180	30.0	70	39%	200	35.0	35	18%
Planning and Assessment ^{1/}	20	2.1	12	60%	25	1.7	5	20%
TOTAL - Competitive Grant Programs	8,006	\$369.7	1,857	23.2%	8,375	378.5	1,326	16%
II. Non-Competitive programs-total	188	\$24.0	168	89%	216	\$26.8	126	58%
Consultant	134	.8	114	85%	160	1.1	70	43%
State	54	23.2	54	100%	56	25.7	56	100%
continuing: 187	16		187	N.A.	212	9.6	212	N.A.
III. Challenge Grants	new: 285	96	122	43%	0	0	0	0
IV. Programs discontinued in 1982-total	293	\$21.0	107	36%	0	0	0	0
Residential Fellowships	203	4.1	65	32%	0	0	0	0
Professions	30	1.9	27	90%	0	0	0	0
Special Projects	60	15.0	15	25%	0	0	0	0
Grand Total	8,959	\$527.3	2,444	27%	8,803	414.9	1,659	19%

^{1/} Includes contracts and grants.

^{2/} Figures represent applications and awards for fellows only.

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Mr. YATES. Thank you very much.

IMPACT OF 1982 REVISION ON EDUCATION PROGRAMS

Education is next.

Mr. DUFFEY. Mr. Marshall had responsibility for that Division before his change of position.

Mr. MARSHALL. Mr. Marty is in charge now, but he is in Washington State.

Mr. YATES. Let me proceed. It shows that in 1981 you gave 75 grants, a percentage of 26 of those that applied under that appropriation. Under the revised funding in 1982, that would be reduced to 49 grants, which would be 16 percent. Twelve percent of the requested amounts were funded in 1981 and 9.5 percent would be funded in 1982. Is that correct?

Mr. MARSHALL. On the elementary and secondary program, it is divided between large projects which are national in scope and small projects with a primary focus in an individual school district. The obvious choice is to cut back on the large projects. We do not have before us a list of those at the moment, because we do not know what will come to us in 1982. But I can illustrate the kind of project that would be difficult for us to fund in elementary and secondary education.

The Bay Area Writing Project, which is now called the National Writing Project, is one that the Endowment began to support several years ago. What we have supported is the spread of that idea and method of training teachers in improved methods of teaching composition.

The National Writing Project is now in 80 sites in 37 States, so that in the summer, primarily elementary and secondary school teachers will come together to learn the new methods of teaching composition.

That is very attractive to us because it is a national investment. The amount involved is \$170,000 to \$200,000, and we will have to make fewer grants of that size. I do not think this project will come to us again. We would like to make others like this, but we may not be able to afford to.

* We will halve, perhaps, the large projects that we can support. We will try to sustain, however, on the other side of this coin, two kinds of activities. One is extended teacher institute in which teachers come together from a region or throughout the Nation to learn more about a new subject, and at the same time plan curriculum which they take back to their schools. It is a program to design curriculum for implementation in the classroom.

The other thing we are beginning to experiment with and we will try to sustain are practitioner grants not to exceed \$10,000 for activities in particular schools.

That is the contrast of the impact in elementary and secondary schools.

Mr. YATES. Here you have pilot grants. In 1981, it shows 56 grants approved, 28 percent of the applications, and 27 percent of requested funding; 1982, that would be 46 grants approved, funded, for a 23 percent figure. That does not seem to be hurt very much.

Mr. MARSHALL. It is another we will try to sustain. The reduction of each individual grant represents one less opportunity.

Mr. YATES. Implementation shows 22 grants in 1981, 49 percent funded, for 42 percent of the amount; and 1982, you would have 45 applications, 30 percent approved, with 21 percent of requested funding approved.

What does implementation mean?

Mr. MARSHALL. Those are the largest awards that the division programs make to individual institutions. Those are for programs to make substantial redesign or development of new curriculum in the humanities.

I can give two quick examples: Syracuse University is redesigning its general undergraduate requirements. Since that component of education is largely in the fields of the humanities, we have made a major implementation grant to support it.

In contrast, yesterday I was at MIT, where we have made a grant. No new faculty are involved; there is no change in material needs. The grant is for a new subject area called "language and mind" involving psychology, linguistics, and so on.

Mr. YATES. Under Higher Education, Regional and National, you have 128 applications, out of which you approved 45, which 35 percent were funded.

Mr. MARSHALL. This program is analogous to the elementary and secondary program in some sense but for higher education. We have the same quandary and same solution.

Mr. YATES. What do you mean by higher education?

Mr. MARSHALL. There is no distinction, except we do not fund proprietary schools.

IMPACT OF 1982 REVISION ON FELLOWSHIP PROGRAMS

Mr. YATES. Then we have fellowships.

In 1982 you anticipate even more applications than previously, 1,400. You will be able to approve 133 for 9.5 percent of the funding. Give us an example of what that means, although it is pretty clear.

Are these graduate students or beyond?

Mr. BLESSING. These are generally either distinguished or very highly regarded younger scholars doing important original work in humanities. In this program, we have attempted over the years to fund just the very highest and more important work, and it has run at about 10 percent of the applications received. Our objective in this program is to try to be able to continue funding at that level.

Mr. YATES. What happens if you are cut?

Mr. BLESSING. It is a situation where we would try to cut as little as possible.

Mr. YATES. What would be the effect?

Mr. BLESSING. The number of people supported would fall.

Mr. YATES. What is the effect on scholarships? It is just that you will not fund as many capable people or highly trained people in carrying out research in their expertise?

Mr. BLESSING. Yes; and that is true as well for other programs in the division.

College teachers—this is in the record so I won't reread them—summer seminars and centers.

Mr. MARSHALL. Excuse me, there is one thing. In this division at the 50 percent level that you are reading, some programs disappear entirely. I was afraid we might get past that.

Mr. YATES. Which one are you talking about?

Mr. MARSHALL. In Fellowships in order to sustain at a high level the program Mr. Blessing was describing, some programs have been taken out altogether at the 50 percent level. Two lines disappear entirely.

Mr. YATES. Which lines disappear?

Mr. BLESSING. Fellowships and seminars for the non-teaching professions and Residential Fellowships for teachers in smaller colleges.

Mr. YATES. I have here a letter from Mr. Peter D. Shamonsky, Director of the summer session at Columbia University, dated April 8, addressed to Congressman Whitten, urging support in opposing reduction in the budget for humanities.

My specific concern is the program of summer seminars for college teachers which is part of NEH's Division of Fellowship since Columbia is one of the major institutions providing service within this program.

One paragraph reads:

Most of the teachers who participate in the program work during the year in extreme intellectual isolation in situations where personal study and interaction with colleges of similar interest is virtually impossible.

For many the summer seminar is a program lifeline which restores intellectual vigor and renews confidence in the common enterprise of learning.

Mr. YATES. What else is there to say about the program other than it won't be available for the people to this same extent.

Mr. LYMAN. This is one academic program that has received a major cut. It is a program that is very important. It is the one program that we can cut back considerably without absolutely compromising the achievement of the program's objectives.

What will disappear is our ability to offer support outside of the academic teaching profession itself.

The National Endowment's post-doctoral fellowship program is very important and there isn't any realistic likelihood for private funds to support this area of the humanities at the post-doctoral level.

The Guggenheim Foundation provides significant numbers but the stipends are getting quite unrealistic in relation to cost of living, and they have no way of raising money. They are an endowment and they have to live with what they have.

There is a fellowship program in my Foundation that runs to 40 awards a year but we will not be able to increase that. There are too many other demands on us, all of which are increasing due to what is happening in the budget. So the Endowment fellowships will not be picked up. No corporation is going to mount a program and advance money to these fellowships. There is not enough in it for them.

Mr. YATES. They might provide funds for science research and fellowships out of which they might possibly receive what might be described as a tangible benefit. I suppose you can argue that the

humanities are tangible too but somehow they seem to be more intangible as far as corporate purposes are concerned.

Mr. BLESSING. Too indirect in their view, I think.

Mr. YATES. Thank you, Mr. Blessing.

IMPACT OF 1982 REVISION ON RESEARCH PROGRAMS

Let's take a look at the first item of basic research. I remember when we funded the National Science Foundation and funded some of the government agencies, everything was basic research.

Now we find you engaged in basic research too. What is the nature of basic research on the humanities?

Ms. BERLINCOURT. In basic research we support long-range collaborative research in all fields of the humanities, that has a specific product in view. Usually these are publications.

Mr. YATES. Let us see what happens here. In 1981, you had 190 applications. You approved 55. You funded 25 percent of them for 10 percent in money.

In 1982, you expect to receive the same number. You expect to approve 45 of them or 23 percent.

Ms. BERLINCOURT. There are several areas that will be hit. In collaborative research we have been supporting programs bringing scholars in from other universities. For example, at the University of Wisconsin—we have a program in American legal history which combines people from the law faculty and American historians, and each summer scholars come from other institutions to work together reassessing the major problems in American legal history.

That is an expensive project and it will no longer be able to be supported.

An area that will be hit severely is our support of archeology. We support about 20 projects in overseas archeology. All of that is dependent upon NEH matching funds. They are made only on a matching basis.

So with the reduction proposed for next year we would be able to continue supporting only some of the ongoing projects and would be undertaking no new projects.

Mr. YATES. Are these editions on the Middle East and so forth?

Ms. BERLINCOURT. The Mediterranean and the Americas.

Mr. DUFFEY. Let me give two examples.

The Endowment has provided funding for the *Cambridge History of China*. There are certain parts of the history of China which are now being rewritten because we now have access to new materials and, in fact, we have a new perspective on certain parts of the history. Those kinds of projects would simply not take place.

We have had in the United States a lot of scholarship about the Middle East but until very recently it has been shaped by a kind of missionary point of view. The only places it was taught until 20 years ago were places that had what we might call a missionary orientation.

Now that we have a more accurate understanding of those societies in their own terms, with access to literally new pieces of material with which to rewrite those histories and bring them into clearer perspective, this kind of funding has an absolutely current necessity.

Mr. YATES. Dr. Berlincourt, you talked about the lawyers' courses.

Ms. BERLINCOURT. A combination of law professors and American historians.

Mr. YATES. You have a course to teach doctors humanities too, don't you?

Ms. BERLINCOURT. That is in the Fellowship Division.

Mr. MARSHALL. That will not be offered.

Mr. YATES. So the doctors will go back to being inhumane. I would hope the American Medical Association would take that one up.

Let's talk about intercultural now.

Ms. BERLINCOURT. The intercultural program of grants to the national organizations to send American scholars abroad to pursue their research.

We support the American Council of Learned Societies, the Committee on Scholarly Communication with the People's Republic of China, the humanities research undertaken by Social Science Research Council and the International Research and Exchange Board.

Mr. YATES. For fiscal 1981 you have approved every application, that being seven, at 76 percent of the amount requested. In 1982, it is proposed of the same number of applications to approve all of them at only 48 percent of the amount requested.

Ms. BERLINCOURT. What that means is that we are going to try to maintain the activities but at a significantly reduced level. The further ramification is that we will be unable to undertake any new activities.

We had hoped to increase our exchanges to the African nations, to the Latin American nations, and to China. That simply will not be possible.

Mr. YATES. Is there a chance of business making up the difference?

Ms. BERLINCOURT. These grants have always been, in the past made on a matching basis. Since 1976, the support from the private foundations has been withdrawn and increasingly the Endowment has had to provide outright funding.

In all of our awards we continue to make the combination of outright and matching, in order to try to stimulate matching from the private sector.

Mr. YATES. I read to you from your justification. Tell me whether this is still true.

These programs have depended in the past to a great degree on private foundation support. Increasingly, however, private foundations have reduced their support in this area.

As a result, the number of requests to NEH for outright funds has grown rapidly in recent years and is expected to increase as the private foundations retreat even further from their past support to these organizations. While continuing to urge support by the private sector, NEH feels compelled by this situation to be a mainstay against dwindling support rather than permit the decline of a scholarly apparatus and essential scholarship resources which are critical to the Nation's understanding of foreign cultures and traditions.

That is what you said before and that is what you are saying now.

Ms. BERLINCOURT. That is right.

STATE, LOCAL, AND REGIONAL STUDIES

Mr. YATES. Let's talk about State, Local and Regional Studies.

Ms. BERLINCOURT. This program will have a 57 percent cut. This means we will not be able to accept applications from individuals, only from organizations.

We will have to eliminate one application cycle per year and I think the effect of the awards will be that they will be concentrated in the established areas in the northeast and California where there is a long history of work in State, local and regional studies.

This program has had in the past a remarkable record of grants across the country. Let me give you as an example a grant to the Southern Ute Tribe, in Southern Utah, for linguistics study, reaching 1200 members of the tribe. So, we see that the less established organizations are going to suffer in the competition.

Mr. YATES. Are you talking about the rural areas?

Ms. BERLINCOURT. Rural, yes.

Mr. YATES. Too bad Mr. Murtha isn't here to hear you say that. What about Conferences?

Ms. BERLINCOURT. The Conference program is our most flexible. We have in the past had three deadlines and this is for support of scholarly conferences that are not ongoing, that are in the initial stages of collaborative research.

The awards do not exceed \$10,000. We will have to eliminate one application cycle and the rigor of the competition will be increased.

Mr. YATES. I notice you expect more applications; you will fund fewer at a lesser percentage of money.

Ms. BERLINCOURT. That is correct.

Mr. YATES. What are Tools?

Ms. BERLINCOURT. This is research tools and reference works. This will be encyclopedias, dictionaries, atlases, handbooks, such as the Assyrian Dictionary, and the Harvard Encyclopedia of American Ethnic Groups the Chairman referred to earlier.

The effect in this program will be—we are supporting a great many ongoing projects. You can't stop a dictionary at the letter "m," so that our emphasis will have to be on trying to continue the support to the ongoing projects and thus, support for any new projects starting will be diminished very severely.

Mr. YATES. During President Teddy Roosevelt's reign, Congress did not support sending the great white fleet around the world. But he had enough money to send it to China and Congress had to put up the money to bring it back.

I don't know if that is an appropriate comparison.

What about Editions?

Ms. BERLINCOURT. These are scholarly editions. We are supporting the Mark Twain edition, for example, as well as editions of the writings of Samuel Gompers and Frederick Douglass.

Mr. YATES. He is already published. These are works that already are in existence. Are these special editions?

Mr. DUFFEY. The Frederick Douglass papers have never been published, nor been available.

Mr. YATES. I am sorry. I heard her say Mark Twain.

Mr. DUFFEY. In fact, there has never been an accurate annotated edition of all the selected works of Mark Twain. There are many things out of print. Some things were published in journals and

magazines that have never been recovered so the complete work, prepared as accurately as possible according to the way he wrote, has simply not been available.

It is amazing, but that is the case, just as the papers, of course, of a number of important American figures like Marcus Garvey and even some of the Founding Fathers have not yet been finished.

Ms. BERLINCOURT. Another example is Daniel Webster.

Mr. YATES. Is all this in Editions?

Ms. BERLINCOURT. Yes.

Mr. YATES. All these would fall into this category?

Ms. BERLINCOURT. That is correct.

Mr. DUFFEY. They are long-term projects. We have been providing some support. I just recently looked at the Henry Laurens papers, a very important figure from South Carolina during the Continental Congress and Revolutionary period.

A great number of papers, not all of which will finally be in the edited volume, have simply not been available in libraries in the original; so that only scholars could get to them—and only a few scholars.

Ms. BERLINCOURT. I wanted in all our programs to point out that we do in our long-range projects request that the applicants raise funds from the private sector. Over the last three years the Division has matched anywhere from five to seven million dollars annually in gifts for all our projects.

Mr. YATES. Publications.

Ms. BERLINCOURT. This is a title subsidy program to enable our not-for-profit press to break even in the publication of a work that is judged to be significant for the humanities.

In fact, the effect in this program will be—we have had just two deadlines. It will mean that the smaller presses we are just beginning to reach will not be able to survive in the competition.

Mr. YATES. What type of publication are you talking about?

Ms. BERLINCOURT. Title subsidy.

Mr. YATES. What is a title subsidy?

Ms. BERLINCOURT. A publisher submits an application with a projection of his costs of publication and his anticipated revenue. These are usually print runs of around 1500. He applies for the amount of money that will enable him to break even. It cannot exceed \$10,000 per publication. It amounts to about \$5,000 on average.

TRANSLATION PROGRAM

Mr. YATES. And Translations?

Ms. BERLINCOURT. This program is halved. We support the translation of significant works in foreign languages. These are intended to bring these works to the general public.

Mr. YATES. Give us an example.

Ms. BERLINCOURT. There is a recent translation of the Shiite legal texts of the Moslems that is under way. We are also translating—from the Russian—the Alaskan historical records.

Mr. DUFFEY. Probably the major classic work of China is *Journey to the West*, which is sometimes called *The Monkey*, a three-volume work. It would be as hard to understand, I am told by China scholars, the civilization of China without having some grasp of

that work, as it would be to understand British history without some sense of Shakespeare.

Yet, that is only now being finished.

Mr. YATES. What is being finished?

Mr. DUFFEY. The translation into English. It was done many, many years ago in French and the languages of Europe but the English translation was just finished last year by a professor at Chicago.

These are basic and in some cases very basic classic texts.

You may recall a conversation we had a few years ago when I had some impossible names of Middle Eastern texts. You asked me what does that one mean?

Mr. YATES. I didn't ask you like that.

Mr. DUFFEY. I remember turning to Mr. Cannon who said, "You could say that is the *Paradise Lost* and the John Milton of Islamic society."

It had never been made available in English.

This project tries to make those materials available so we have a more accurate understanding of certain parts of the world in English.

Ms. BERLINCOURT. It means that with the proposed reduction we will have to set certain language areas each year that can apply. We will not be able to accept applications from all languages.

We have had applications from 94 different languages and have funded projects in 58. There is a translation currently of Islamic peoples in Central Asia, a work that has never been in English.

Mr. YATES. Is this also the equivalent of *Paradise Lost*?

Ms. BERLINCOURT. This is more historical in nature.

RESEARCH RESOURCES PROGRAM

Mr. YATES. Next is the Resources program.

Ms. BERLINCOURT. Resources. That has two components. It supports the organization of research collections at research libraries and historical organizations. It also has been supporting projects in conservation and preservation. With the proposed reduction in the budget we will have to virtually eliminate conservation and preservation, since we expect there would be only about \$200,000 available for it.

Mr. YATES. Doesn't the Library of Congress have a very extensive program in this?

Ms. BERLINCOURT. It is not very extensive. They have one system, as I understand it, but you have to take the volumes to that particular piece of equipment that they have. There is no Federal program.

Mr. YATES. Let's read from the budget justification.

If NEH funds were not available the special collections which are of particular interest to students, teachers and scholars in humanities would simply not be available.

Is that Resources?

Ms. BERLINCOURT. Yes.

Mr. YATES. I was told that tremendous numbers of German records are molding and mildewing over in Archives and nobody is doing anything about them and they are slowly being destroyed.

Mr. DUFFEY. I have a problem of conscience in this regard, Mr. Chairman.

Several years ago, before we made this presentation, you remember we came to you with an initiative in this area for a very modest program.

I went to a number of major foundations. One with some interest in the area, the Mellon Foundation, was quite responsive.

On the basis of our willingness to make matching grants they set aside some of their funds so that together we might address and encourage more people to come into this area.

They have made their commitment and I am afraid that having led them down the primrose path we will not be able to fulfill our side of it.

Mr. YATES. Can you get the grant from the Rockefeller Foundation?

Mr. DUFFEY. I know there will be sympathy there. I don't know whether there will be resources. It is a case of having carefully planned both in the public and private sectors to at least make a response.

Columbia, for example, under the urging of this concern, has just established a training center in the United States where scholars or librarians can get training in conservation.

It literally is a primitive field and one of desperate need.

Mr. YATES. Does this area also include the preservation of film?

Ms. BERLINCOURT. Yes, if it would be microfilm.

Mr. YATES. Why only microfilm?

Mr. MARSHALL. I think motion picture support is provided to some extent under other auspices.

Mr. YATES. I didn't know this was the same kind of category. Quite frequently I find the humanities activities overlap the arts. Haven't you discovered that?

Mr. MARSHALL. Yes, but I don't think we are all preserving the same objects in this case.

Mr. DUFFEY. Thanks to your prodding I would say there is far less touching and overlapping than there was four years ago. Indeed, I believe there is very little today.

Mr. YATES. Do you want his statement stricken from the record?

Mr. DUFFEY. We have discussed that around the table for some time and I think we have made tremendous progress in the last four years.

Mr. YATES. The question of preservation of film is a very critical one and there are so many good things on film, such as conversations with scholars. I saw a magnificent one with Professor Einstein. Yet, that film is going to fade in time. There is no way of preserving it.

I don't know whether they put it on microfilm or whether microfilm can be preserved indefinitely. Is that your function?

Ms. BERLINCOURT. No, our function is to preserve records for research.

Mr. DUFFEY. While that is expensive it is a much easier process because you can run the film through a machine at a very fast speed and make a copy. When you have a book made with high acid content such as the ones we looked at last year, that are

crumbling, to open every page and microfilm it is very expensive given the rising costs of silver particularly.

There are methods of taking some of those documents and leaching out the acids so the paper does not deteriorate at such a rapid rate.

Mr. YATES. Do you look for methods of better preservation?

Ms. BERLINCOURT. What we have been concentrating on is training programs.

Mr. YATES. Training the people who will be able to do this?

Ms. BERLINCOURT. Yes, and also to help archives and libraries develop disaster plans in case of floods or fires.

Mr. DUFFEY. In the report of the Heritage Foundation a question was raised as to whether we should be involved in this kind of activity since it is scientific and technical.

Many of our grants go to enable scholars to determine what ought to be saved, because we can't save everything.

That job of making the decision of what is most critical to save is essentially a question of scholarly judgment and much of our support in this area goes to that kind of thing.

Mr. YATES. Thank you.

IMPACT OF 1982 REVISION ON SPECIAL PROGRAMS

The first category of Special Projects is Youth which sounds very attractive. What does that mean?

Ms. HUXLEY. This is another one of the divisions where one of the programs simply doesn't show any more because it has been eliminated entirely from the 1982 budget. That is Special Projects.

In the Division of Special Programs, that particular program was called Special Projects.

Mr. YATES. Give us an example of what has been eliminated.

Ms. HUXLEY. Special Projects was the program which enabled us to respond to a project that cut across or fell outside other divisions' guidelines; if you will pardon the expression, it was the safety net for the endowment.

While it has a very impressive record of achievement, we shall have to sacrifice the unique in this instance to save basic support for basic activities.

Some projects can be pulled apart and their various components sent to other divisions for support. This may harm the integrity of the project and the timing of the written proposals—instead of one proposal. But they can be funded.

Other projects simply would have to be declared ineligible. A project like that would be the Recording for the Blind project which we have supported over the last several years. This program, which is supported on a matching basis, involves the recording of basic texts in the humanities for undergraduates across the country who are sight-impaired and also provides a cataloging system that is accessible to them, so that someone who can't see can do history or English or anthropology on an almost equal footing with his sighted colleagues, at least at the undergraduate level.

That project is not eligible anywhere else at the Endowment and we would not be able to support it without Special Projects.

These are one-of-a-kind projects—like the International Symposium—and we have had to let those go.

Mr. YATES. I notice in your justification you say Special Projects supports the Jefferson Lecture. Does that mean hereafter the Jefferson Lecture will come out of the Woodrow Wilson Institute?

Ms. HUXLEY. I am not sure where that money will come from. It will not come from that program.

Mr. DUFFEY. Much of the funding from Jefferson Lecture is raised privately but the basic stipend and some of the expenditures come from this program.

Mr. YATES. Are you going to eliminate the Jefferson Lecture?

Ms. DUFFEY. I hope not. That will be up to my successor. It was such a success this year that I would think we would be even more encouraged to continue it. We don't have to have 50 percent of the lecture.

We even picked the lecturer for next year.

Mr. YATES. Have you really? Is it confidential?

Mr. DUFFEY. Yes. The Council has made a selection.

Mr. YATES. Science, Technology, and Human Values.

Ms. HUXLEY. That program is for collaborative work between scientists and scholars in the humanities, to look at the ethical—

Mr. YATES. Including physicians.

Ms. HUXLEY. We do deal with biomedical ethics very much. The Encyclopedia of Bioethics was supported by the Endowment and that has had a printing of 11,000.

Mr. YATES. I interrupted you.

Ms. HUXLEY. This program is a signal of the priority the Endowment places on this area. I think Gerald Holton expressed it very well the other night. Talking about the fact that 50 percent of all the public policy decisions now deal in some way with science and technology and yet on the one hand there is a scientific illiteracy in the general public and, on the other hand, the expertise in philosophical sorts of insights that would help to clarify the values, the issues, the ethical issues, are also not there.

This program is an attempt to bridge that gap to create scholarship which will help us to have a context for considering these issues.

Mr. YATES. The Endowment's efforts in this area both separately and in conjunction with the National Science Foundation have been among the most comprehensive and consistent sources of support for reflection on science and human values.

The Foundation has been cut back. Is this one of the casualties of their program?

Ms. HUXLEY. Less so in their case.

Mr. YATES. If they fund it will their funding be adequate to keep the program going?

Ms. HUXLEY. Not with the humanities component there. I hope the National Science Foundation and NEH have taught each other something in the course of this program.

Mr. YATES. If they haven't we need more humanities.

Ms. HUXLEY. But there are two new programs which the Endowment will not participate in next year because we don't have any evaluation. They were planned new programs. So while they show great potential we won't be able to continue them.

One is the Interdisciplinary Incentive Awards. This is to allow scholars in the humanities, historians of science, philosophers, to

gain enough scientific technological expertise to be able to provide really useful insights into those issues.

The Sustained Developments Awards help people established in the field to spread the word to new institutions and new programs.

PROGRAM DEVELOPMENT

Mr. YATES. What about Program Development?

Ms. HUXLEY. Program Development is the area that Mr. Lyman mentioned earlier. At this level this program is designed to reach new groups of the population to test new kinds of humanities activities, to put resources together that haven't been together.

We are going to have to pull back and support what comes to us in a limited way from those institutions and organizations that have enough resources to carry it forward.

A lot of the people we deal with now are groups that have the network for the humanities but not the resources, or groups with the resources and not the network. We help to get them put together.

The fund-raising capacities of these groups are a real question mark.

The National Council on Aging has had a project with us in Senior Centers across the country. This is one of the things they have produced.

[Booklet handed to the Chairman.]

Ms. HUXLEY. You will notice the big type which I think is very helpful.

Mr. YATES. Oh, it is big.

Ms. HUXLEY. These are courses for older Americans. They are in nursing homes and in nutrition centers across the country but the National Council on Aging does not have the resources of its own to continue this, and fund-raising for this in the private sector has not been that successful so far because the needs in this area for older Americans are so myriad, particularly in medical research. It is hard to raise money for this kind of educational humanities programs.

That sort of project will probably be gone and also those within a single State, as well as some of the large urban projects we have funded. A project to explore the Italian-American experience in Chicago will probably not be able to be funded.

Mr. YATES. That takes care of your category, doesn't it?

YOUTH PROGRAMS

Ms. HUXLEY. I don't think I told you about Youth Programs.

Mr. YATES. I thought you had.

Ms. HUXLEY. No.

That program concerns me particularly. We are trying to maintain both aspects of the programs: Youth grants, which are grants directly to young people for independent work which Mr. Lyman talked about and NEH Youth Projects, which work through museums, libraries, colleges, and universities.

Mr. YATES. Is this program about children?

Ms. HUXLEY. For children. It is training for them, getting them to use the resources of the community in the humanities to do extra curricular humanities projects.

Mr. YATES. Give us an example of one of these.

Ms. HUXLEY. I happen to have some more material here.

Mr. YATES. Good. I hope it is as interesting as your material for the elderly.

Ms. HUXLEY. This is a documentation history exhibition and finally a film which was supported by private funds in San Francisco on the history of the fishing families, the fishing community in Santa Cruz.

A group of young people did this in conjunction with the University of California at Santa Cruz. This is a publication that they produced.

Mr. YATES. What did it cost them to put this out?

Ms. HUXLEY. This project cost us \$8,400.

Mr. YATES. How many young people participated?

Ms. HUXLEY. Five young people did the project. It was for the whole community.

Mr. YATES. How young were the young people?

Ms. HUXLEY. Nineteen to 23.

Mr. YATES. Are these the young people?

Ms. HUXLEY. No.

Mr. YATES. Now they have finished this project, what will they do? They did a good job. Are they still together?

Ms. HUXLEY. I guess they are at the University of California together.

Mr. YATES. Is that better than Stanford?

Ms. HUXLEY. To do a Day on the Bay it is better to be in Santa Cruz itself; because the project was in Santa Cruz.

Mr. YATES. It is a very good-looking paper.

Ms. HUXLEY. It is an investment the Endowment is making in future scholarship, giving these young people the opportunity to really dig their teeth into some substantial work and to put it together in a professional way.

Mr. YATES. I notice advertising in this publication. Where did the money go?

Ms. HUXLEY. Toward the publication and towards the program.

Mr. YATES. What happens if your young people write a book and that book proves to be a money-maker and even the movies want to pick it up and want to pay \$1 million for the movie rights. Tell me what happens to the million dollars in movie rights. Do you get any part of it?

Ms. HUXLEY. We are waiting for that.

Mr. DUFFEY. We have written into many grants we make, Mr. Chairman, certain royalty and profit provisions which Mr. White-law can describe. These have been revised in the last few years. The Endowment receives a return from any revenues a project accrues beyond the initial costs.

ROYALTIES FROM NEH-SUPPORTED PROJECTS

Mr. YATES. What do you mean when you say you receive a return?

Mr. DUFFEY. In the case of Encyclopedia of Bioethics we invested about \$600,000. I don't know that we have received all that money back but we are probably on our way at the moment.

Mr. YATES. How do you receive it back?

Mr. DUFFEY. It comes back as a portion of the royalties.

Mr. YATES. Do you share the royalties with the authors? How does it work?

Mr. DUFFEY. There are different procedures.

Mr. SHURMAN. Sir, not every grant has royalty provisions in it. Many of them do. I am not sure in particular about the Youth Programs, but when we have royalty provisions they typically provide that 50 percent of the royalties will be retained by the grantee for use in the humanities and 50 percent will be returned to the government and paid into the Treasury up to the amount of the grant; in this case, \$8,400.

Ms. HUXLEY. More often the money in Youth Programs stimulates something that produces work later on. A young man, David Lipset, was interested in doing a biography of Gregory Bateson. He started the work under a Youth grant of \$4,000. Three years later he produced what we expected, which was an article, but he went on with that and three years later published a book on Bateson which was favorably reviewed and is now in circulation.

But that is not really the main purpose of Youth grants. It is to get them started in understanding, to create the motive, the excitement of doing real research, and to give them the responsibility to share this in some kind of way through a community program.

We are investing in the future in this program.

Mr. YATES. Who wrote your book for the elderly?

Ms. HUXLEY. There is a group of scholars that edited that. Those are articles, essays, poems, all kinds of writing dealing with a particular subject taken from established authors.

Mr. YATES. Why do you draw a distinction? In the case of the youth you let the youth do it. Why don't you do the same in the case of the elderly?

Ms. HUXLEY. We do. Those readings are the beginning and there are activities and work, further research which they are engaged to do through a discussion guide for the leaders for the encouragement of additional activities which the elderly can pursue.

Mr. YATES. So well remembered.

In my day in college the young people used to put out a college annual, newspaper and a magazine and so forth. Don't they still do that?

Ms. HUXLEY. Yes, they do.

Mr. YATES. Is that too limited?

Ms. HUXLEY. Those are not humanities projects. What we are talking about is research and dissemination of humanities—history, philosophy, and so on. Newspapers and yearbooks don't qualify. It may teach them better writing, which is also important.

Mr. YATES. Which is a humanities project.

Where do you draw the line when youth becomes middle-aged?

Ms. HUXLEY. That is a delicate question. Most youth grantees, have been about 16 to 24, but we have had projects from young people up to 30 years old.

Mr. YATES. The line is drawn at 30?

Ms. HUXLEY. It has been .

Mr. YATES. Here you have one on page 92 which has a youth project enabling young people between the ages of 12 and 16 to record the dust bowl history through the supervision of the Adams County Historical Society.

Ms. HUXLEY. That is a Youth Project. The Youth Projects don't go to the young people directly. They go to a cultural institution to work with young people in developing a project; and the group there is younger—elementary and secondary schools are typically the beneficiaries.

Mr. YATES. This is like the YCC program using the mind instead of the body.

Ms. HUXLEY. I guess so. One of the very large projects we won't be able to sustain is something like the National Science fairs but in the humanities. Kids locally put together projects working with their teachers and with the libraries and historical societies or whatever. It can be on any subject and the range is wonderful when you see the national finals.

Mr. YATES. Is this like a 4-H program?

Ms. HUXLEY. The University of Michigan has 4-H involvement. The museum at the University and 4-H are collaborating to doing projects all around the State.

The opportunity to pursue it is very exciting, so the clubs come up with their own projects, the museum helps them and they put on the exhibits.

Mr. YATES. Now, that completes the competitive grant program section.

NONCOMPETITIVE PROGRAMS

Now we have the noncompetitive with Consultant and State program.

Mr. MARSHALL. This is one of the Education Division's programs, Mr. Yates.

Mr. YATES. Tell us about it.

Mr. MARSHALL. The reason it is put here is that our intention in this program is to make every eligible grant; so the success ratio here is above 90 percent in most rounds; sometimes it gets a little under.

In that sense it is noncompetitive.

The impact, I think, is obvious from the chart. We will be able to make far fewer grants and they will suddenly become competitive. We will have to develop a review process of a kind we have not used before. These are small grants averaging around \$6,000. No new ones could be made.

Mr. YATES. In 1982?

Mr. MARSHALL. Yes, sir.

Mr. YATES. What about the State programs? Who wants to talk to that?

Mr. GIBSON. If I may, with your permission I would like to speak briefly about the nature and objectives of the State programs. The State programs exist to serve primarily the Congressionally-mandated goal of fostering increased public understanding of the humanities.

It accomplishes that primarily by trying to bring the scholar and the public together in discussion groups or discussions on films or other kinds of small projects.

One of the primary goals is reaching hard-to-reach constituencies, that is, those citizens, groups or individuals, who do not have ready access to the institutions of humanistic learning, be it museums, universities, colleges, or libraries.

Mr. YATES. Do you mean people in jails?

Mr. GIBSON. Yes. There have been a number of projects that have occurred in prisons and we have even had a humanist in residence in a prison.

Mr. YATES. Can the humanist in residence move in and out of the jails?

Mr. GIBSON. That is a condition of the grant—that they may move in and out.

States are expected to analyze the needs and resources of their State.

Mr. YATES. What is the nature of the grant in question?

Mr. GIBSON. Primarily, literature appreciation and book reading. A literary scholar went in and conducted that. In one case in Colorado, through the study of some literature, the inmates actually produced a play as a result of the project.

Mr. DUFFEY. These grants were made by local State organizations in the States, not by the National Endowment directly. They received the funds and provided regrants.

Mr. GIBSON. They are expected to analyze the needs and resources of their State, to draft guidelines consistent with that and apply to the Endowment for a two-year award based on that analysis. They state: here are our goals and objectives and here is how we intend to pursue them.

In the current year, the State program involves regrants numbering approximately 5,000, at an average cost of approximately \$4,000, so we are dealing with very small projects that involve citizens directly in cooperation with scholars.

Our best estimate is that there were 15,000 scholars who were involved in public humanities programs funded by State committees during the last year.

In terms of the impact of the 50 percent reduction in funds, one first should address the allocation formula contained in the 1980 amendments to the Endowment's authorizing legislation.

That allocation formula would mean that with a 50 percent reduction, the more populous States, such as California, Illinois, and New York, would receive reductions of 65 to 75 percent. California, for example, would go from slightly over a million to approximately \$280,000.

A similar kind of reduction would be true for Pennsylvania, Illinois, New York, Michigan, and so forth.

Mr. YATES. It couldn't be a similar reduction for New York. New York would probably get a much greater reduction because they probably get much greater grants.

Mr. GIBSON. No. The reduction I am speaking of, if we speak of it totally in terms of the population formula that is entailed in the allocation formula adopted by Congress—

Mr. YATES. I see.

Mr. GIBSON. There is a formula which is somewhat detailed which permits the Chairman of the agency a 34 percent discretion after several other chunks of money have been allocated.

At a 50 percent reduction the degree of that discretion is reduced to such a degree that we have very little power to respond to the States having larger populations.

It is our best estimate that the number of regrants projects would drop to the area of 3,000.

We also believe that program development and technical assistance efforts to those hard-to-reach constituents, to smaller museums, less established libraries, and other groups, would have to be sharply curtailed.

They simply would not have the administrators or program or technical assistance resources to carry that out.

We believe that the types of institutions that would receive regrants from State committees that would be most affected would be the small museums and the small libraries and other such types of institutions.

It is very expensive to undertake the kind of technical assistance needed to acquaint those institutions and groups with humanities programing and to carry them through the grant writing process.

We assume further that the types of projects would probably be significantly altered. Since, as I have stated, those smaller projects are administratively expensive even though they may involve citizens in direct dialogue with scholars, it is still so expensive, we assume that many of the State committees would feel obligated to turn toward larger prepackaged projects in the sense that they would tie in with a project funded directly by NEH and simply travel it around or move into more passive ways of relating with the adult public.

That can be traveling museums or exhibits that can be developed in one place and sent throughout the State, or larger media projects in which they will reach more people. But these changes come at the expense of the program format that has been intrinsic in the State program in the nine- or ten-year history.

Finally, the viability of these institutions, which have only in the last few years begun to establish an identity and gain the acceptance of the community, will be called into question.

Can one conduct for slightly over \$200,000 a program that is expected to serve 11 million people with the kind of public programing that does entail a significant degree of administrative expense in order to attract those kinds of projects?

Mr. YATES. Thank you very much.

LETTER FROM M. G. LORBERG

I have a letter here that we have received from Mr. M. G. Lorberg, Jr., Chairperson, Missouri Committee for the Humanities, addressed to the subcommittee.

Gentlemen:

I am writing you pertaining to the 50 percent budget cut proposed for the National Endowment for the Humanities.

While I am supportive of the Administration's efforts to reduce Federal spending it does seem that to single out the National Endowment for a cut of this depth could be an error of judgment.

When one considers the purpose of the humanities and their vital contributions to the strength of the Nation the amount of money expended to support their programs seems indeed quite modest. Particularly this seems to be true with the State-based programs which in the last few years have brought the humanities in contact with millions of citizens who had had, indeed, very limited previous contact.

Various educational programs, media humanities programs, museum and historical organizations programs have been among the many popular among the State-based programs.

Indeed, I would suggest that our current interests in our historical heritage and historical preservation has been due in part to humanities projects from State-based humanities organizations.

I personally believe it would be to all of our advantage to see at least some of the proposed cut eliminated. If this action cannot be taken, however, it would be highly desirable for funds to be redistributed within the National Endowment to permit a higher percentage of the budget to go to State-based organizations.

Unfortunately, the National Endowment is not planning such action in that they are planning to cut State-based organizations 50 percent.

My position is simply this. I do not criticize any action of the National Endowment.

However, the type of grants made by the National Endowment are more costly and are more limited in terms of people served.

In Missouri this last year the Missouri Committee for the Humanities provided funds for 32 large proposals, median grant \$5,359.00, for 52 mini-proposals, all \$2,000.00 or less, and for four proposal development awards, the largest \$250.00.

All of the projects were well attended and in most instances by adult citizens not in school. Compare these grants to a grant by the National Endowment in excess of \$54,000.00 to support the cataloging of rare books on microfilm at the Vatican Film Library or a grant also by the National Endowment of up to \$25,000.00 to support the putting together of a bibliography by or about Richard Crashaw, a poet of the 17th century.

Again, let me point out that I am not particularly critical of these kinds of grants. They serve a different purpose. It is just that with finite resources State-type grants that cost less and reach more people should have priority.

Would you like to comment, Mr. Duffey?

Mr. DUFFEY. Perhaps Dr. Lyman would also like to comment.

Mr. YATES. People are saying in light of the cuts more money should go to the States.

RESTRUCTURING OF PROGRAM

Mr. DUFFEY. Let's take the final conclusion of the author of the letter. The criteria from my point of view toward discharging my responsibilities cannot be simply the reaching of the most people for the size of the grant. The importance of the project and its significance also have to be reasons for using Federal funds for the project.

In fact, more people are reached by the bibliographical projects he describes than any of the projects funded in the State of Missouri because they became available all over the country for years for the use of scholars and others and they enable people to build upon them in a sense and to do further work.

We should never make our judgment on the basis of only the number of people reached. That is an important criterion but we are not in that business. We are in the business of trying to do the most basic things that support this kind of learning in the most responsible way.

In the best of worlds we have both kinds of activity. We shouldn't have to choose one or the other and we shouldn't have to pit one against the other.

I think the concept of having all the work done by States or even a significant amount more would be contradictory to the idea that

we are funding national projects of national importance and funding them not on the basis of entitlement but on the basis of merit.

You simply can't judge in one State the significance of many projects—I think a lot of international projects would simply go by the board.

Mr. LYMAN. It is a difficult problem because this is one of the cases where you are trying to compare things that are quite different, but I would support entirely what Mr. Duffey has just been saying about it.

I regret that the Chairman of the Missouri Council thinks it is possible to make that sort of comparison. It seems to me the letter is really simplistic.

Mr. YATES. I know this is a hard decision. The States are pressing for it.

Mr. DUFFEY. I can understand it. The legislation requires 20 percent. We fund something like 22.48 percent and we propose to keep that percentage in fiscal year 1982. I think many of our State programs are just getting started. Some of them have developed excellent staffs and are administering good programs. On the other hand—

Mr. YATES. I guess criticism is directed more to the arts than the humanities. Their State programs have been in existence longer.

Mr. DUFFEY. Yes. It is very difficult. I think the States are among those that will confront the most wrenching administrative problems under the 50 percent cut, just at a time when they are really getting their programs moving.

Mr. Gibson pointed out that the terms of the law would make it impossible for us to respond with equity to the States as well.

CHALLENGE GRANTS

Mr. YATES. Let's look at challenge grants and programs discontinued in 1982.

In 1981, you had 285 applications for new awards and you allowed 122. You granted 43 percent, 32 percent funding. There will be no new Challenge Grants in 1982. All there will be are those that are multiyear and already in existence.

Mr. DUFFEY. We will extend them for another year. They are three-year grants and we will honor our commitments but more slowly, and let next year go by without new ones in order to honor the previous commitments.

Mr. YATES. As I sense it, the Congress finds the challenge grants a very good medium for raising private funds.

Mr. DUFFEY. An excellent program.

Mr. YATES. It is unfortunate it has to be eliminated.

Mr. DUFFEY. It is very unfortunate.

Mr. YATES. Then, programs discontinued in 1982. You have residential fellowships down for no funding and the professions down for no funding. What do you mean by the professions?

Mr. DUFFEY. These were fellowship opportunities on a highly competitive basis for those who work in areas other than the academic area—journalists who may have an opportunity under these programs at two centers in the United States to work in fields of history, in language or philosophy to enhance their skills and background for their jobs; teachers in law schools who have an

opportunity to study history or disciplines in the humanities, and in medical schools—programs that have become well established and are important but we simply do not have the funds available and they will have to be discontinued.

Mr. YATES. I propose to close the hearings unless you have something in addition to say. I think we have covered all of your programs under various kinds of circumstances.

The committee will consider all the possible kinds of cutting after the legislative committees have finished with their reconsideration, if any.

Thank you for giving us the additional material.

FEDERAL COUNCIL ON THE ARTS AND HUMANITIES

One of the things we have to consider is the future of the Federal Council. Do you have any ideas on what the Federal Council ought to be doing?

Mr. DUFFEY. I think the Federal Council has moved in the last four years from in a sense only administering the Indemnity program to beginning to function as an instrument of coordination, and has made progress.

The future is suspended now until the Administration makes a decision as to a new Chairman. I believe the Council has demonstrated its usefulness and probably it will be even more important the next few years as programs are cut or limited that some agencies look to for the continuation of very important works.

We had a little conversation earlier about these editing of papers of the Founding Fathers or other figures in American history.

One program, the National Historical Publications and Records Commission, is simply going out of existence. Those projects are going to collapse. I think there is a very critical national need in this area.

I would hope something like the Council will be there to identify and coordinate between the agencies. That decision rests with the Administration at the moment, Mr. Chairman.

Mr. YATES. Does the Council have funds to continue beyond fiscal 1981?

Mr. DUFFEY. No.

Mr. YATES. Who will take care of the Indemnity?

Mr. DUFFEY. Such work as is necessary can still be done on delegation by the Endowments. There was no formal budget prior to 3 years ago and—

Mr. YATES. Did the Endowments take care of it?

Mr. DUFFEY. Yes we did, together with the Arts Endowment.

Mr. YATES. When you were last here did we discuss the proposal by the Administration respecting the Task Force and a new organization? Do you have any comments on that?

Mr. DUFFEY. I think what they are asking themselves to do is to appraise what the Endowments have done and are doing and whether what the Endowments were created for by Congress could be done better by another kind of organization?

Mr. YATES. Do you have any comment?

Mr. DUFFEY. I think after 15 years the soundness of the Endowment structure is well established. I don't believe there is a structure that would be more appropriate.

There are, and I suppose there will always be, policies that need to be reexamined—trends that get established, constituencies that get built.

As you know, it is very hard to uncouple a program that gets a constituency. My impression is both Endowments did grow very rapidly and that there are some programs that need to be reexamined.

We have been working at that as we have been working at the problems of administration.

I think what needs to be done is an examination within the current structure. I cannot conceive at the moment, frankly, basic changes in the structure that would substantially improve the operation of the Endowments. That is not to say there are not always things that need to be done because of a reexamination of the Endowment itself.

The questions we have to ask are the questions of need and national responsibility. You remember in the early part of this hearing we tried to talk about that.

In a sense we are not just responding to a number of people who want something; we are responding to a sense we all have that certain kinds of learning, certain resources for learning, are important in a society like ours.

I think more thought needs to be given to those needs and then to what the Federal Government appropriately can do to provide some leadership for the private sector, some stimulation for the States and local areas and to provide the support appropriate for those things that simply will not survive in an open marketplace. Not everything in life that is worthwhile is commercial or thrives in the market.

As much as I respect the market system, culture does not always do well in the market system—nor does education.

APPRAISAL OF NEH

Mr. YATES. I suppose the reason for my question is obvious. You have been there for four years now and the nature of our government being as it is and the nature of political circumstances being as it is, I suspect this may be the last time you appear to advance a budget before the committee and I would like to get your appraisal of how the Endowments have worked.

From what you have told this committee and from what I sense throughout the humanities community, you have done a first-rate job.

It is unfortunate that both you and Mr. Biddle have to consider leaving. I assume the Administration may have others in mind it would like to see fill these positions. That is why, as you leave this committee, I ask you to tell us what you think the Endowment ought to do or whether changes should be made. Perhaps you might want to put that in the record. We don't like to see you go.

Mr. DUFFEY. The Administration has the prerogative of changing leadership and that is probably a healthy thing to have happen from time to time in any institution.

I have not begun to think about singing swan songs because I have a few more months, but I appreciate the invitation to submit something in the record, should time permit.

Mr. DUFFEY. One of our programs which we've not discussed is Planning and Assessment Studies, I think we ought to submit for you some data.

Mr. YATES. We would welcome anything that you have to say respecting the operations of the Endowment. We are very much interested in the subject matter and in where it is going.

I agree it is a very important function of government to engage in the kind of activity the Endowment is engaged in.

It is for any civilized government to try to find ways of living better in peace and freedom and a necessary part of our life.

Your Endowment, I believe, performs the most important function in that respect. Whatever you have to say will be welcomed by this committee.

Thank you very much.

[The information follows:]

Impact of Budget Reductions on the Planning and Assessment Studies Program

The Endowment's enabling legislation mandated for it a position of responsibility for developing and encouraging the pursuit of "a national policy for the promotion of progress and scholarship in the humanities" and for fostering the interchange of information in the humanities. With the assignment of full-time staff to its Planning and Assessment Studies Program in 1979, the Endowment began to exercise these responsibilities in a more systematic manner, aiding the development of timely and reliable information about such critical material conditions as employment of the humanities labor force and non-Federal funding patterns in the humanities.

We note that the need for the kinds of information that the Program helps to produce and disseminate does not diminish in such hard times as those the humanities are now facing. The Humanities in American Life, the study recently completed under the auspices of the Rockefeller Commission on the Humanities, made extensive use of data derived from the Program's supported studies. The task force recently appointed by President Reagan to examine the Federal and non-Federal roles in support of the humanities and the arts has also asked for similar kinds of information.

The current year's funding for these kinds of information activities is \$850,000, and the original FY 1982 appropriation request contained \$950,000. The revised request would set aside \$500,000.

With a program budget of \$500,000 the Endowment would place highest priority on maintenance of the existing data bases and research efforts already in place. Specifically these include the studies on humanities doctorates at the National Academy of Sciences and the Higher Education Panel of the American Council on Education and account for approximately \$300,000 of program funds annually. Both are cooperative efforts with other Federal agencies. These projects, while they do not provide a comprehensive picture of humanities conditions, do offer a means by which interested parties--researchers, institutional administrators and concerned individuals--can monitor and analyze developments in several key elements forming the humanities universe.

Another activity which has been pursued the past two years is the preparation of the Sourcebook on the Humanities, a two-volume, looseleaf notebook containing statistical information on a variety of individuals and organizations in the humanities community. The pilot volumes of the Sourcebook are now being circulated and are undergoing extensive review in anticipation of the publication of the first edition approximately nine months from now. In a period of limited resources, the availability of timely and reliable data is critical to the planning functions of the agency and its constituents. Accordingly, this effort will be sustained by the agency next year.

Also under study is the nature and extent of private foundation support for the humanities. This area of study is of particular importance to the agency at this time given the planned reductions in the FY 1982 budget. We must begin to determine the extent to which NEH support complements private giving and to gauge recent trends in foundation support if we are to enter into a more active and informed partnership with the private sector. It is unlikely, however, that the study will be repeated given the reduction in agency funding.

Because of the need to support the above activities, funding would not be possible for large projects incorporating both research and dissemination efforts. An example of such activity is a grant of \$543,981 made to the State of Washington for the purpose of developing research findings into effective operational programs addressing the problems of the humanities at the community college level. Mid-way through a three-year grant period the Washington community college system can point to a wide variety of successful initiatives--including the development of some two hundred projects on individual campuses aimed at revitalizing the humanities and the formation of a humanities association able to carry on the project after funding is terminated. Humanities enrollments in the community college system have increased by 12% at a time when enrollments generally have increased by only 4%. Project participants from the State of Washington are increasingly being used as consultants at local and national meetings of those interested in humanities education at this level. And several corporate and private foundations are, for the first time, being attracted to the state's 27 community colleges.

Given the small amount of funds remaining after funding of the on-going data activities, the Endowment will eliminate one, and perhaps both, of the two unsolicited-application cycles which have been conducted in the past several years. Although the review of unsolicited proposals has proven to be of considerable value in identification of emerging problems meriting the NEH's attention, agency staff believe that limited funds can be most effectively used if competitions are carefully designed and targeted--either by program solicitations or requests for proposal.

THURSDAY, MAY 7, 1981.

NATIONAL ENDOWMENT FOR THE ARTS

WITNESSES

LIVINGSTON L. BIDDLE, JR., CHAIRMAN, NATIONAL ENDOWMENT FOR THE ARTS
DONALD A. MOORE, DEPUTY CHAIRMAN, POLICY AND PLANNING, NATIONAL ENDOWMENT FOR THE ARTS
MARY ANN TIGHE, DEPUTY CHAIRMAN, PROGRAMS, NATIONAL ENDOWMENT FOR THE ARTS
MARGO ALBERT, MEMBER, NATIONAL COUNCIL ON THE ARTS
LARRY BADEN, BUDGET AND PLANNING OFFICE, NATIONAL ENDOWMENT FOR THE ARTS
BERNARD BLAS LOPEZ, MEMBER, NATIONAL COUNCIL ON THE ARTS
ROBERT WADE, OFFICE OF THE GENERAL COUNSEL, NATIONAL ENDOWMENT FOR THE ARTS
ITZHAK PERLMAN
ROSALYN WYMAN

Mr. YATES. Mr. Reporter, the hearing is coming to order.

This is the hearing on the appropriation for the National Endowment for the Arts for fiscal year 1982.

Appearing in support of that appropriation is the distinguished Chairman, Mr. Livingston Ludlow Biddle, Jr.

Mr. Donald A. Moore, I don't know what the A. stands for, Deputy Chairman.

Ms. Tighe. How are you, Mary Ann? What happened to your married name?

Ms. TIGHE. Not in the record.

Mr. YATES. And Henry Putsch. Where is Henry?

Mr. BIDDLE. Henry couldn't be here today, Mr. Chairman. He will be here tomorrow.

Mr. YATES. Deputy Director, Office for Partnership. Now, Mr. Biddle, you have a statement which may go into the record at this point.

[The statement follows:]

STATEMENT OF LIVINGSTON L. BIDDLE, JR., CHAIRMAN, NATIONAL ENDOWMENT FOR THE ARTS, CHAIRMAN, NATIONAL COUNCIL ON THE ARTS

I am pleased to appear before the Committee, and to discuss the Endowment's request for funding for Fiscal Year 1982.

This hearing occurs at a time when, as a part of the new Administration's efforts to reduce Federal spending, funding for the Arts Endowment has been scaled back. This reduction occurs against a background of increased policy debate over the future role of government in the arts.

For my own part, I think such a debate is healthy. There is no immutable law that exempts any public policy issue from debate, nor should there be. Neither government nor the world of the arts is static and their relationship to one another is constantly evolving.

What I do believe very deeply is that the experiment of government involvement in the arts, exemplified by the establishment of the National Council on the Arts

and the National Endowment for the Arts, has been profound and profoundly successful. By this I mean something very straightforward: that government support for the arts in the last 15 years has stimulated a growth in arts activities of a high standard of excellence in unprecedented fashion in our Nation, and that more of our citizens than ever before have been able to avail themselves of these activities and, thereby, enrich their lives.

Money, of course, has been important in this development. Endowment grants have served as a catalyst to induce a whole new level of support for the arts from non-Federal sources. But, perhaps, even more important has been the fundamental statement made by our government in sustaining the National Endowment for the Arts: That the arts are recognized by the Federal government as a matter of important national concern. The importance of the arts in our society is increasingly apparent, and the fact that the Federal government has clearly recognized this importance, I believe, is of inestimable value to our civilization, and its cultural development.

The budget request of the National Endowment for the Arts for Fiscal Year 1982 is \$88 million. This compares with a current Endowment budget of \$158,560,000.

Despite a curtailment in funding, the responsibility of the agency remains unchanged: to fulfill our obligation to assist the needs and the diversity of the arts in the United States. Exactly how best to discharge that responsibility in a time of diminished resources has been at the heart of an intense discussion among the National Council on the Arts, the Endowment's program directors and staff, and numbers of experts and leaders in the arts community in the United States. The purpose of the discussion has been to determine which areas of support are most critical.

The Endowment has worked to devise a balanced set of recommendations to present to the Congress by which we can continue support for most important elements in our programs. Our guiding principal, therefore, has been to identify and sustain those programs and categories which assist and promote:

- Professionalism and excellence;
- Organizations which produce art and whose primary concern is focused on the arts themselves; and
- Individual artists.

In reaching its conclusions for proposed spending within this \$88 million request, the Endowment is acutely aware that quality is not necessarily a function of size. Both large and small institutions make significant contributions to the advancement of art forms and their availability to audiences. The Endowment is also aware that through its assistance, there is a current flourishing in a variety of artistic endeavors across a wide range of disciplines. The context of Federal support to the arts is not the same today as it was five or ten years ago, nor has the world of the arts in the United States remained static. Federal involvement has broadened the quality and quantity of arts activity.

The formulation of the present budget forces us to reflect on the realities of the arts in America as we see them at present. Some areas of Endowment support were nonexistent or hardly discernible only a few years ago—support to the folk arts, to jazz and to American musical theater, for instance. And in these areas, Endowment support, albeit modest, has made a noticeable difference.

It did not make sense to the Endowment or to the members of the National Council on the Arts to employ a simple and binding formula of curtailment that would apply across the spectrum of Endowment endeavors. An across-the-board cut seemed inappropriate and ill-advised.

Rather, it seemed more sensible to balance, as best as possible, the claims of competing priorities, taking into account the fundamentals of the Endowment's mission: the direct support of arts institutions and artists whose work is of significant quality.

As a consequence, in the budget we present to the Congress for Fiscal Year 1982 for \$88 million, the Endowment, with the concurrence of the National Council on the Arts, is suggesting a broad retrenchment throughout most Endowment programs. Within these programs, some categories will not be funded in the coming fiscal year; and in some cases categories are being combined to promote efficient use of limited resources. The proposed budget greatly curtails support for Challenge Grants, and provides appropriate resources to cover administrative costs that are virtually fixed, given the nature of the Endowment's structure and procedures.

PROGRAM

Consistent with its past budget presentations, the Endowment has chosen to emphasize regular programming support, and seeks funding of \$57,835,000. The programs are the Endowment's essential building blocks. Within them they repre-

sent support to high-quality arts organizations and support for individual artists, the twin programmatic goals that the National Council on the Arts has advised the Endowment to emphasize.

If one were to view the evolution of Endowment program support, one would see a gradual build-up of funding, not only within the confines of a single discipline, but across many disciplines. And if one were to view the current programmatic support in fiscal year 1981, in terms of a circle, one would see, in fiscal year 1982, a smaller circle, but one composed of many of the same elements.

In general, the programs will be emphasizing direct organizational support, and providing considerably less support for service organizations, for touring, and other outreach efforts. Outreach efforts will necessarily fail in purpose unless the arts-producing organization is sound artistically and financially.

One should not conclude from this, however, that there will be little effect on arts organizations seeking Endowment support for their home-based activities. Fewer symphony orchestras, theater, opera and dance companies, fewer museums will be supported and those that are will receive less funding.

Some efforts, supported out of program funds and not as directly involved with arts-producing organizations, will be eliminated altogether. The National Council on the Arts has recommended the termination of funding entirely for international activities, research and evaluation, programs aimed at helping special constituencies, the intern program and the continuance of the Advancement effort, involving the special building grants to emerging organizations of high artistic significance and future potential.

Because the Endowment forward funds the Artists-in-Education Program, that effort has been substantially scaled back in terms of budget allocations in fiscal year 1982.

TREASURY

The funding level of the Treasury Fund at \$15,000,000 remains relatively high. That is because the National Council wished to take advantage of the additional leverage affect offered through Treasury Fund grants.

The Treasury Fund is used to augment Endowment program support, chiefly to major arts organizations. Unlike project grants funded out of the regular program account, Treasury grants require a three-for-one match. In general, Treasury Funds are allocated to programs such as Music and Theater, whose institutional bases are strong, and whose organizations have the capacity for meeting these more stringent matching requirements.

Allocations of Treasury Funds, a separate part of our appropriation, are assigned program by program.

CHALLENGE

We are requesting \$2.5 million for the Challenge Grant effort. This decision does not reflect a lessening of regard for this program, but rather reflects the ordering of priorities within the confines of a limited budget.

The Challenge Grant effort is one of the most original, innovative, and successful approaches employed by the Endowment to aid arts organizations in the country. Rather than concentrate on a project-by-project basis, Challenge Grants are given to organizations to promote their long-term financial stability. The grants, by Endowment standards, are large ones, and the matching requirements are even more stringent than those required for Treasury grants. An organization receiving a Challenge Grant must raise, as in the Treasury grant, three dollars for each Federal dollar, but the funds generated must be new or increased levels of income or giving.

During the latter part of 1980, it became clear to the Endowment that a large portion of the leadership arts institutions, for whom the Challenge Program was originally designed, had, indeed, received support. What was also clear was that the initial grants had not exhausted the fundraising potential of these organizations. Many of these organizations had been funded at less than optimum levels because of the Endowment's own need to stretch its available resources. The Endowment believes that when sufficient resources exist, the Challenge Grant Program should be opened again to these highly important arts institutions, so they may proceed from one level of strengthened ability to a further level of greater service.

In Fiscal Year 1982, however, the stringencies of the budget are such that larger allocations into the Challenge Program would be at the expense of regular program funds. Given the choice, the National Council advised the Endowment to fund the Challenge effort at the level specified herein, supplying a few, important grants to worthy institutions.

ADMINISTRATIVE

The Endowment is requesting \$12,665,000 in administrative funds for Fiscal Year 1982. This is the only account in which we are seeking an increase, and it is particularly important to explain the context of our reasoning.

As we have indicated earlier, after much debate, the National Council on the Arts recommended a general retrenchment in the Endowment's programmatic approaches. It was not felt prudent to lop off programs carefully nurtured over the years, or to eliminate in a wholesale fashion Endowment categories. This decision was made in the context of how the Endowment's limited funding could have its most effective impact on the arts in the United States. To put in another way, how might the Endowment continue to provide support in the most helpful way to the widest expanse of high quality arts activities in the United States, to the immense growth of the arts which has developed in recent years through the Endowment's catalyst role.

There will be less money available; competition for grants will increase dramatically. But the Endowment does not see any great slackening of the application load, currently running at more than 30,000 a year. We do predict a slight decrease—in the neighborhood of 12 percent—based on tightening various eligibility requirements in the various program categories. In the main, though, we expect the very large volume of applications to continue in 1982.

What follows from this projection accounts for the administrative budget we are seeking.

The single major item in the administrative budget is the cost for personnel. Simply to process and review the enormous volume of applications received by the Endowment in some 70 separate funding categories that we project for next year requires sufficient staff. The law—and equity—requires that such applications be accorded administrative care and fairness in review. Economies in staffing are being carried out. However, the reductions are relatively minor ones, in recognition of the necessity for the Endowment to have a staff of sufficient size to cope with its heavy application load.

The other major item in the administrative budget is the cost of maintaining the peer panel review system which is central to the Endowment's fundamental belief that outside experts, not government staff, should make decisions on grant applications.

The Endowment has consistently been able to attract panelists of the highest level, both artists and those with artistic expertise. The enormous prestige of the Endowment's panelists provides the surest way to keep granting decisions on artistic quality on as high a plane of objectivity as possible, while insulating the review process from governmental or bureaucratic pressures.

In sum, the desire of the National Council to maintain broad support across the range of artistic disciplines reflects itself in the maintenance of most programs and their categories. This, in turn, leads to a projection of a continued high level of applications, necessitating a sufficient staff and review panel structure.

Finally, the Endowment believes that in fiscal year 1982 comprehensive efforts should be further developed to encourage additional corporate and private philanthropy in support of the arts. During the past several years, the Endowment has worked closely with business and foundation leaders to stimulate deeper concerns with the arts and added assistance. It is noteworthy that corporate support for the arts has increased from \$22 million annually in the first year of the Endowment's life to a present total of more than \$435 million. In order to enhance this partnership between government and the private community, a partnership whose concepts are basic to the Endowment's traditions, an expanded effort is necessary as the needs of the arts grow year by year.

This effort will require adequate staffing and the development of appropriate meetings; advocacy and planning with a variety of leaders who represent local, regional and national concerns. The Endowment can continue to serve as a major resource for these efforts, to address the increasing needs of a growing arts world.

I shall be pleased to answer any questions from Members of the Committee.

SUMMARY OF STATEMENT

Mr. YATES. Do you want to summarize it? Do you want to give us the benefit of additional comments that you may have on what the state of the arts is and looks to be from the National Endowment point of view?

Mr. BIDDLE. I would love to do that, Mr. Chairman.

I realize that you are under some time pressure.

Mr. YATES. Not for the arts. You may go ahead.

Mr. BIDDLE. I would welcome the opportunity of just saying a few words to the subcommittee because it is somewhat likely, I think, that I may not be coming this way again quite in this way.

I would love to have a chance to give you a few perspectives that I feel in my heart about the program and about its evolving, and about where it is today and about the state of the arts.

I will be as brief as I can. As you know, I helped prepare the legislation which created the National Endowment for the Arts back in 1965, and I have been really with this endeavor over many, many years.

The philosophy and guiding principles which developed this program was that there should be a partnership, a special kind of partnership with the private community, with experts in the arts.

And I think the reason for success and the reason for our doing what we are doing today is related very directly to the kind of involvement of private citizens in this whole endeavor, in our panels and in our National Council on the Arts.

Members of that Council will be here with us during the hearings in case you should want to call on them.

Mr. YATES. That is good.

Mr. BIDDLE. Bernie Lopez, from New Mexico, is here already. I think the Council and the Endowment have really succeeded beyond all the expectations that we have in the beginning as a catalyst, as seed money for the arts.

In 1965, the philanthropic dollar in the United States was supporting the arts and cultural endeavors with about \$200 million annually. That came from the private community.

Then it was an amount that showed almost no growth in a decade's time. It grew from about \$195 million 10 years before the Endowment's birth to \$205 million annually at the time the Endowment was created.

And that no-growth factor, that static factor of limited private support, I think, was a principal reason for the creation of the Endowment, because it was perceived very clearly that private support for the arts was not adequate. That something was needed to stimulate development of the arts.

And they were still in those days considered tangential, they were considered peripheral, they were luxuries that a few could afford, but were not available to many.

But Congress gave leadership to the proposition that the arts are of fundamental value to life. And I think this legislation that was created owes a tremendous debt of gratitude to the leadership of members of Congress who have perhaps been even ahead of their times in perceiving how strong and how valuable the arts are.

And, Mr. Chairman, I want to say today how deeply grateful the arts are to you and to this subcommittee and to the members here for their espousement, their belief in this case.

I can remember when Congressman McDade was involved in the very beginnings. I remember Congressman Murtha so well and his espousal of bringing the arts out to the people.

And you have all played a wonderful role, I think, in this new creation, a unique American experiment in funding the arts. And

they are now beginning to develop and really flourish as never before.

INCREASED ARTS GIVING

I think the catalyst has worked, and it continues to work day by day. Corporate giving for the arts has grown from \$22 million in 1966 to \$450 million today annually.

The States, State arts agencies, which began in 1966 with total support for the arts less than \$3 million, that figure is now \$110 million and still rising under the present circumstances.

Communities are supporting the arts now as they never have before from a virtual standstill to a \$70 million annual support figure today.

And that \$200 million in private giving to the arts, overall, has grown in 15 years to close to \$3 billion.

So, from no growth in a decade previous to the Endowment's creation, do we have the evidence of a decade and a half of dynamic improvement.

I think a spark was even kindled, a sense of direction was given. The leadership that I have mentioned, the leadership of people like yourself and this subcommittee, Mr. Chairman, and the Congress, and a sense, I think, above all of a commitment to the values of the arts.

And from all that I have seen, and I have been involved in this almost from the very start and throughout, and from all I have observed and studied, I believe that the Endowment has been the principal catalyst for growth.

It plays a relatively minor role in terms of the overall amount of funds provided. But it plays an absolutely vital and crucial role in terms of catalytic strength.

Good morning, Mr. Regula.

GROWTH IN NUMBER OF ARTS ORGANIZATIONS

Mr. BIDDLE. In those 15 years, the number of theater companies has increased from 15 to over 145; symphony orchestras have grown from 25 to 150; large opera companies from 27 to 109; and dance companies from approximately 30 to about 400.

And the attendance figures are remarkable in these areas, up to 15-fold increases in the numbers of people who are now able to enjoy the arts.

So their centrality, I think, is no longer rhetoric; and they are growing all over the country. As I said earlier, and want to repeat, I think the heart and the core of the success lies in the relationship to the private community, the guiding strength of our panels, and, above all, the guiding strength of the National Council on the Arts.

QUALITY

These are trusted people now, I think, across the country. They are symbols of a unique national resource for assessing quality. Only one in five applicants are successful at the Endowment today.

So quality is our abiding and chief concern, and the assurance of access to quality to the very best is also part of and integral to our mandate.

The values of the arts should belong to all people, not to any limited number of our citizens, as some have suggested. The values are very tangible in some respects. The arts can become focal centers for vitalizing communities and bringing a special new kind of vitality into places where it is lacking.

ECONOMIC IMPACT OF THE ARTS

There are growing numbers of example of this that I have seen and read about and studied all across our country now. The arts are labor-intensive, so they especially relate to jobs and employment for talented people.

They are in many respects like industries, where you have related businesses all the way from those who manufacture small things like light bulbs for photographic equipment, to the major bricks and mortar of the cultural centers.

And the arts are great attractors of tourism. They even relate to tax returns. Not long ago, the New England States did a detailed study of the economic impacts of the arts in those six New England States. And it is interesting to me to note that in the year involved, 1980, the Endowment for the Arts spent approximately \$12 million in supporting the arts in those six States, and the Federal income tax return from the organization that are involved in New England was 10 million.

And the State returns in income taxes from that arts community was another \$2.5 million. So there is a very definite relationship between an investment and its return in that very tangible area.

But, of course, to me, the great intangible values of the arts are the ones that are most cherished, and I think that's been true throughout history.

Quality is like imagination, new insights, new perceptions, new dimensions to understanding and new enrichment for the human spirit.

And we see today a nation being filled by increasing numbers of cultural activities and cultural vitality. But we shouldn't assume that this is going to continue without careful, careful nourishment.

The arts are a very, very fragile product. And I have been with them most of my life, and I can attest to that very clearly.

The margin between success and failure is a very slim one. And I think it is in that margin, in that area between success and failure, that the Endowment plays its key role, because we can very clearly document for you that one Endowment dollar stimulates four and five other dollars, on average, overall, disregarding the high ratios of match that apply to the Treasury funds and the Challenge Grant program.

And overall, over the whole Endowment, I think that is a very modest estimate. If you take the Federal money and multiply it by a factor of 4 and 5, those are the dollars that apply in this slender margin between success and failure, and make the great, great difference.

We will have some more figures for you on that in our testimony. But I do want to make clear that the roots of so many organizations across the country are still searching for that fully hospitable soil that is the goal, I think, of the Endowment and the Council and all of us.

ARTS SUPPORT IN OTHER COUNTRIES

And I thought, in closing, Mr. Chairman, I would like to mention that when I was researching why we might create a program like this, I looked toward other countries.

And I remember so vividly learning that in the darkest days of World War II, the Arts Council of Great Britain was established, when Great Britain was under fire, when their priorities, you would think, would have been perhaps in other areas.

But at that very moment, the government there decided that this was a development of profound importance for the country—that it had to do with the whole fabric of that nation.

And then here is a document from the Canada Council which refers to the so-called Massey Survey of the Arts of about 30 years ago. They were a bit ahead of us in their formations.

But it says in this report, prepared by the Canada Council, to their credit, the drafters of the Massey report did not attempt to persuade the government of today that it was important to support cultural activity because it was good for tourism, or provided a quick solution to the so-called leisure problem.

Or even because the cultural sector was to become, as it is today, the fourth largest employer in the country, for example, the chemical and wood products industries.

The Massey report's conviction was that the subject at hand was nothing less than the spiritual foundations of the national life. And that relates very closely to the statement in our enabling legislation which says that the Congress hereby finds and declares that the world leadership which has come to the United States cannot rest solely upon superior power, wealth and technology, but must be solidly founded upon worldwide respect and admiration for the nation's high qualities as a leader in the realm of ideas and of the spirit.

And I think, with your great help, Mr. Chairman, and with the great help of this subcommittee and the Congress, the leadership that has come to us, that we are making a great deal of progress in the realm of ideas and spirits.

Mr. YATES. That was a very good statement, Mr. Biddle. I accept, on behalf of the subcommittee, of which I am very proud and of whose members I am very proud, not only for what they have done, but all the activities which make up the budget document that we present to the Congress.

I am especially proud of their appreciation of the cultural roots and the cultural growth in this country, and of the outstanding support that they have given to the arts ever since jurisdiction, which was initially ever since this subcommittee was given jurisdiction over the initial funding of the arts.

I want to say, too, that we are sorry that this is your last appearance before this committee, assuming, of course, we don't send you away for more material.

Mr. BIDDLE. Tomorrow is another day, Mr. Chairman.

Mr. YATES. Tomorrow is another day. Your stewardship in your position in my judgment, has been exemplary. You have done a marvelous job because of your very deep commitment to the responsibilities and opportunities which your job afforded.

And the high state in which the Nation finds the arts today is in great measure attributable to you and to your very excellent deputies and the staff that you have brought together in the Endowment.

The bureaucracy, I hate to use that word, but your staff is indeed one of the finest I have ever seen in my many years in the Congress.

I am sorry we are going to lose Ms. Tighe, too. I don't remember what her married name is.

Ms. TIGHE. My husband is going to be very pleased you brought that up.

Mr. YATES. I am sorry we are going to lose Ms. Tighe, and I am sorry we are going to lose Mr. Moore. I think both of you have done marvelously.

That, I suppose, is the fortunes of war, because the jobs that you occupy are so high that they become prizes in the election wars. Let's hope that those who follow after you, just as those who have preceded you in these responsible positions which you hold, will give a great measure of the outstanding contributions that you have made.

This is general questioning. I yield to Mr. McDade, who is one of the leaders, not only in this committee, but on so many of the cultural boards which make up this district, and of Scranton, Pennsylvania.

Mr. McDADE. We have made our contributions. But more importantly, Mr. Chairman, I want to join you in your accolade of Mr. Biddle and the people who have served with him as he's chosen to guide the fortunes of the Foundation.

If one looked throughout the shadowy corridors of Washington to try to find a true pioneer in the setting up of the National Foundation for the Arts and Humanities, we would ultimately come to find Liv Biddle in every one of those shadowy corners when this idea was being—

Mr. BIDDLE. I think we might also find in those shadows Joe McDade.

Mr. McDADE. Be that as it may, we are enormously proud of the job you and your associates have done. Civil Service, to everybody associated with you and seated on this side of the table, is one of the noble callings of this Nation.

Your example, as a civil servant in the highest term, when you could be doing so many other things, including writing the great American novel if you chose to, has been extraordinary.

We all congratulate you on the work that you have done. You have set an example for everyone to shoot for, and your guidance of the Foundation has been just exemplary.

I regret very personally and deeply the fact that this may be the last trip when we see you as head of the Foundation.

It certainly will not be, I am sure, the last trip when we will have conversations across the table, the same with Mary Ann and the rest.

So, Liv, our congratulations to you for the job that you have done. It's been superb. It brings dignity and excellence to the words, "civil servant," in the highest sense of public service. We are grateful to you.

Mr. YATES. A good statement.

Mr. BIDDLE. I thank you very much.

Mr. YATES. Any other comments? Do you have any questions, Mr. Regula? I know you are going to be busy with the budget later on.

Mr. REGULA. We can get to them. I will wait until the witnesses finish.

Mr. YATES. Mr. Murtha?

Mr. MURTHA. Mr. Chairman, I just want to thank Chairman Biddle for his help. I know he's been besieged by the cities as long as he's been there. Everybody would like to have more money.

But for those of us who represent the rural areas, you have done an outstanding job in seeing that a share of that money went to the rural areas, and we are very appreciative of your sensitivity in handling this very delicate and difficult job.

We hope the new Chairman will be as responsive as you have been to our requests and as sensitive to the needs of the rural areas as you have been.

On behalf of the people I represent and the other parts of rural Pennsylvania, which is much larger, really, than the cities in Pennsylvania, we appreciate the tremendous work you have done in helping us.

Of course, I couldn't go without saying that Chairman Yates and his dedication to the arts and his arm-twisting has been instrumental in convincing us of the importance of the arts.

Mr. YATES. Now that we have had the encomium—

Mr. BIDDLE. May I just make one—

Mr. YATES. Another encomium?

Mr. BIDDLE. Yes.

Mr. YATES. All right, make your encomium.

Mr. BIDDLE. I just want to say, Mr. Chairman, how deeply I appreciate what has been said here today. It is really a memorable time of my whole life at this very moment.

I am immensely proud of my two deputies and my whole staff.

Mr. YATES. As well you should be.

Mr. BIDDLE. I think they are wonderful people, and I want to give them my own encomium, because I think they deserve the highest praise and I think, Mr. Chairman, this agency has become a stronger agency because of the guidance given it by this particular subcommittee—your caring, your deep interest in all that we do, Mr. Murtha's guidance to us to get the arts out to a larger segment of our people, Mr. McDade's interest in the program, and Mr. Regula's. It has all been a strengthening experience for us.

Mr. YATES. Okay.

Mr. BIDDLE. I think we are a stronger agency now than we were when I started.

Mr. YATES. I suggest that now that we have had the encomiums, this is a good time to go vote and come back, don't you think so?

Then we will come back and get to work.

[Recess.]

DECREASE IN FUNDING

Mr. MURTHA [presiding]. Mr. Yates had to go to the Rules Committee and will be back momentarily.

Let me just start by writing down the figures of such a success. There has been practically no increase in money in the arts for 10 years, and then a substantial increase in the next decade.

Why, then, are you advocating, Chairman Biddle, such a reduction in the funding of the arts?

Mr. BIDDLE. That is a little difficult for me to answer as a question. I am concerned that the reduction mentioned, the 50 percent reduction, is based on the assumption, or the belief that business will replace the missing Federal dollars.

Mr. MURTHA. But you just said that for 10 years, funding has been at practically the same level, if I remember, it increased about \$5 million in 10 years.

Then all at once, there was a precipitous increase which was due to the stimulation of the national Endowment.

Mr. BIDDLE. Yes. That was the point I was making.

Mr. MURTHA. How could you possibly, then, advocate a 50 percent reduction which doesn't follow? I don't follow your reasoning.

Mr. BIDDLE. Well, I am, as you know, representing the Administration. And this is the budget that we have been given to defend. I am simply saying that I have reservations in my own mind, in my own heart about the ability of business to pick up the gap here between what President Carter recommended as \$175 million, and what the Administration has recommended as a 50 percent cut.

Mr. MURTHA. Doesn't the 10-year experience indicate that that is not going to happen?

It just seems to me that the experience indicates that the small stimulus from the government has been very effective in increasing private business donations.

Mr. BIDDLE. Yes, I stand by my statement that it has been the principal catalyst. And my fear is that in a situation where additional business support became available, that there could be a tendency to support the larger organization, the more well-known, those that have an immediate visibility, and that a lot of what the Endowment is doing in the very areas that you have been so interested in and recommending to us for support, those are the areas that could suffer, unless there were a very carefully orchestrated business network, which would deal with these factors.

It's been our history that business joins with the National Endowment in areas where there is that visibility, where there is a prime reason for the corporation to have an identification with the project.

We have worked a great deal with business. In fact, we have worked more and more with the business world and with the Business Committee on the Arts to promote a clear understanding and a clear relationship. The Business Committee on the Arts is organized to be a source of information for the business world.

And we have quarterly meetings with that group—different people, different business leaders. But we have yet to develop a network of business support that, let us say, would go into a rural area and find businesses that would support the arts there. So I am concerned.

Mr. MURTHA. If you look through the President's economic recovery message, on page 639, you find them saying that this is a

relatively low priority of the government spending, and that business is basically what you have just said.

But it seems to me that your testimony, and the experience of the Council, persuade me, to believe that these data which are reflected in the tables on page 30 of your February justification, contradicts what the OMB director is saying.

And that your theory, if accurate, is certainly counterproductive to cut an organization which has generated so much interest and stimulated so much economic activity and so much business support.

And if you cut 50 percent, what will happen to your organization? Where are those cuts going to come from?

Mr. BIDDLE. Well, they are drastic surgery, I would say, in all our programs.

Mr. DICKS. Isn't surgery too kind a word?

Mr. BIDDLE. Can you think of another one, Mr. Dicks?

Mr. DICKS. I can, but I'd better not say it.

Mr. MURTHA. How about "butcher"?

Mr. DICKS. Yes, "hacking."

Mr. BIDDLE. I think that the original documentation that appeared—as a rationale for reducing the funding for the Endowment—was based originally on somewhat of a misperception, that Federal support was diminishing private support.

And I don't know who researched that in detail, but it is so evident that the reverse is true in abundance.

INCREASE IN CORPORATE CONTRIBUTIONS

Mr. DICKS. If the Chairman will yield just for a second. During the hearing that was held earlier, it was made, very clear, and the people in the private sector believe, the evidence of the increase of corporate contributions. The Wall Street Journal article particularly showed evidence that corporation contributions had gone from \$22 million up to \$450 million.

In fact, the programs of the Endowment had stimulated the private sector to do a lot more, particularly the Challenge Grant Program.

And secondly that there was this idea of a seal of approval. That they could then know because of the very good panel system we have, which organization deserved this additional support because they had shown a quality of excellence.

It seems to me that that whole rationale, I would call it the Stockman-OMB rationale, has been repudiated across the board by the testimony that we received in those prior hearings.

I thought it was impressive that, in fact, quite the reverse might occur. That when the Federal Government says the arts aren't important, and that is basically the Stockman message, that the arts aren't important, what does that say to all the people in the private sector who we are asking to contribute?

It would be one thing to say the arts are important, but we can't afford to finance it at the Federal level. We urge you to help us.

But when you make a blanket statement that the arts aren't important, can't quite the contrary occur? That they could say, well, if the Federal Government doesn't think that is important,

why should we continue to support it at the levels that we have supported it in the past?

The statements of the Administration have not been helpful for those of us who do feel that the arts are a significant part of our society, that they ought to be supported, that we are talking about a rather modest amount of money here, a significant portion of which requires matching funds, which I think is one of the things that the American people support.

They say, listen, if the private sector is willing to come up with \$3 when the Federal Government gives us \$1, then that kind of leveraging and involvement fits the test.

And we have had no significant examples of waste, fraud or abuse or things of that nature and the American people are concerned, and rightfully so, about wastefulness in government.

But I am concerned that this is sending the wrong signal. The statements in the OMB were inaccurate; they were not factual. And I don't see the private sector coming to the rescue. In fact, I think it is going to be the reverse. What has been said is going to make it more difficult for us to get the private financing.

I would like your comment, if you agree with that. I believe you might.

OTHER SOURCES OF SUPPORT FOR THE ARTS

Mr. BIDDLE. As you know, Mr. Dicks, I am here as the head of an agency in an Administration. And I am concerned about the rationales. I am concerned about the fact that we haven't tried what has been suggested.

I think business probably can do more for the arts than they are doing, because there is a graph that shows, as you have mentioned, \$22 million in 1966, \$450 million today.

That seems still to be on the ascendance.

Mr. MURTHA. Chairman Biddle, the government really does very little compared to the business community now. The point Mr. Dicks is making contradicts what the Director of OMB is saying.

For instance, here you have a State appropriation in 1966 when the Endowment started, \$2,700,000. State appropriates now \$100 million.

Mr. BIDDLE. \$110 million.

Mr. MURTHA. Corporate giving was \$22 million; \$436 million in 1979. Aggregate private giving is now \$2,700,000,000.

Compared to those figures, what the Federal Government puts in is a very small proportion of the overall giving.

Mr. DICKS. It is a partnership. We have had a partnership relation. All of a sudden, one of the partners is walking out. Where we have done well in government is where we have worked with the private sector and not had an adversarial relationship.

We haven't. This has been a very cooperative, positive relationship. Now one of the partners is saying, well, you have done a good job. You take it from here. We are not going to play our role, even though, as Mr. Murtha has pointed out, it is a modest role, a very modest role.

So I think it sends the wrong signal. Beyond that, you even compound it by saying the arts aren't important. They are a frill. They aren't significant.

And that message out of this Administration, is tragic, really.

Mr. MURTHA. I just don't see how you can advocate this large cut when it has been such a successful program. I am surprised that this Administration is advocating such a large cut when it is such a small proportion of the overall funding of the arts.

Mr. BIDDLE. As you both know, the Chairman has asked during this hearing that we provide you with some explicit information, with regard to what might happen were the cut to be reduced.

And we are following a procedure of responding to a congressional inquiry. So any questions that you ask me are in response to that kind of a situation.

BUDGET REDUCTIONS

Mr. DICKS. You ought to, because we know what is going to happen over on the floor of the House today on the Gramm-Latta substitute, there is going to be a necessity for reconciliation.

And the committee that has jurisdiction over your function is being asked to reduce spending by \$11 billion on the fiscal year 1982 program by June 15 of this year.

I certainly hope that we will be able to have some input into that reconciliation process. This is one of the things that people don't understand.

There is a mandated reduction in 1982 spending of \$36 billion that has to be accomplished in a month. And it is going to affect programs in that area under the jurisdiction of the Education and Labor Committee.

That is the committee that has jurisdiction over the Endowments.

Mr. BIDDLE. Yes.

Mr. DICKS. And they have to cut \$11 billion. That is more than one committee's whole reconciliation bill of last year.

That is something we are going to have to be concerned about as well, in terms of the planning here that has to be done.

Mr. BIDDLE. I am really deeply concerned about the ability of the Endowment to carry out a mission that is commensurate with its congressional mandate.

Mr. MURTHA. Is any of this 50 percent fraud, waste or abuse?

Mr. BIDDLE. I would answer no, sir.

Mr. MURTHA. Let me read the original declaration of purpose, which you probably wrote:

That the encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, and that is certainly what the figures indicate has developed, is also an appropriate matter of concern to the Federal Government.

Now, is there anything that has changed since this law, which was the policy of the land?

Mr. BIDDLE. Not in my term of office, sir. I believe in that statement so emphatically, and I think it is the reason why the program has succeeded.

As Mr. Dicks has stated, there is a partnership in the private world that is trusted. That the Endowment is looked on as a resource for quality decisions.

Mr. MURTHA. Even more important, it's worked.

Mr. BIDDLE. And it's worked.

Mr. MURTHA. The small amount of money in comparison to the overall funding for the arts that the Federal Government puts in has stimulated tremendous private donations.

Mr. BIDDLE. And it has stimulated enormous development of the arts, in the numbers of organizations and in where they now exist.

If you look at a map of the United States back in 1965 with little pinpoints to indicate where cultural activities were located and were ongoing, the concentration would be on the Eastern Seaboard between Washington and Boston, not much north of Boston. Around the middle of the country, around Chicago, and some on the West Coast.

As this program has developed, and if you looked at a similar map today with the same kind of configurations, you would see cultural activities all across the country, North, South, East, West.

There are certainly some gaps, still. But they are diminishing all the time. And I think that has been the reason why we have succeeded.

I should point out, Mr. Dicks, if you haven't seen it yet, that there is a press release which the White House issued yesterday evening which involves the establishment of a task force to look into these questions and expresses a deep concern on the part of the President.

Mr. MURTHA. Would you explain to the committee the process afforded to the Endowment at the time that the reduction was proposed by the OMB?

Mr. BIDDLE. This was made clear to us. There had been different rumors circulating all the way up to an elimination of the Endowment. When the 50 percent reduction figure was finally made official to us, I think it was over a weekend, we had about three or four working days to reply.

Mr. MURTHA. What was your response, and what was their response to your reaction?

Mr. BIDDLE. Well, Mr. Chairman, we appealed. And we asked for some hearing on this.

We were told that this was not possible under the duress of time, and that we should present to OMB four figures, each dealing with categorical areas of our funding.

That is, administration, Challenge Grant, Treasury funds and regular programs.

We consulted with our Council by telephone, because the time was very short, and presented to the Council and they eventually adjudged these figures as correct as they could be under the circumstances, those configurations now in our budget.

Mr. MURTHA. I assume they accepted your original dictation. The same figure they originally sent down to you is the one that finally was—

Mr. BIDDLE. The total figure was \$88 million.

REDUCTION IN CHALLENGE GRANTS

Mr. MURTHA. There were many witnesses before the subcommittee on March 25 who stressed the value of the Challenge Grant programs.

The budget before the subcommittee requests only \$2.5 million, an 81 percent reduction below the 1981 level of \$13,450,000. In view

of the importance attached to the Challenge Grant Program by the many distinguished witnesses, why was this reduced so drastically?

Mr. BIDDLE. It became a question of priority. Traditionally, we have believed that the regular program moneys, so-called, are the most important single element in our budget, because they require a one-for-one match, though this over the years has shown to be considerably in excess of that, the leveraging of the Federal dollar, I think, overall, as I said a little earlier, is between four and five, regardless of the different kinds of categories.

But it seems in a bare-bones kind of situation, that, great as the Challenge Grant Program has been, and is, and in fact, just to give you a figure there, about \$98 million, now, is invested in Challenge Grantees.

They haven't all completed their Challenge Grants, because they are over a three-year period. But already—

Mr. MURTHA. Will this affect that?

Mr. BIDDLE. No.

Mr. MURTHA. Will this affect obligations that you have?

Mr. BIDDLE. No, it will not. But already that \$98 million has translated itself into \$555 million, or well over half a billion in terms of the moneys that these grantees have raised.

While the match is required to be three-for-one, three-for-one would be less than 300 million. So they are far, far exceeding even congressional expectations.

I know that Mr. Dicks and you have spoken in the past about the value of this Challenge Grant Program. But it applies primarily, not exclusively, but primarily to the large institution, the one where this kind of a very rigorous match is more possible.

We felt that in a time of extreme limitation, that it was better to put the investment in the regular programs, and to keep, however, the Challenge Grant concept alive.

Mr. DICKS. Would the Chairman yield just for a second?

Mr. MURTHA. Mr. Dicks.

Mr. DICKS. As you know, I have been a strong supporter of the Challenge Grant Program. I held a meeting in my district when I was home which had most of the directors of the leading institutions in our State.

They agree with what you are trying to do. They feel that if we have a bad year like this, and assuming \$88 million, which I don't think is what is going to finally occur, but they felt that keeping the money in the regular program was more essential to them in terms of their economic survival in the near term than just about anything else.

I must say they have done quite well in the Challenge Grants and are already working on them. So there may be some of that there.

I was impressed. They do support what you are trying to do in this area.

Mr. BIDDLE. It is a question of judging among priorities.

Mr. DICKS. That's right.

Mr. BIDDLE. There are members of the National Council here today sitting behind me. I want to make it very clear that while the Council had to discuss this reduced figure, there was not a

sense in any way of approval when they finally passed along their recommendations to me as chairman.

That the Council felt immensely disturbed and concerned. But they will have to speak for themselves.

Mr. MURTHA. On page 5—

Mr. BIDDLE. Mr. Chairman, not to interrupt you, but Mr. Perlman just arrived.

Mr. BIDDLE. Just to emphasize the quality of our panels, Mr. Perlman is a panelist.

Mr. MURTHA. Besides the quality of our panel, I am just taking Mr. Yates' place for a few minutes.

ROLE OF NATIONAL COUNCIL ON THE ARTS

The justification on page 5 indicates that the National Council was involved in the allocation process. How much of a role did the Council play in arriving at the program decision reflected in the budget before the subcommittee?

Mr. BIDDLE. Agonizing could describe it. Terrible concern, great difficulty in arriving at these reduced figures.

We had a special meeting of the Council called at the request of the Council on this subject. And maybe, Mr. Chairman, you might like to hear from Rosalyn Wyman, who is a member of our Council, who played a key role in that meeting.

Mr. MURTHA. We would be glad to hear from her. Ask her to come up to the table.

Mr. BIDDLE. Just describe the meeting.

Ms. WYMAN. We were disturbed from day one, obviously. We understood that the chairman and the staff had to come up under the mandate with some kind of a figure to meet what the White House was asking, or OMB. It was unanimous, in the Council, that this was wrong, and that what the public sector had done, all you are going to do is put more pressure on the public sector.

That the arts, in a sense, mean more dollars for every community that gets any money. I might speak just in California, where we got a Challenge Grant of \$1 million at the Music Center, we matched it with \$5.5 million. It stimulates the community. It makes the community move. It brings them alive.

It brings all the people together and stimulates. Now we are hearing from people who have given that the pressure is so tremendous, you know, with the fact that the Endowment grant is like the Seal of Good Housekeeping, if you want to use that. When the Endowment grant is given, and a fund goes and looks or a private sector goes to look, they say, well, do you have Endowment money?

If you even have seed money, it helps, peanuts, in a sense. They say, well, you used the panel and you used all these things, and you are okay.

And they will give money. So we think it is damaging. We think that, we hope that the Congress, especially if there is a possibility of dismantling the Endowments for the future, that this is really a shame.

And that there has been a role that has been played that is dramatic. And actors and artists of all sorts are a part of the sector

who pay taxes, and are probably the highest unemployed in this country as a group.

So, therefore, the Council was very concerned. We are still concerned, and we are very concerned about what the future's going to be.

I think some of us are going to try in every manner and shape we know how to protect the Endowments as they have been, because we think they have served well.

COUNCIL'S ROLE IN ALLOCATION PROCESS

Mr. MURTHA. Could you talk about how the Council was involved, if it was involved, in the allocation process?

Ms. WYMAN. Yes, we were involved in all processes of it. We are brought documents. I might say, we work very hard, and we try to come prepared.

We have the opportunity to ask all program questions. We have a give-and-take, and then we do our own debating.

I can't tell you how painful the last few months have been, because of the fact that we don't really want to go along with these figures.

We find that I think in every case when we finally came up with a figure, we sent a letter along saying we don't agree with them because we don't have the constraints other people have.

We are appointees, but we are also citizens. And I do feel that we have every opportunity to debate them. In each case, when you eliminate something that you feel has been of service to the community, it is very difficult.

I know certainly elected public officials have even a tougher job than we do. But the arts mean money for communities.

It means taxpayers, it means jobs, it means everything surrounding it. Whether it is a taxi driver who brings somebody to the theater, or whether it is a restaurant that is around the corner.

We realize what an impact it's had on this nation. It is a real tragedy because there is so little money in this actually.

But it means so much. I would say we debated every area.

Mr. MURTHA. Can you speak for the Council to suggest what a more realistic figure would be from the Federal standpoint?

Ms. WYMAN. I think President Carter's budget was modest enough.

ADMINISTRATIVE BUDGET

Mr. MURTHA. The last paragraph on page 6 addresses the administrative budget. When the Endowment appeared before the Senate, there was some criticism that your administrative budget was increasing, rather than being reduced.

The justification indicates that the applications will increase from 24,000 to in excess of 33,500.

Is it accurate to assume that there will be fewer applications when the funding is cut in half?

Mr. BIDDLE. I think that there will be some reduction, Mr. Chairman. But I think it will be in the nature of 10 to 12 percent, only.

Mr. MURTHA. Why would you predict there would be a reduction in the number of applications?

Mr. BIDDLE. Simply because some categories, at the \$88 million level, would not be in effect. There would be a slight reduction, therefore.

But the Endowment, really, is driven by its application level, rather than by the funding that is available for administration in grants.

In other words, with the same level of staff, we could handle the much higher amounts of grant money. It is the workload of the individuals that is involved, rather than the amount of money that is available for administration.

Mr. MURTHA. So the workload will be—

Mr. BIDDLE. Virtually the same. But we are asked to reduce from a ceiling of 302 individuals, to 292. That is a 10 percent reduction in the overall personnel.

But I might point out that the fixed costs of the agency in terms of personnel and rental of space is about 80 percent.

The other 20 percent is a little bit flexible. And I could go on about the administrative concerns that we have. But I think, just to answer your question about applications, that that would be the proper answer.

Mr. MURTHA. How have you been directed to reduce your staff?

Mr. BIDDLE. By direction from the Office of Management and Budget.

Mr. MURTHA. I mean, by firing them, or attrition?

Mr. BIDDLE. Attrition.

Mr. MOORE. However, I would point out that we have had something of an up-and-down, because I think in the last year and a half, approximately, we have gone from 301 to 325 to 318 to 302, 292.

It's been something of a—it's been somewhat difficult. The committee, in 1980, suggested that we be provided with additional staff so that the figures we have to get down to, as far as the 302 that the Chairman mentioned, are the figures we have to be down to at the end of the fiscal year.

Mr. BIDDLE. This fiscal year.

Mr. MOORE. We started off at 325, down to 302, down to 292 in October. The beginning of the next fiscal year.

So we are looking at attrition to help us.

Mr. MURTHA. You are at 302 right now.

Mr. MOORE. That was the ceiling that we were given at the time that we received the revised budget for fiscal year 1982.

The way the ceilings work, sir, is that until the end of the fiscal year, current practice is that you would have to show at the end of the fiscal year that that is your onboard strength.

Our onboard strength now is higher than that as a result of the fact we started off the year with a ceiling of 325 people.

October 2nd, we have to be down to 292.

Mr. MURTHA. Do you achieve that by attrition?

Mr. MOORE. We may have some saving grace, because the figure, 292, is a new system that has been introduced governmentwide called "full-time equivalent," whereas the present system measures bodies, this is a system which tracks actual hours paid throughout the year.

Because we have had a relatively low full-time to part-time ratio, 292 will probably not work out to be the equivalent of 292 actual bodies on board.

It may be something more in the range of 302.

Mr. BIDDLE. Just to give you a dimension, Mr. Chairman, when I became chairman first, in 1977, our personnel ceiling was 330 employees.

And we had an application load of about 18,000. So the application load has increased, but the personnel has decreased.

Mr. MURTHA. Will you need to give the applications even more scrutiny since there are fewer funds available?

Mr. BIDDLE. I think at least the same amount. Very, very careful scrutiny, if that were the case, yes.

SUPPORT FROM THE PRIVATE SECTOR

Mr. MURTHA. We have a table which we have talked about in conjunction with the questions that Mr. Dicks was asking regarding the increased funding from state to corporate and aggregate private funding.

That was in the original February justification. Why wasn't that chart, which shows so much, successfully included in the revised justification?

Mr. BIDDLE. I am told that the introductory material was somewhat abbreviated in terms of our later submission, because we felt that the committee already had this information.

Mr. MURTHA. Was the decision made by the Endowment, not to include that material?

Mr. BIDDLE. I think it was a decision that we were trying to get these papers up to you as quickly as we could, and we simply had to abbreviate some.

I regret, as a matter of fact, that that chart was not there. We felt that the committee already had that information.

Mr. MURTHA. The private and corporate giving has increased significantly since the establishment of the Endowment.

Has the Endowment received any indication from the private sector that the funding slack can be picked up as proposed by the Administration?

Mr. BIDDLE. We have been in consultation with business leaders on this subject. We had a meeting just the other day with the Business Committee on the Arts. There were a couple of business people who said that there could be additional help from the business community.

On the other hand, the preponderance of those present, and this was a small segment of the business community, seemed to feel that with other social programs being reduced, and they were using a figure of \$127 billion in other cuts, that business would be called upon also to deal with that.

There seemed to be a doubt in their minds.

Mr. MURTHA. Do you have a firm indication that you are going to make up this loss of funds from the private sector?

Mr. BIDDLE. I would have to say, no, that I don't see a firm indication of that.

Mr. DICKS. Mr. Chairman, I don't know if we have this in the record or not, but there is a very good article in *The Wall Street*

Journal which says companies doubt that their arts giving would rise to offset Reagan's cuts.

Mr. YATES. That may go into the record at this point. Do you want to identify it by date?

Mr. DICKS. Yes. It is the 26th of February, 1981, a piece by Cynthia Saltzman, Special to the Wall Street Journal.

[The article follows:]

[From the Wall Street Journal, Thursday, Feb. 26, 1981]

COMPANIES DOUBT THEIR ARTS GIVING WOULD RISE TO OFFSET REAGAN'S CUTS

(By Cynthia Saltzman)

Groups in the arts and humanities, alarmed by proposed steep cuts in federal subsidies, may find cold comfort when they look to business patrons to come to the rescue.

"I just don't see it in the cards that we'll be able to pick up that much slack," says Robert Thill, secretary of the contributions committee at American Telephone & Telegraph Co. The gap to be filled, he says, is "too much of an increase for corporations to make, in view of all the other obligations we have to meet."

The Reagan administration is seeking budget cuts of almost 50 percent at the National Endowment for the Arts and the National Endowment for the Humanities. The proposed cuts total about \$165 million.

Some major patrons, such as Exxon Corp. and Pillsbury Co., which respectively give about \$2 million and \$1 million a year to the arts, say they don't have any plans to change their contribution policies. Only a few companies—mostly the biggest ones—really figure in the field. The Business Committee for the Arts says about 1 percent of the nation's corporations account for more than half the total corporate support for the arts.

THE COMPETITION

Big corporate contributors say they expect increased pressure for contributions in other fields, such as education, health and other service sectors. The Reagan economic plan that is stimulating concern calls for the budget authority of the NEA to be cut to \$88 million in fiscal 1982, which starts Oct. 1, 45 percent less than the \$159 million allocated for this fiscal year and almost 50 percent below the \$173 million budgeted for fiscal 1982 by the Carter administration. The administration wants to chop the fiscal 1982 budget authority of the NEH by almost half, to \$85 million.

The Reagan report asserts that the endowments "for too long" have been "promoting the notion that the federal government should be the financial patron of first resort both for individuals and institutions engaged in artistic and literary pursuits," thus discouraging private contributions.

But corporate officials and arts fund-raisers say the policy of government patronage has been a resounding success. Since the founding of the two endowments in 1965, corporate support of the arts has grown along with federal financing. In 1979, businesses contributed \$436 million to the arts, compared to the 1967 figure of \$22 million, according to the Business Committee.

STIMULATING GIFTS

The federal grants are engineered to encourage private contributions. All NEA grants must be matched by nonfederal funds. In one program, the "challenge grants" given major cultural institutions, each government dollar has to be matched by at least three nonfederal dollars.

Often a grant generates far more in gifts than required. The Museum of Fine Arts in Boston, for instance, has used a \$2 million grant to launch a capital campaign in which it has raised \$21.5 million.

The large museums, opera companies and symphonies don't have to convince prospective contributors of their artistic merits. But smaller, less-established groups often need the kind of recognition that comes from an NEA grant. It's like a "Good Housekeeping seal of approval," says Edward M. Strauss Jr., president of the Business Committee for the Arts.

"Any small arts organization is immediately asked by a corporation whether it gets money from the NEA or from the state arts council," says Marian Godfrey, director of development of Mabou Mines, an experimental theater group in New York that received about \$71,000 of its \$290,000 budget from the NEA last year.

"An endowment grant increases both your artistic and your management credibility," says Miss Godfrey.

Arts programs often have government and corporate sponsorship. The large exhibition "Expressionism—a German Institution 1905–1920," now touring the country, was sponsored by Philip Morris Inc. as well as the NEA and the Federal Republic of Germany.

"There's been a wonderful partnership between corporations and government in the arts," asserts Robert W. Bonine, vice president for community relations at Pillsbury. "But there's a limit to how great our participation should be. Corporations already give more to the arts than shareholders and the public think we should."

The final shape of the budget cuts isn't determined, of course, but arts leaders fear that small, more experimental groups are most likely to be hurt. Performing arts groups are particularly worried.

ITZHAK PERLMAN'S TESTIMONY

Mr. YATES. Before I start my questioning, I want to take note of a note that was just handed to me, that the very distinguished, world-famous violinist, Mr. Itzhak Perlman, is here.

He has asked for permission to testify in support of the arts. We are more than glad to hear his testimony.

It isn't very often that we catch him without his fiddle. That is not a very good occasion, because his fiddle speaks more eloquently than most of the orators who come to the Congress.

But Mr. Perlman, why don't you sit at the end seat? I think Mr. Regula is going to be tied up in the Budget Committee.

We are delighted to have you before us. As one who is old enough to be your father, let me say I am thrilled and honored that you came before our committee.

I am sure it is because you recognize the importance of the subject with which we are dealing.

I want to say, of all concerts of yours I have enjoyed, I like particularly the one in which you were engaged with Pincus Zuckerman and Isaac Stern.

Did I say the wrong thing?

Mr. PERLMAN. No, that is fine.

Mr. YATES. Okay, this is a composition by Perlman.

Mr. PERLMAN. Well, it really isn't a composition. It looks like I have a prepared statement, but it is just little thoughts that I have jotted down.

As you know, I play the violin. In my free time, I feel that I have become almost an expert amateur architect, because wherever I go to play, and wherever I hear the concert halls are being either renovated or built, I always feel it is my duty to talk to the officers or to the planners or to the architects, or all of them at the same time, and discuss what they are doing.

Of course, I think we all recognize this kind of action in the form of a number, 504. I just couldn't help notating the point that was made about the number of staff people here and the budget and the ratio and so on and so forth.

Well, I don't think there are nearly enough people to enforce the laws that we have already. Let me tell you, I just came back from the convention, the opening event of the convention of the President's Committee for the Employment of the Handicapped.

And I told this story there. It was pretty good there, so maybe it should be good here. I was playing in one city, and I am sure with

a smaller orchestra, which I am sure is going to be severely suffering from the cuts in the National Endowment.

It is basically not as much the bigger organizations as the smaller organizations which are at the core of our society which are in the smaller communities that are going to suffer from these cuts.

But in this particular town, they were renovating the concert hall. And I immediately asked them the regular questions that I have on my menu.

Do you have the proper exits, the proper entrance, lavatory facilities, et cetera, which I understand the Office for Special Constituencies takes care of that from the National Endowment.

This gives them the sort of way to deal with them, and knowledge and awareness of this. We talked about all the front entrances of the hall and everything seemed to be going very well.

I said, "Now, I am going to play here in a couple years. How am I going to get to my dressing room?"

"Oh," he said, "It's wonderful. They will have a little ramp going right down to the dressing room. And you will have a lovely dressing room."

I said, "That is wonderful. How am I going to get up to the stage?"

He said, "Oh, that's right. You do have to get up to the stage. On the left, there is a flight and a half of stairs and on the right, there is a flight and a half of stairs."

I said, "Yes, but I happen to be the minority of the minority. How do I get up?"

He said, "Well," and this is a quote. I said to him, "You are involved with 504?"

He said, "Yes, absolutely. We do have to follow the regulation because of the fundings," and so on and so forth.

"Well," he says, "I am not sure that 504 indicates the back of the hall."

Now, for me, this is an indication that, if anything, we need more personnel to give people the knowledge of what is going on, what is written down in the law, you see.

And for me, this is a very, very blatant indication of what is going on. And I can't do everything myself. I feel I just ask questions, wherever I go. I go straight to the officers and say, "Are you going to build a new hall? Are you going to renovate your present one? Can I talk to you?"

Usually people are very cooperative. They have to have the leadership. They have to have some place, I think Washington, an arm that says we have to help you out.

This is not a pointing arm, this is a helping arm that the National Endowment is providing. And you happen to, I don't know, maybe you bargain too much for letting me speak, but I have a problem here because I am both a musician and a disabled person.

So I feel like, you know, there is a double shotgun pointing at me. Because on the one hand—

Mr. DICKS. And you are right.

Mr. PERLMAN [continuing]. What is going to happen to the arts—to one of the important elements that makes our society different from other societies, which is what we are remembered for.

We are not remembered for a super-duper war plane. But we are remembered for our artistic accomplishment. We are, I know it doesn't seem very important on the surface when you look at the numbers.

But I think spiritually the soul of society really is dependent on what we are talking about here, which is culture.

This is what is facing me from one barrel. From the other barrel, particularly with this Office of Special Constituencies, the other thing that is facing me is that they are going to, correct me if I am wrong, but isn't there a threat of totally—

Mr. YATES. Funding's eliminated.

Mr. PERLMAN. Funding will be eliminated from that agency.

Mr. YATES. For 1982.

Mr. PERLMAN. What is that going to do to give opportunities and guidance for people to let the disabled community attend a ballet performance or opera performance or a concert?

It is just a very serious problem that I think we cannot let happen. I feel very, very dearly that the Endowment should continue to do what it has done in the past.

On the contrary, it should be more opportunity and availability of, if you want, funds, to carry this thing through because I again reiterate, in this Year, 1981, of the Disabled, I don't want to step back.

I don't think we should stand in the same spot. I think we should go forward. But at least not step back.

So that is all I have to say.

Mr. YATES. I think you are right. I think what this age will be known for in the future will be the civilization recreated.

Mr. PERLMAN. Absolutely.

Mr. YATES. The contributions you have made to that civilization will go down in history. They have been remarkable. Now, I will share stories with you.

You heard about Mischa Elman. When he was seven years old—he he told this story when he was 75—he said, "When I was 7 years old, everybody said, 'Doesn't he play well for his age?' Now they are beginning to say the same thing."

You talk about being disabled, not being able to get to the stage, there is a very old story about Madam Schumann Heineke, who was way before her time. She was a marvelous singer during the 1920s, and a marvelous person.

The tragedy of her life, she had two sons. She lost them both, one on the Allied side in the first World War and one on the German side in the first World War.

She was singing on a very tight stage. And after her concert, she wanted to get off. Somebody had placed an impediment. She was a very large woman.

She tried to get through the door, and she couldn't get through the door from the stage to make her exit. Finally, her manager said, "Steen, Steen, turn sideways."

She couldn't get through. She said, "Auch, I have no sideways."

Mr. PERLMAN. That's very good.

Thank God I have a sideways. Sometimes I find a problem that from my personal experience, sometimes I find that I have to

perform twice when I go on stage. Some of the greatest concert halls in the world are not necessarily accessible.

And I have many ramps and elevators named after me in various parts of the country. Sometimes I feel, take, for example, the Concert Haas, which is that wonderful hall in Amsterdam.

There they have 35 steps leading from the top of the stage to the actual stage or if you wish, you can take 20 steps from the side of the stage to the stage actually. Sometimes what they do is, I don't like to perform in front of an audience by walking up stairs.

You know, it is like they say, here he comes. There is the next step. And here he is making the second. Oh, no, he slipped. Here he goes up again.

See, this is for me like a second performance. So in certain halls, I just don't play. I feel very badly about it, but sometimes people get to know, if things are pointed out to them, that there is a definite deficiency.

The whole problem is not the bad attitude because the minimum people are aware of the problems they know what to do about it. I feel we need a guiding hand to make people more aware of the problems.

Mr. YATES. Has the Endowment been good in this respect?

Mr. PERLMAN. Well, I think that they have started something that is going to be much better. I don't think it is enough. I think what they are doing is going in the right direction, but I think that there is an awful long way to go, and I think that cutting anything is not going to, we are not going to see any light at the end of the tunnel if we cut anything else.

We have to continue to grow with these things. As you were saying about what is going on in music today, there is a renaissance, I feel, these days, the last five or 10 years, in music that is going on.

I know that television has played an important part in bringing more and more music to people. And people want to go to more and more concerts.

Right now, this is at a time when we should really pounce on that. We should really capitalize on that.

Mr. YATES. It's interesting that you should say that. Most of the time when you perform and your colleagues in the arts perform, it is found on public television.

Unfortunately, the budget also provides for cutting back on the funding for the Corporation of Public Broadcasting, as well.

Mr. PERLMAN. I think it would be another tragedy.

Mr. YATES. I take it you support greater funding for the arts?

Mr. PERLMAN. I think so.

Mr. YATES. The record will show you said you think so. The answer is yes. Thank you very much, Mr. Perlman.

Mr. PERLMAN. I got up at 5:00 this morning to go to the President's Committee for the Employment of the Handicapped, and I have a concert tonight in New York. So I am going to take the shuttle now.

Mr. YATES. Thank you very much for coming.

Mr. BIDDLE. Could I just make a comment on Mr. Perlman's remarks.

Mr. YATES. I expected you to.

Mr. BIDDLE. I would like to point out that the Endowment was among the first, perhaps the second agency put into effect with the 504 regulations.

I was asked in the Senate, Mr. Chairman, why maintain somebody on the staff to look after these areas if they were not going to be funded?

And my answer was that we need that staff person very, very much in this area. Paula Terry could tell you about her work.

Mr. YATES. We will ask her later, if we ever get through with you.

Mr. BIDDLE. It is so important.

Mr. YATES. Sure. I am very glad we were able to bring Mr. Perlman in here and that we had the opportunity to hear him, because he is a unique personality in every sense of the word.

He has this magnificent talent that has made such a contribution to our society. It was two years ago, or maybe it was three years ago, time moves so fast, when you first came in before this committee. And we at that time welcomed you.

CONTINUING PROGRESS IN THE ARTS

There had been some who claimed that you were a political appointment. I took the opportunity at that time to point out the excellent qualifications you have had for the job.

That was just yesterday, it seems. Now it looks like this is a farewell appearance. I hope it is more like Anna Pavlova's farewell appearances, you know. She had one for 20 years, annually.

Perhaps we will have the opportunity of seeing you more frequently. At any rate, two or three years ago, and I don't remember the amount, we said the committee had reached a plateau, and that we ought to take stock, and take a look at the Endowments and see where we were going.

At that time, both the Humanities and Arts prepared projections, five-year plans of where they hoped to go in the future.

Both those plans showed a continuing progress of the arts. Now we are presented with another need to take a reassessment through the budget cut. I don't know whether the budget cut signals whether we are at the end of an era insofar as Federal support for the arts and humanities is concerned, because certainly it is a reversal of the magnificent bipartisan support that the arts and the humanities have received ever since they were created, as I say, from both parties, the Republicans and the Democrats, and the House and the Senate, and in the White House. The Presidents have been most supportive.

One President sent a message on the arts and the humanities to the Congress. He said this to the Congress. It is rather lengthy, and perhaps I should put it in the record.

But I think it is so good, and I am going to use it in connection with other things. I think perhaps I will read a great deal of it.

NIXON'S REMARKS ABOUT THE ARTS

Americans have long given their first concerns to the protection and enhancement of Life and Liberty; we have reached the point in our history when we should give equal concern to "the pursuit of happiness."

This phrase of Jefferson's enshrined in our Declaration of Independence is defined today as "the quality of life." It encompasses a fresh dedication to protect and improve our environment to give added meaning to our leisure and to make it possible for each individual to express himself freely and fully.

The attention and support we give the arts and the humanities—especially as they affect our young people—represent a vital part of our commitment to enhancing the quality of life for all Americans.

The full richness of this nation's cultural life need not be the province of relatively few citizens centered in a few cities; on the contrary, the trend toward a wider appreciation of the arts and a greater interest in the humanities should be strongly encouraged and the diverse culture of every region and community should be explored.

That had a special appeal to me because I think it is the thrust of this Administration to return to a time when the arts were dependent upon private benevolences.

I keep thinking of the Metropolitan Opera Company during the 1920s, and Golden Circle and so forth. Really, you had an elitism then.

I think the arts have moved away from that. I continue to read:

America's cultural life has been developed by private persons of genius and talent and supported by private funds from audiences, generous individuals, corporations and foundations.

The Federal Government cannot and should not seek to substitute public money for these essential sources of continuing support.

And we agree with that.

However, there is a growing need for Federal stimulus and assistance—growing because of the acute financial crisis in which many of our privately supported cultural institutions now find themselves, and growing also because of the expanding opportunity that derives from higher educational levels, increased leisure and greater awareness of the cultural life.

We are able now to use the nation's cultural resources in new ways—ways that can enrich the lives of more people in more communities than has ever before been possible.

We heard about greater awareness from Itzhak Perlman.

Need and opportunity combine, therefore, to present the Federal Government with an obligation to help broaden the base of our cultural legacy—not to make it fit some common denominator of official sanction, but rather to make its diversity and insight more readily accessible to millions of people everywhere.

Therefore, I ask the Congress to extend the legislation creating the National Foundation on the Arts and Humanities beyond its termination date of June 30, 1970, for an additional three years.

Further, I propose that the Congress approve \$40 million in new funds for the National Foundation, in fiscal 1971, to be available from public and private sources. This will virtually double the current year's level.

Through the National Foundation's two agencies—the National Endowment for the Arts and the National Endowment for the Humanities—the increased appropriation would make possible a variety of activities:

We would be able to bring more productions in music, theater, literature readings and dance to millions of citizens eager to have the opportunity for such experiences.

We would be able to bring many more young writers and poets into our school system, to help teachers motivate youngsters to master the mechanics of self-expression.

We would be able to provide some measure of support to hard-pressed cultural institutions, such as museums and symphony orchestras, to meet the demands of new and expanding audiences.

We would begin to redress the imbalance between the sciences and the humanities in colleges and universities, to provide more opportunity for students to become discerning as well as knowledgeable.

We would be able to broaden and deepen humanistic research into the basic causes of the divisions between races and generations, learning ways to improve communication within American society and bringing the lessons of our history to bear on the problems of our future.

In the past 5 years, as museums increasingly have transformed themselves from warehouses of objects into exciting centers of educational experience, attendance has almost doubled; in these five years the investment in professional performing arts has risen from \$60 million to \$207 million and attendance has tripled.

State Arts agencies are now active in 55 States and territories; the total of State appropriations made to these agencies has grown from \$3.6 million in 1967 to \$7.6 million this year.

These State agencies, which share in Federal-State partnership grants, represent one of the best means for the National Endowment to protect our cultural diversity and to encourage local participation in the arts.

In this way, Federal funds are used properly to generate other funds from State, local and private sources. In the past history of the Arts Endowment, every dollar of Federal money has generated three dollars from other sources.

The Federal Role.

At a time of severe budget stringency, a doubling of the appropriation for the arts and humanities might seem extravagant.

However, I believe that the need for a new impetus to the understanding and expression of the American idea has a compelling claim on our resources. The dollar amounts involved are comparatively small.

The Federal role would remain supportive, rather than primary. And two considerations mark this as a time for such action:

Studies in the humanities will expand the range of our current knowledge about the social conditions underlying the most difficult and far-reaching of the nation's domestic problems.

We need these tools of insight and understanding to target our larger resources more effectively on the solution of the larger problems.

The arts have attained a prominence in our life as a nation and in our consciousness as individuals, that renders their health and growth vital to our national well-being.

America has moved to the forefront as a place of creative expression. The excellence of the American product in the arts has won worldwide recognition. The arts have the rare capacity to help heal divisions among our own people and to vault some of the barriers that divide the world.

Our scholars in the humanities help us explore our society, revealing insights in our history and in other disciplines that will be of positive long-range benefit.

Our creative and performing artists give free and full expression to the American spirit as they illuminate, criticize, and celebrate our civilization.

Like our teachers, they are an invaluable national resource.

Too many Americans have been too long denied the inspiration and the uplift of our cultural heritage. Now is the time to enrich the life of the mind and to evoke the splendid qualities of the American spirit.

Therefore, I urge the Congress to extend the authorization and increase substantially the funds available to the National Foundation for the Arts and Humanities.

Few investments we could make would give us so great a return in terms of human understanding, human satisfaction and the intangible but essential qualities of grace, beauty and spiritual fulfillment.

Dated December 10, 1969, the White House, and signed by Richard Nixon.

The point I am making is that Presidents on both sides, Republicans and Democrats, have supported the arts. I think it is unfortunate that this Administration has placed the arts and humanities, according to Mr. Stockman and his so-called black book, into the low classification of programs.

So we have to ask our questions, is this 50 percent cut the first step in the reduction or elimination, or first step in the total elimination of Federal support for the arts and humanities?

Of the 15 years and the successes, I underline the successes the Endowments have had, as have been described here this morning, adequate to launch this Nation into a total dependence upon private funding.

As it was, as I said 50 years ago, when the wealthy, only the wealthy supported the arts, and art was left to the marketplace.

There is no doubt there will be continued private giving, but the testimony before this committee has indicated that the private giving, at least by the big corporations, and according to the testimony by two of the vice presidents of two of the largest corporations in the country, private giving by the private sector will not make up the lack of Federal funding, and the arts and humanities will necessarily be injured by the lack of it.

Well, that is background for an announcement that appeared in the press this morning on a press release that came from the White House.

TASK FORCE ON THE ARTS AND HUMANITIES

I read this, dated May 6, 1981.

The President today announced the creation of a Task Force on the Arts and Humanities. Named to head the Task Force as the chairman for the arts is actor and American Film Institute Chairman Charlton Heston.

Dr. Hanna H. Gray, President of the University of Chicago, will serve as Chairman for the humanities. Chairman for the Federal Government will be the Ambassador-at-large for Cultural Affairs designate, Daniel J. Terra, Chicago arts patron. Barnabas McHenry, of New York City, was named as Vice chairman.

The Task Force will recommend to the President ways in which private support might offset the cuts in the budgets of the National Endowments for the Arts and Humanities.

The Task Force will, however, direct its inquiry to all of the activities of both Endowments as well as other Federal arts and humanities programs.

Special attention will be paid to three areas: First is the possibility of increasing support to State and local programs; second is increasing the role of nongovernmental professional judgment in awardmaking; and third is the desirability of converting the Endowments into public corporations.

There was a statement by the President that I had. I seem to be missing it at the moment. The President himself said:

I am naming this Task Force because of my deep concern for the arts and humanities in America. Our cultural institutions are an essential national resource; they must be kept strong.

While I believe firmly that the Federal Government must reduce its spending, I am nevertheless sympathetic to the very real needs of our cultural organizations and hope the Task Force will deliver to my desk by Labor Day, a plan to make better use of existing Federal resources and to increase the support for the arts and humanities by the private sector.

As I read that, I wondered about several things. One, I wondered whether this was in the nature of a feint, in order to remove the pressure on the White House that has been engendered by, I know, of the enormous pressures in support of the arts and opposition to the 50 percent cut.

I thought when it was first introduced a couple days ago, it might be the result of a stacked deck. I don't think so now, and prefer to think that is not true.

The people who are appointed are outstanding people. Hanna Gray for the Humanities, President of the University of Chicago, a good friend of mine, and a marvelous socially conscious person.

Charlton Heston, a great actor, who for years has been identified with the National Film Institute, and knows first-hand of the very great benefits the National Film Institute has received from the Endowments.

If memory serves me, the Film Institute is the largest single grantee over the years, larger than the Metropolitan Opera, Metropolitan Museum.

American Film Institute, like Abu Ben-Addam, led all the rest. So he knows what the Endowment has done and can do.

I am not as familiar with Mr. Terra, although I am told he has a fine collection. He can't be all bad, coming from the City of Chicago. So I would tend to think that that is in his favor. We do have some culture in the City of Chicago.

Then Mr. McHenry, whom I met the other night. He seemed to me to be a very congenial, serious, sympathetic person to the arts. Although this is his idea, I am told.

At any rate, it suddenly occurred to me, is the President really starting what can only be described as a mini-White House Conference on the Arts?

I keep thinking of John Brademas' bill, you know. But I remember the funding John Brademas thought of. It was around \$5 million for a White House Conference on the Arts. There is no mention in any of these as to how this task force is to be financed.

I assume the members of the Task Force, may be calling upon the Endowments for help. I assume that the Endowments will be more than happy to give them whatever help is required.

At any rate, I don't know who he's going to appoint to the other places. I see where it's been divided into the arts, the humanities for four segments: Corporate executives, philanthropists and arts managers.

I thought he might have included someone from the Congress, from the Senate and from the House, also, because whatever happens, there will be some political overtones to the matter.

It is similar to when the President goes on a foreign trip, sometimes he takes Senators along. This is a domestic trip, but he ought to take members of the House and Senate along on something like this, too.

It would be helpful. At any rate, we look forward to the appointment of that Task Force, and to what it proposes.

I can't, for myself, believe that the private sector can take up what the Endowments have done. The testimony before our committee is overwhelming to the effect not only that the funding has been important in creating a climate in which the arts and humanities are beginning to flourish in this country, but the action of the Endowments themselves are taken as seals of approval for private activities, that the private donors of the country look to the actions taken by the Endowment as being guideposts for their own activities.

And if only for that reason, the arts and humanities have to stay strong in order to continue to give the kind of guidance that they have given over the last few years to the private donors who want to continue to give.

I am talked out now. If you have any comments, I would be very glad to receive them.

Mr. BIDDLE. Commenting on this article, with you, Mr. Chairman, I would be most welcoming of any liaison that this task force would like to establish with the Council on the Arts or the Endowment itself.

With you, I have had some discussions with Mr. McHenry. I have not heard from Mr. Heston, but I know him well. He was on the

National Council on the Arts, as you pointed out, and is head of the American Film Institute.

And when he was on the National Council on the Arts, I was serving with the Endowment. So I feel close to him in some ways.

Mr. YATES. Well, I think you should. I don't understand one comment that is ascribed to him in this article I read in the paper.

He said the main task of these agencies is to get more dollars to the goal. "There are an awful lot of filing cabinets and people who put things in them."

I am not exactly sure what he meant by that.

Mr. BIDDLE. I took that to mean that he meant there was a lot of research.

Mr. YATES. We will accept that because he goes on to say, "I don't mean we are going around with a meat ax." So that is hopeful and helpful.

Mr. BIDDLE. I have also met Mr. Terra, not in connection with this, but in other connections. Certainly he is a person of discrimination and knowledge.

And the names that I have heard mentioned, although nobody has yet been officially named to the Task Force, but there is speculation about certain individuals. And I think they all have a sound knowledge, intelligence, experience, wisdom and sympathy towards the values of the arts.

Mr. YATES. Well, that is good.

Mr. BIDDLE. I have volunteered to have the Arts Council, or the Endowment, participate with this Task Force in any way that it might see fit.

I have also suggested that our staff people might be useful.

WHITE HOUSE CONFERENCE ON THE ARTS

Mr. YATES. I look to John Brademas' bill on the White House Conference, and I assume that this is implicit. His goals are implicit in the charge that is being made to this Task Force.

In this bill, it has declaration to the Congress.

Sec. 102. The Congress hereby finds and declares—

(1) that the development and encouragement of arts activity in the United States are of the utmost importance to the nation's life and heritage;

(2) that concern for the quality of life in the United States requires constant dedication, planning, and reflection on the state of the arts in the nation;

(3) that the arts have an increasingly significant impact on the economic sector of our society;

(4) that it is appropriate to encourage the maximum and broadest participation by the nation's citizenry, including, but not limited to, artists, knowledgeable citizens and other interested persons, representatives of State and local governments, labor, agriculture, business and industry, educators, including art educators, and experts in all fields of the arts, in the process of insuring needed support for the arts among all parties concerned at Federal, State, and local levels.

Then he says, "The White House Conference on the Arts." I would guess, I am speculating again, that whatever happens coming out of the Task Force, unless they agree that the Endowments, as presently constituted, are the way they want the arts and humanities to continue to operate, will require other legislation, because obviously, the Congress has established the Endowments, and the Endowments are acting pursuant to the charter given to them by the Congress.

That being so, I take it we will be through with our budget process for 1982 by the time that report comes out.

The report that I saw in the papers indicated that they hoped to get a report from the Task Force by Labor Day, somewhere along that time.

I hope that our bill will be through by that time, too. That being so, I would hope they would recognize that pending the determination of the Task Force as to what ought to be done, that the arts and the humanities ought to be continued to operate not on a very reduced level, which would injure their standing at such time, their standing and position in the country at such times as the recommendations of the President's Task Force might be looked on for being operative.

I think that ought to be turned over to whatever body might be created, an arts and humanities constituency that had not been hurt or injured as a result of inadequate funding.

With that background, we can start consideration of the budget.

Mr. DICKS. Will the Chairman yield?

Mr. YATES. Yes.

Mr. DICKS. I will support the Chairman in all his initiatives here because he's done a tremendous job of providing leadership. One thing that worries me that we talked about while you were at the Rules Committee, was the consideration of reconciliation which has to be achieved by June 15.

The mandate of reducing programs by \$11 billion that are under the jurisdiction of the Education and Labor Committee could have some implications on the Endowments, which is worrisome to me.

Mr. YATES. Why don't we come back at 1:30.

AFTERNOON SESSION

FORMER PRESIDENTS' STATEMENTS ON THE ARTS

Mr. YATES. The hearings will be in order.

I read from one of the Presidents' statements this morning. I have statements from all the other Presidents who support the arts, beginning with President John F. Kennedy.

Lyndon Johnson's was particularly good, when he signed the bill creating the National Endowments. He said this:

In the long history of man countless empire and nations have come and gone. Those who created no lasting works of art are reduced today to short footnotes in history's catalog. Art is a nation's most precious heritage for it is in our works of art that we reveal to ourselves and to others the inner vision which guides us as a nation. Where there is no vision, the people perish.

We in America have not always be kind to our artists and the scholars who are the creators and peoples of our vision. Somehow, the scientists always seem to get the penthouse while the arts and humanities get the basement. Last year, for the first time in our history, we passed legislation to start changing that situation. We have created the National Council on the Arts.

Then President Ford:

I have been delighted to have a part to some extent in promoting the Council of Arts and all the things that are related thereto. I would be I think off on the wrong track if I took credit for any significant gains, but it has been a wonderful experience for me to go from one who has little or no appreciation or support for the art, to one who has learned that the arts can be very important, very vital in the community, and I think, in the nation.

So I am a converted individual, and I don't apologize for it. And converts often-times are known as more ardent advocates than those who are brought up in an environment or a religion. It has been a great experience for me to see over the last four or five years the tremendous increase not only in money from the Federal Government, but the interest throughout the nation.

President Roosevelt, at the dedication of the National Gallery of Art, had some fine things to say about the role of the arts.

President Kennedy said this on June 10, 1963, in a letter to August Heckscher:

I have long believed, as you know, that the quality of America's cultural life is an element of immense importance in the scales by which our work will ultimately be weighed. Your report on "The Arts and National Government" opens up what I am confident will be a new and fruitful relationship between government and the arts. Government can never take over the role of patronage and support filled by private individuals and groups in our society. The government surely has a significant part to play in helping establish the conditions under which art can flourish, and in encouraging the arts, encourages science and learning.

CUTS IN THE CHALLENGE GRANT PROGRAM

Now we turn to the budget. In your budget, which passed OMB, providing for an overall 50 percent cut—I have read that the single greatest casualty seems to be the Challenge Program. As a result of the Challenge Program so many additional contributions are being made to foster the arts. People are asking why funds are being cut from that program rather than from some of the others?

Mr. BIDDLE. Mr. Chairman, I think it was an agonizing decision to make. Certainly the Challenge Grant Program, which has utilized \$98 million I Federal investments has produced \$555 million in the money raised by our grantees to date. We report to you, as you know, regularly on that, the amount of money raised through the Challenge Grant Program. So it is better than a five to one ratio that is now in effect.

But when we come to a decision on priorities, and what is most essential, or even more essential than anything else in a reduced figure, I think we all at the Endowment and on the Council agree that the programmatic areas must take precedence.

The Challenge Program by and large affects a smaller number of grantees than the other programs. It by and large affects the major institutions rather than the smaller ones. And we just felt that, great as it is, successful as it is, and a banner program for the Endowment as it is, that in terms of an \$99 million budget, we have to put the major concentration on the program monies.

Mr. YATES. In your justification on page 6 you say this:

An organization receiving a Challenge Grant must raise in the Treasury Grant \$3 for every Federal dollar. But the funds generated must be new or increased levels of income or giving.

How does that differ from the Treasury match?

Mr. BIDDLE. The Treasury match can be a little different in terms of new and increased money. It can be earned income, it can be contributed income. But it must be on a three to one ratio.

Mr. YATES. Is that true of Challenge as well?

Mr. BIDDLE. Challenge is the new and the increased money.

Mr. YATES. Can you use old money for the Treasury Grant as opposed to new money?

Mr. BIDDLE. You can use a different kind of match. You can use earned income or you can use contributed services.

Mr. YATES. I see.

Mr. BIDDLE. But the Challenge Grant—

Mr. YATES. Is much more stringent?

Mr. BIDDLE. Exactly.

Mr. YATES. Then you say this:

It is anticipated that the Challenge Grant Program will have been responsible in its first four years—at a cost of less than \$95 million in terms of the federal investment—for bringing one half billion dollars of sorely needed new funds into American arts organizations.

How do you arrive at that figure?

Mr. BIDDLE. That is based, Mr. Chairman, on the reports that are given to us on a regular basis by the Challenge grantees. It changes month by month. This can be used for the record if you so desire. That is the latest report, and it demonstrates in each of the Challenge grantees what they have raised to date. Some have finished their Challenge Grant Programs. Some are still in the process. It is a three year program, as you know.

Mr. YATES. This may be received for the files of the committee. It would probably take up too much space in the report.

Well, I would like to think about that for a little bit. Perhaps it would be well to put this in the record to show how the Endowment has stimulated the private sector rather than the reverse. I will put it into the record at this point.

[The information follows:]

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING SUMMARY

	No. of Grants	NEA Funds	Required Match	Match To Date*
First Round	60	\$27,345,000	\$88,275,390	\$204,133,407
Second Round	101	30,175,500	94,349,210	199,762,636
Third Round	119	25,465,000	82,040,772	124,296,084
Fourth Round	<u>84</u>	<u>15,079,000</u>	<u>47,178,150</u>	<u>26,808,216</u>
TOTALS	364	\$98,064,500	\$311,843,522	\$555,000,343

* As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS
CHALLENGE GRANT PROGRAM

Estimated distribution by percentage, of private sector support, reported by the First and Second Round Grantees as of August 1980, and Third and Fourth Round Grantees as of February 28, 1981.

	FIRST ROUND	SECOND ROUND	THIRD ROUND	FOURTH ROUND	OVERALL
Corporate	20.0%	15.2%	16.4%	15.4%	16.8%
Individuals	33.5	37.9	22.0	41.0	30.0
Foundations	26.8	29.2	28.7	26.5	28.3
State	5.5	5.8	9.3	8.3	7.6
Local	5.1	3.5	9.0	1.0	6.1
Benefits	5.6	7.8	2.6	3.4	4.5
Memberships	n/a	n/a	2.0	1.3	1.0
Other*	3.5	.6	10.0	3.1	5.7
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%

* Misc., benefits

Data was compiled from the following sample sizes:

First Round: 20 out of 60 (33%); Second Round: 43 out of 101 (43%);
Third Round: 10 out of 119 (91%); and Fourth Round: 64 out of 84 (76%)

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FIRST ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
American Conservatory Theatre, San Francisco, CA	1/3/77-5/31/80	\$ 400,000	1,200,000	1,200,000
Arts Council of Winston- Salem, NC	7/1/77-6/30/80	700,000	2,390,390	3,456,340
<u>Final</u> Art Institute of Chicago, IL	1/3/77-6/30/80	500,000	1,500,000	16,407,219
<u>Final</u> Atlanta Arts Alliance, GA	6/1/77-7/31/80	500,000	1,500,000	4,855,620
<u>Final</u> Atlanta Landmarks, GA	1/3/77-12/31/78	300,000	1,200,000	1,915,699
<u>Final</u> Baltimore Museum of Art, MD	1/3/77-6/30/80	800,000	3,200,000	7,151,497
<u>Final</u> Baltimore Symphony, MD	1/3/77-7/31/80	600,000	1,800,000	3,925,152
<u>Final</u> Brooklyn Academy of Music, NY	1/3/77-6/30/79	350,000	1,050,000	1,097,645
Brooklyn Institute of Arts and Sciences, NY	7/1/77-6/30/80	1,000,000	4,000,000	1,000,000
Carnegie Institute, PA	7/1/77-12/31/79	1,000,000	4,000,000	6,000,404
<u>Final</u> Pittsburgh Symphony, PA	7/1/77-6/30/80	1,000,000	4,000,000	12,889,107
Chicago Theater Group, IL	1/3/77-6/30/80	200,000	600,000	1,130,279
<u>Final</u> Columbus Association for the Performing Arts, OH	5/1/77-4/30/80	350,000	1,050,000	1,917,552
Connecticut Players Foundation	7/1/77-6/30/80	100,000	300,000	282,520

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING
FIRST ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> Crafts and Folk Art Museum	1/3/77-12/31/79	\$ 100,000	\$ 300,000	\$ 394,798
Cunningham Dance Foundation	1/3/77-6/30/80	100,000	300,000	748,915
Dallas Museum of Art, TX	6/1/77-9/30/80	75,000	225,000	902,346
<u>Final</u> Denver Art Museum, CO	1/3/77-12/31/79	75,000	225,000	735,510
Detroit Symphony Orchestra, MI	5/1/77-4/30/80	1,000,000	3,000,000	4,860,634
Educational Broadcasting Corp./ WNET, NYC	1/3/77-12/31/78	250,000	1,000,000	10,892,667
Foundation for the Joffrey Ballet, NYC	1/3/77-8/31/81	450,000	1,350,000	922,386
Founders Society/Detroit Institute of Art, MI	7/1/77-6/30/80	750,000	2,250,000	8,646,906
Global Village Video Resource Center, NYC	1/3/77-12/31/79	80,000	240,000	352,370
<u>Final</u> Martha Graham Center for Contemporary Dance, NYC	1/3/77-7/31/80	250,000	750,000	907,623
Greater Louisville Fund for the Arts, KY	1/3/77-12/31/79	332,000	996,000	1,574,550
<u>Final</u> Greater St. Louis Arts and Educational Council, MO	1/3/77-12/31/79	250,000	750,000	2,077,382

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FIRST ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Group I Acting Company, NYC	1/3/77-5/31/82	\$ 60,000	\$ 180,000	\$ 364,141
Hartford Stage, CT	1/3/77-12/31/78	100,000	300,000	300,000
Henry Street Settlement, NYC	1/3/77-6/30/80	125,000	375,000	546,550
Houston Grand Opera, TX	1/3/77-12/31/79	500,000	1,500,000	2,395,951
<u>Final</u> Lincoln Center for the Performing Arts, NYC	1/3/77-6/30/80	500,000	1,500,000	10,313,916
<u>Final</u> Lyric Opera of Chicago, IL	1/3/77-12/31/79	600,000	2,400,000	3,051,043
<u>Final</u> Metropolitan Museum of Art, NYC	1/3/77-12/31/79	1,000,000	3,000,000	10,682,849
<u>Final</u> Metropolitan Opera, NYC	1/3/77-12/31/79	1,500,000	4,500,000	15,025,000
<u>Final</u> Minnesota Opera Company, MN	1/3/77-12/31/79	150,000	450,000	804,011
Museum of Modern Art, NYC	1/3/77-12/31/79	1,000,000	3,000,000	4,215,933
<u>Final</u> Museum of Science, Boston, MA	5/1/77-4/30/80	400,000	1,200,000	1,339,972
<u>Final</u> Musical Arts Association, Cleveland Symphony, OH	1/3/77-5/31/80	1,000,000	3,000,000	4,176,034
<u>Final</u> Nashville Symphony, TN	1/3/77-7/31/80	100,000	300,000	924,480
<u>Final</u> National Symphony Orchestra, Washington, D.C.	1/3/77-9/30/80	1,000,000	3,000,000	3,474,696

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FIRST ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> New York City Landmarks	1/3/77-12/31/79	\$ 48,000	\$ 144,000	\$ 255,649
New York City Ballet	1/3/77-12/31/79	1,000,000	3,000,000	4,823,958
<u>Final</u> Oregon Symphony	1/3/77-12/31/79	100,000	300,000	794,123
<u>Final</u> Palace of Arts & Science Foundation/Exploratorium, San Francisco	1/3/77-5/31/79	50,000	150,000	174,573
Music Center United Fund, Los Angeles	1/3/77-6/30/80	2,040,000	6,120,000	8,266,930
Puerto Rican Traveling Theatre	1/3/77-9/30/79	100,000	300,000	414,895
<u>Final</u> Rhode Island School of Design	7/1/77-6/30/80	50,000	150,000	370,591
<u>Final</u> Richmond Symphony, VA	1/3/77-6/30/80	150,000	450,000	469,604
<u>Final</u> St. Louis Symphony	1/3/77-12/31/79	1,000,000	3,000,000	5,372,136
<u>Final</u> Seattle Symphony, WA	1/3/77-12/31/79	600,000	1,800,000	1,939,525
<u>Final</u> Settlement School of Music Philadelphia	1/3/77-12/31/79	100,000	300,000	521,830
<u>Final</u> South Coast Repertory Theatre, Costa Mesa, CA	1/3/77-6/31/80	30,000	90,000	518,165
<u>Final</u> Sponsors of the San Francisco Performing Arts Association	1/3/77-12/31/79	1,000,000	4,000,000	18,263,932

*As of February 28, 1981

NATIONAL ENDORSEMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING
FIRST ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> Twyla Tharp Dance Foundation, NYC	1/3/77-6/30/80	\$ 50,000	\$ 150,000	\$ 555,085
<u>Final</u> Trinity Persons Company, Providence, RI	1/3/77-6/30/80	40,000	120,000	467,468
<u>Final</u> Urban Gateways, Chicago, IL	1/3/77-6/30/80	60,000	180,000	406,155
<u>Final</u> Utah Symphony	1/3/77-8/31/80	365,000	1,095,000	1,783,610
<u>Final</u> Volunteer Lawyers for the Arts, NYC	1/3/77-8/31/80	40,000	120,000	174,590
<u>Final</u> Walker Art Center, Minneapolis	1/3/77-6/30/80	600,000	1,800,000	3,334,548
WCBH Educational Foundation, Boston, MA	1/3/77-12/31/79	375,000	1,125,000	1,366,343
		\$27,345,000	\$88,275,390	\$204,133,407

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> Alaska Repertory Theatre	1/3/77-6/30/80	\$ 150,000	\$ 450,000	\$1,226,425
<u>Final</u> Alley Theatre	1/3/77-9/30/80	100,000	300,000	673,796
<u>Final</u> Alvin Ailey American Dance Theatre	1/3/77-6/30/80	175,000	525,000	599,454
<u>Final</u> American Ballet Theatre	9/1/77-8/31/80	1,000,000	3,000,000	3,340,209
<u>Final</u> American Place Theatre	12/19/77-6/30/81	75,000	225,000	327,378
<u>Final</u> Appalshop, Inc.	1/1/78-12/31/80	125,000	435,660	662,193
<u>Final</u> Arena Stage	12/19/77-6/30/81	300,000	900,000	838,738
<u>Final</u> Arizona Commission on the Arts and Humanities	9/1/77-7/30/81	480,000	1,502,400	1,799,145
<u>Final</u> Arts and Crafts Society of Portland, Oregon	1/3/77-7/31/80	200,000	800,000	2,261,143
<u>Final</u> Ballet West	1/3/77-5/31/80	250,000	750,000	1,825,177
<u>Final</u> Boston Ballet Company	12/1/77-8/31/80	150,000	450,000	498,288
<u>Final</u> Boston Symphony Orchestra	1/3/77-8/31/80	850,000	2,550,000	7,732,543
<u>Final</u> Carnegie Hall Society	12/19/77-6/30/81	750,000	2,250,000	2,555,965

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> Chamber Music Society of Lincoln Center	12/19/77-6/30/80	\$ 75,000	\$ 225,000	\$ 851,507
<u>Final</u> Chicago Symphony Orchestra	1/3/77-6/30/80	1,000,000	3,000,000	5,203,679
<u>Final</u> Children's Art Carnival	1/3/77-6/30/80	75,000	225,000	549,963
Cincinnati Institute of Fine Arts	12/19/77-8/31/81	2,000,000	6,020,000	10,220,909
<u>Final</u> City of Troy, Alabama	12/19/77-10/1/80	23,000	92,000	105,242
Columbus Symphony Orchestra	12/19/77-6/30/81	150,000	450,000	2,185,391
Council for the Arts in Westchester	12/19/77-6/30/81	150,000	450,000	1,456,517
<u>Final</u> Cresson Lake Playhouse	1/3/77-10/31/80	10,000	30,000	44,925
Dallas Symphony Orchestra	1/3/77-8/31/80	450,000	1,350,000	4,192,368
Denver Symphony Orchestra	12/19/77-8/31/81	450,000	1,350,000	1,583,686
Eugene O'Neill Memorial Theatre Center	1/4/77-12/31/80	100,000	300,000	693,813
<u>Final</u> Eliot Feld Ballet	1/3/77-6/30/80	175,000	612,500	931,666
<u>Final</u> Film Society of Lincoln Center	1/1/78-12/31/80	112,500	337,500	389,679
Fine Arts Museum of San Francisco	12/19/77-6/30/81	600,000	1,800,000	6,806,321

*As of February 28, 1981

NATIONAL ENDORSEMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> Field Museum of Natural History	1/3/77-12/31/79	\$ 400,000	\$1,200,000	\$1,918,332
<u>Final</u> Fogg Art Museum (Harvard Univ.)	12/19/77-6/30/80	170,000	510,000	714,889
Ford's Theatre Society	12/19/77-4/30/81	200,000	600,000	823,359
Fort Wayne Philharmonic	1/3/77-6/30/80	100,000	300,000	443,101
<u>Final</u> Fort Worth Symphony Orchestra	1/3/77-6/30/80	40,000	120,000	541,724
G.A.M.E.	12/19/77-6/30/81	60,000	186,000	315,742
Grand Rapids Art Museum	1/1/78-6/30/81	250,000	1,000,000	1,920,147
Greater Akron Musical Association	1/3/77-6/30/80	40,000	120,000	204,805
Greater Portland Landmarks, ME	5/1/78-4/30/81	15,000	47,250	80,922
Solomon R. Guggenheim Museum	12/19/77-12/31/80	1,000,000	3,000,000	3,743,894
<u>Final</u> Guthrie Theatre Foundation	1/3/77-3/31/80	800,000	2,400,000	3,301,349
Honolulu Symphony Society	12/19/77-5/31/81	100,000	300,000	552,348
Houston Ballet Foundation	1/3/77-6/30/80	225,000	675,000	1,946,362
<u>Final</u> Indianapolis Museum of Art	1/3/77-12/31/79	500,000	1,500,000	16,861,941**
Institute for Art and Urban Resources	1/3/77-7/31/80	150,000	450,000	321,959

*As of February 28, 1981

**Includes one Gift of \$12,367,970

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING
SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date
INTAR	12/19/77-6/30/81	\$ 30,000	\$ 95,000	\$ 86,910
<u>Final</u> International Center of Photography	1/3/77-6/30/80	200,000	600,000	1,121,035
Jackson Symphony Orchestra	1/3/77-6/30/80	40,000	120,000	167,450
La Jolla Museum of Contemporary Art	1/3/77-6/30/80	375,000	1,237,500	1,499,121
Lake Agassiz Arts Council	12/19/77-6/30/81	30,000	90,000	198,755
Bella Lewitzky Dance Fnd.	12/19/77-12/31/80	150,000	450,000	368,356
Loretto-Hilton Theatre	12/19/77-5/31/81	100,000	300,000	177,582
Lyric Foundation	1/1/78-12/31/80	300,000	1,200,000	4,238,955
<u>Final</u> MacDowell Colony, Inc.	1/3/78-12/31/80	200,000	600,000	1,057,724
<u>Final</u> Magic Theatre	1/3/77-6/30/80	30,000	90,000	167,561
Manhattan Theatre Club	5/1/78-6/30/81	100,000	300,000	493,919
Media Study/Buffalo	12/19/77-6/30/81	100,000	300,000	419,925
Michigan Opera Theatre	12/19/77-6/30/81	150,000	450,000	641,558
Minnesota Orchestral Assn.	12/19/77-8/31/81	750,000	2,250,000	3,166,189
<u>Final</u> Minnesota Public Radio	12/19/77-6/30/80	500,000	1,900,000	6,860,848

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
 STATUS OF MATCHING
 SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Municipal Arts Society	12/19/77-3/31/81	\$ 300,000	\$1,080,000	\$1,411,985
Museum of Fine Arts/Boston	3/1/78-6/30/81	600,000	1,800,000	3,539,680
Museum of Fine Arts/Houston	1/1/78-6/30/81	750,000	2,250,000	10,041,234
Newark Community Center of the Arts	12/19/77-8/31/81	40,000	120,000	400,985
<u>Final</u> New York Philharmonic	1/3/77-8/31/80	850,000	2,550,000	10,126,233
<u>Final</u> New York City Opera	7/1/77-6/30/80	700,000	2,100,000	4,218,369
New York Shakespeare Festival	12/19/77-6/30/81	450,000	1,575,000	2,520,946
92nd Street Young Men's and Young Women's Hebrew Assn.	12/19/77-6/30/81	375,000	1,125,000	1,486,355
North Carolina Museum of Art	1/3/77-6/30/80	300,000	1,200,000	4,677,177
<u>Final</u> Opera Assn. of New Mexico	1/3/77-9/30/80	135,000	405,000	818,302
Opera Co. of Philadelphia	12/20/77-5/31/81	40,000	120,000	425,114
Opportunity Resources for the Arts	12/19/77-6/30/81	40,000	120,000	49,498
Oregon Shakespeare Festival	12/19/77-9/30/81	200,000	600,000	931,063
<u>Final</u> Pennsylvania Ballet Assn.	1/3/77-8/31/80	225,000	675,000	1,943,845

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Performing Arts Foundation of Long Island	12/19/77-6/30/80	\$ 100,000	\$ 340,000	\$ 560,703
Pierpont Morgan Library	11/1/78-4/30/82	150,000	450,000	864,485
Poets and Writers	12/19/77-6/30/81	30,000	90,000	344,622
Public Communication Fnd. for North Texas	12/19/77-6/30/81	200,000	800,000	2,054,713
Ravinia Festival Assn.	12/19/77-9/30/81	375,000	1,125,000	2,059,849
<u>Final</u> Rochester Philharmonic Orchestra	1/3/77-6/30/80	450,000	1,350,000	1,675,753
San Francisco Ballet Assn.	1/1/78-6/30/81	340,000	1,360,000	1,118,696
<u>Final</u> San Francisco Museum of Modern Art	1/3/77-6/30/80	200,000	800,000	1,246,362
San Francisco Opera	12/19/77-1/31/81	750,000	2,250,000	4,371,121
San Francisco Symphony	12/19/77-9/30/81	750,000	2,250,000	5,237,781
San Jose Symphony	12/19/77-8/31/81	75,000	225,000	181,275
Seattle Art Museum	12/19/77-6/30/81	600,000	1,920,000	2,618,335
<u>Final</u> Seattle Opera Assn.	1/3/77-6/30/80	350,000	1,050,000	2,166,104
Seattle Repertory Theatre	12/19/77-6/30/81	175,000	700,000	1,661,354

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
<u>Final</u> Southern Highland Handicraft Guild	12/19/77-12/31/80	\$ 125,000	\$ 500,000	\$ 1,751,357
Springfield Orchestra Assn.	12/19/77-5/31/81	40,000	120,000	244,918
St. Louis Conservatory and Schools for the Arts	12/19/77-5/31/81	300,000	1,050,000	1,891,489
St. Nicholas Theatre Co	8/1/78-7/31/81	75,000	225,000	689,803
<u>Final</u> Syracuse Symphony Orchestra	1/3/77-8/31/80	225,000	675,000	1,220,420
<u>Final</u> Theatre Development Fund	1/3/77-6/30/80	100,000	300,000	326,659
Theatre Inc./Phoenix Theatre	12/19/77-6/30/81	75,000	225,000	229,745
United Performing Arts Fund	10/1/77-6/30/81	570,000	1,710,000	1,897,145
Vermont Public Radio	12/19/77-9/30/80	50,000	150,000	178,667
Visual Studies Workshop	10/1/77-8/31/81	70,000	225,400	160,034
<u>Final</u> Wadsworth Atheneum	12/19/77-6/30/80	375,000	1,125,000	2,649,176
<u>Final</u> White Mountains Center for the Arts	1/3/77-10/31/80	100,000	333,000	349,164
Whitney Museum of American Art	12/19/77-6/30/81	750,000	2,250,000	2,556,842
<u>Final</u> Worcester Co. Mechanics Assn.	12/19/77-3/31/81	190,000	760,000	1,401,363

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
 STATUS OF MATCHING
 SECOND ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Yale University Art Gallery	12/19/77-6/30/81	\$ 375,000	\$1,125,000	\$1,176,876
Young Concert Artists, Inc.	12/19/77-8/31/81	125,000	375,000	354,177
		\$30,175,500	\$94,349,210	\$199,762,636

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Affiliate Artists, Inc., NYC	12/15/78-8/31/82	\$ 300,000	\$ 900,000	980,633
Akron Art Institute, OH	12/1/78-6/30/82	150,000	525,000	3,755,995
Allentown Art Museum, PA	12/1/78-6/30/82	100,000	300,000	184,376
American Academy in Rome, NYC	12/1/78-8/31/82	200,000	600,000	336,020
The American Crafts Council, NYC	12/1/78-12/31/81	150,000	450,000	264,227
American Dance Festival, Inc., Durham, NC	1/1/79-12/31/81	175,000	525,000	463,214
American Shakespeare Festival Theatre, Stratford, CT	1/1/78-12/31/80	200,000	600,000	600,000
Aperture, Inc., Millertown, NY	1/1/79-12/31/81	80,000	244,000	301,423
Arkansas Arts Center, Little Rock, AR	1/3/77-6/30/80	100,000	332,300	436,428
Arts Alaska, Inc. Anchorage, AK	12/1/78-6/30/82	45,000	135,000	278,640
Arts & Science Council-Charlotte/ Hecklenburg, Inc., NC	12/1/78-6/30/82	500,000	1,591,500	2,080,323

Final

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Aspen, Music Association of, Denver, CO	1/3/79-9/30/82	\$ 250,000	750,000	1,556,733
New York City Hispanic-American Dance Co., Inc.	12/1/78-6/30/82	30,000	106,680	413,192
Berkeley Repertory Theatre, CA	4/1/79-8/31/82	120,000	480,000	617,273
Berkeley Stage Company, CA	12/1/78-9/30/82	45,000	135,000	45,000
The Bloomingdale House of Music, NYC	3/1/78-6/30/81	40,000	120,000	126,824
The Brooklyn Center for the Performing Arts, NY	12/1/78-6/30/81	50,000	150,000	227,764
The Brooklyn Philharmonic, NY	12/1/78-6/30/82	50,000	150,000	317,381
<u>Final</u> The Buffalo Fine Arts Academy/ Albright-Knox Art Gallery, NY	7/1/77-6/30/80	200,000	600,000	1,660,370
Buffalo Philharmonic Orchestra Society, NY	12/1/78-8/31/82	625,000	1,875,000	2,824,258

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
 STATUS OF MATCHING
 THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
California Academy of Sciences, San Francisco, CA	12/1/78-6/30/82	\$ 400,000	1,200,000	715,322
California Institute of the Arts, Valencia, CA	12/1/78-6/30/82	500,000	1,500,000	3,305,148
Center Stage Associates, Baltimore, MD	1/1/78-6/30/81	157,500	472,500	416,450
Central City Opera House Association, CO	1/1/79-12/31/81	125,000	375,000	343,055
Chicago Educational Television Association/MTW, IL	3/1/79-6/30/82	475,000	1,900,000	3,537,226
The Cleveland Foundation, OH	12/15/78-6/30/82	1,750,000	5,825,192	3,703,065
The Cleveland Institute of Music	7/1/79-6/30/82	200,000	600,000	331,614
Community Music Center, San Francisco, CA	7/1/79-6/30/82	25,000	75,000	59,809
Community Television of Southern California/KCET Los Angeles	12/1/78-6/30/81	200,000	600,000	6,387,973

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Concerto Soloists of Philadelphia	12/1/78-8/31/82	\$ 15,000	45,000	\$ 81,396
Connecticut Educational Tele- communications Corp/CETC, Hartford, CT	12/15/78-6/30/82	350,000	1,050,000	1,371,153
A Contemporary Theatre, Inc., Seattle, WA	10/1/79-12/31/82	75,000	225,000	175,906
The Corcoran Gallery of Art, Washington, DC	12/1/78-8/31/82	250,000	750,000	1,289,547
The Corporation of Yaddo, Saratoga Springs, NY	1/1/79-12/31/81	60,000	180,000	221,115
The Cricket Theatre, Minneapolis	12/1/78-7/31/82	50,000	162,500	294,806
Cultural Council Foundation, NYC	7/1/79-6/30/82	32,500	97,500	78,933
The Curtis Institute of Music, Philadelphia, PA	1/1/79-5/31/82	150,000	450,000	956,212
Carrier Gallery of Art, Manchester, NH	1/1/79-12/31/81	200,000	716,000	2,089,726
Dallas Civic Opera Co., Inc., TX	12/19/77-2/28/81	350,000	1,050,000	1,645,558

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
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THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Dance Concert Society, St. Louis, MO	12/1/78-5/31/82	\$ 64,500	193,500	\$ 203,781
Dayton Art Institute, OH	12/1/78-8/31/82	250,000	892,500	1,515,646
D.C. Foundation for Creative Space, Washington, DC	10/1/79-9/30/82	250,000	750,000	250,000
The Dean Dance Foundation, Inc. NYC	12/15/78-6/30/82	30,000	90,000	44,802
Denver Museum of Natural History, CO	12/1/78-12/31/81	250,000	750,000	2,465,900
Ebony Talent Creative Arts Foundation, Chicago, IL	1/1/79-12/31/81	70,000	210,000	80,437
Fine Arts Work Center in Provincetown, MA	12/15/78-9/30/82	30,000	90,000	61,694
The First All Children's Theatre, Inc., NYC	12/1/78-8/31/82	40,000	120,000	155,080
Folger Shakespeare Library, Washington, DC	12/15/78-6/30/82	175,000	525,000	854,422
Gallery Players of Oregon, McMinnville, OR	2/1/78-12/31/81	100,000	400,000	278,901
The Galveston County Cultural Arts Council, TX	12/1/78-8/31/82	200,000	758,000	529,631

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
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THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
The Garden State Ballet Foundation Newark, NY	12/15/77-6/30/81	\$ 30,000	90,000	\$ 291,634
The Grand Rapids Symphony Society, MI	12/1/78-8/31/82	45,000	135,000	85,168
Hartford Ballet, Inc., CT	12/19/77-6/30/81	125,000	375,000	553,278
Hennepin Center for the Arts Minneapolis, MN	12/20/78-6/30/82	50,000	198,000	109,500
The Hippodrome Theatre Workshop, Inc., Gainesville, FL	12/15/78-6/30/82	175,000	700,000	339,172
Historic Albany Foundation, NY	3/1/80-8/31/83	80,000	240,000	95,721
Houston Symphony Society, TX	12/1/78-5/31/82	250,000	750,000	548,926
Indiana Repertory Theatre, Inc. Indianapolis, IN	7/1/78-6/30/81	250,000	1,000,000	2,454,221
Indiana State Symphony Society, Inc., Indianapolis, IN	1/1/78-6/30/81	850,000	2,550,000	5,069,193
Island Center of St. Croix, Ltd., U.S. Virgin Islands	12/15/78-6/30/82	50,000	188,650	194,888
Jenkintown Music School, PA	12/1/78-6/30/82	100,000	340,000	251,318

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Just Above Midtown, Inc. NYC	12/1/78-6/30/82	\$ 30,000	90,000	30,000
Kansas City Philharmonic Assoc. Kansas City, Missouri	12/19/77-5/31/81	150,000	450,000	809,155
Knoxville Heritage, Inc., TN	1/3/77-3/31/80	150,000	450,000	450,536
Kitani Foundation, Columbia, SC	1/1/79-12/31/81	90,000	270,000	251,539
Long Beach Symphony Assoc., CA	1/3/77-6/30/80	125,000	375,000	342,325
The Maryland Institute, College of Art, Baltimore, MD	12/19/77-6/30/81	500,000	1,775,000	1,818,638
Massachusetts Institute of Technology, Cambridge, MA	12/15/78-6/30/82	250,000	1,000,000	545,464
Memphis Arts Council, Inc., TN	12/15/78-6/30/82	75,000	225,000	438,021
The Minneapolis Society of Fine Arts, MN	1/1/79-6/30/81	400,000	1,200,000	1,475,526
Morgan County Foundation, Inc. Madison, GA	12/1/78-12/31/81	50,000	150,000	138,387
Museum of International Folk Arts, Santa Fe, NM	1/1/78-6/30/81	350,000	1,400,000	2,242,000

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NATIONAL ENDORSEMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Music Hall Center for the Performing Arts, Detroit, MI	12/1/78-6/30/82	\$ 75,000	225,000	\$ 167,820
The New England Conservatory of Music, Boston, MA	7/1/78-6/30/81	150,000	450,000	1,292,485
<u>Final</u> New Jersey Symphony Orchestra Newark, NJ	1/1/77-8/31/80	150,000	450,000	2,050,281
New Orleans Opera House Assoc, LA	12/19/77-5/31/81	75,000	225,000	351,730
New Orleans Philharmonic Symphony Society, LA	12/19/77-6/30/81	150,000	450,000	1,569,843
Newport Harbor Art Museum Newport Beach, CA	7/1/78-12/31/81	150,000	450,000	790,924
New York Zoological Society, Bronx, NY	12/19/77-12/31/80	500,000	1,500,000	10,163,318
North Carolina Symphony Society, Inc., Raleigh, NC	1/1/78-6/30/81	200,000	600,000	2,186,182
Oakland Museum Association, CA	12/15/78-6/30/82	205,000	615,000	410,911
Oakland Symphony Orchestra Association, CA	12/15/78-6/30/82	150,000	450,000	459,597

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Ocean State Performing Arts Center, Providence, RI	12/1/78-12/31/81	\$ 150,000	543,750	\$1,093,806
Old Globe Theatre, San Diego, CA	12/19/77-9/30/81	800,000	3,200,000	4,294,852
The Opera Company of Boston, MA	12/1/78-6/30/82	450,000	1,350,000	644,056
Opera Guild of Greater Miami, FL	12/15/78-5/31/82	450,000	1,350,000	1,364,848
The Organic Theatre Company, Inc., Chicago, IL	10/1/79-9/30/82	225,000	675,000	225,000
The Orpheus Chamber Ensemble, Inc., NYC	12/15/78-8/31/82	40,000	120,000	43,670
Pacific Northwest Dance, Seattle, WA	12/1/78-6/30/82	150,000	450,000	550,408
Painted Bride Art Center, Philadelphia, PA	12/15/78-12/31/81	20,000	60,000	92,130
Paul Taylor Dance Foundation, NYC	12/19/77-4/30/81	80,000	240,000	450,475
The Peabody Institute of the John Hopkins University Baltimore, MD	1/15/79-6/30/82	350,000	1,050,000	377,836

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
The Penland School of Handicrafts, Inc., NC	1/1/79-12/31/81	\$ 100,000	300,000	\$ 367,008
Performing Arts for Community & Education, Inc., Miami, FL	12/1/78-4/30/82	100,000	300,000	320,877
<u>Final</u> Philadelphia Museum of Art, PA	5/1/77-6/30/80	500,000	1,500,000	3,631,731
The Philadelphia Orchestra Association, PA	12/1/78-8/31/82	1,000,000	3,000,000	3,766,041
Pittsburgh Ballet, Inc., PA	6/20/79-6/30/82	150,000	450,000	613,869
Pittsburgh Film-Makers, Inc., PA	1/1/79-12/31/81	30,000	97,200	134,064
Pittsburgh Opera, Inc., PA	5/31/79-4/30/82	100,000	300,000	859,769
Portland Opera Association, OR	6/1/79-5/31/82	300,000	900,000	486,510
Rhode Island Philharmonic Orchestra, Providence, RI	12/1/78-5/31/82	30,000	90,000	185,342
Roberson Memorial Center, Inc., Binghamton, NY	10/1/79-12/31/82	250,000	1,000,000	761,580
Rochester Museum and Science Center, NY	1/1/79-12/31/81	250,000	750,000	970,506

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Saint Paul Chamber Orchestra Society, St. Paul, MN	12/1/78-6/30/82	\$ 400,000	1,200,000	\$1,702,239
<u>Final</u> Symphony Society of San Antonio San Antonio, TX	1/3/77-5/31/80	150,000	450,000	1,346,270
San Francisco Conservatory of Music, CA	12/1/78-6/30/82	150,000	450,000	634,502
The School of American Ballet, NYC	12/1/78-8/31/82	250,000	750,000	938,392
Syracuse University Theatre Corporation, NY	1/3/78-6/30/81	130,000	520,000	560,344
The Toledo Museum of Art, OH	12/1/78-8/31/82	400,000	1,536,000	3,307,571
Theatre By The Sea, Portsmouth, NH	12/1/78-8/31/82	50,000	183,500	246,110
University Art Museum/University of California, Berkeley, CA	7/1/79-6/30/82	250,000	750,000	309,802
Royce Hall/University of California, Los Angeles, CA	12/1/78-6/30/82	500,000	2,000,000	506,181
Upper Catekill Community Council on the Arts, Oneonta, NY	12/1/78-6/30/82	35,500	106,500	125,811

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NATIONAL ENDORSEMENT FOR THE ARTS CHALLENGE GRANTEES
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THIRD ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Vermont Symphony Orchestra Association, Burlington, VT	12/20/77-6/30/81	\$ 10,000	30,000	\$ 128,331
Walters Art Gallery, Baltimore, MD	12/15/78-12/31/81	500,000	1,500,000	1,760,210
<u>Final</u> Washington Performing Arts Society, Washington, DC	9/1/77-8/31/80	100,000	300,000	676,177
Wolf Trap Foundation for the Performing Arts, Vienna, VA	12/1/78-10/31/82	400,000	1,200,000	400,000
Workshops for Careers In the Arts, Inc. Washington, DC	12/1/78-6/30/82	250,000	750,000	285,611
Zoological Society of Buffalo, NY	1/1/79-12/31/81	150,000	600,000	1,242,072
		<u>\$25,465,000</u>	<u>\$82,040,772</u>	<u>\$124,296,084</u>

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
 STATUS OF MATCHING
 FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Albany Symphony Orchestra, Inc. Albany, New York	1/1/80-5/31/83	\$ 40,000	\$ 120,000	\$ 40,000
Anan Folk Ensemble, Los Angeles, California	1/1/80-6/30/83	50,000	150,000	146,015
American Institute of Architects Foundation, Washington, D.C.	2/1/80-12/31/83	300,000	900,000	35,495
American Repertory Theatre Company, Inc., Cambridge, MA	7/1/80-6/30/83	250,000	750,000	250,000
American Symphony Orchestra New York, New York	12/1/78-6/30/82	45,000	135,000	113,031
The American University/WAMU Washington, D.C.	1/1/80-6/30/83	90,000	270,000	65,751
Art Center College of Design Pasadena, California	1/1/80-6/30/83	450,000	1,350,000	35,545
Belmont Music School, Inc. Belmont, MA	12/1/78-8/31/82	30,000	90,000	46,147
Billie Holiday Theatre, Inc. Brooklyn, New York	1/1/80-6/30/83	100,000	300,000	n/a
Center for the Arts, Inc. Westerly, Rhode Island	1/1/80-6/30/83	30,000	99,900	n/a
The Center for Chamber Music at Apple Hill Farm, Inc., NH	1/1/80-3/31/83	30,000	90,000	69,492

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NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Chautauqua Institution Chautauqua, New York	7/1/80-6/30/83	\$ 250,000	\$ 750,000	\$ 250,000
Children's Theatre Company and School, Minneapolis, MN	12/15/78-6/30/82	150,000	450,000	337,961
University of Cincinnati/MGUC Cincinnati, Ohio	1/4/80-6/30/83	100,000	300,000	117,986
Circle Repertory Theater Company, New York, New York	1/1/80-9/30/83	100,000	300,000	156,464
Clark Center for the Performing New York, New York	1/1/80-12/31/82	100,000	400,000	50,000
Colorado Springs Symphony Orchestra, Colorado Springs, CO	1/1/80-8/31/83	40,000	120,000	122,797
Trustees of Dartmouth College/ Hopkins Center, Hanover, NH	7/1/80-6/30/83	150,000	450,000	32,018
The Denver Center for the Performing Arts, Denver, CO	1/1/80-6/30/83	475,000	1,425,000	656,807
Detroit Community Music School, Detroit, Michigan	1/1/80-8/31/83	75,000	225,000	54,196
Elgin Theater Foundation, New York, New York	1/1/80-8/31/84	450,000	1,550,000	282,100
Empty Space Association Seattle, Washington	1/1/80-9/30/83	100,000	350,000	13,851

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FOURTH ROUND

200

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Erie Philharmonic, Inc. Erie, Pennsylvania	12/1/78-6/30/82	\$ 45,000	\$ 135,000	\$ 374,614
Film in the Cities, Inc. Saint Paul, MN	1/1/80-6/30/83	300,000	990,000	108,991
Fort Wayne Museum of Art, Inc. Fort Wayne, Indiana	7/1/80-6/30/83	200,000	800,000	306,110
The Foundation for Repertory Theatre of Rhode Island, Providence	1/1/80-6/30/83	100,000	350,000	145,884
The Franklin Institute Philadelphia, PA	1/4/80-12/31/82	300,000	900,000	576,106
The Fresno Philharmonic Association, Fresno, California	1/1/80-6/30/83	30,000	90,000	55,754
The Harlem School of the Arts, Inc. New York, New York	1/1/80-8/31/83	230,000	690,000	496,509
Symphony Society of Greater Hartford, Hartford, Connecticut	7/1/78-6/30/81	50,000	150,000	249,201
Harvard University/Peabody Museum of Archaeology and Ethnology, MA	7/1/80-6/30/83	300,000	900,000	85,584
University of Illinois/Krannett Art Museum, Urbana, Illinois	11/1/80-10/31/83	250,000	1,000,000	198,155
Interlochen Center for the Arts Interlochen, Michigan	12/1/77-8/31/81	150,000	450,000	2,258,616

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Intiman Theatre Company Seattle, Washington	1/1/80-12/31/82	\$ 35,000	\$ 105,000	\$ 37,810
Jacobs Pillow Dance Festival, Inc., Lee, MA	1/1/80-9/30/83	100,000	380,000	69,079
Lexington Council of the Arts, Inc., Lexington, Kentucky	1/1/80-9/30/83	50,000	200,000	26,021
Long Island University School of the Arts/C.W. Post Center, NY	12/15/78-8/31/82	250,000	1,000,000	589,666
Manhattan School of Music New York, New York	7/1/78-6/30/81	175,000	525,000	769,672
Marlboro School of Music, Inc. Marlboro, Vermont	12/1/78-9/30/82	200,000	600,000	562,429
McCarter Theatre Company Princeton, New Jersey	12/15/78-6/30/82	100,000	300,000	592,890
Meet the Composer, Inc., New York, New York	1/1/80-6/30/83	50,000	150,000	3,253
Metropolitan Center, Inc. Boston, Massachusetts	12/1/77-5/31/81	300,000	900,000	1,995,425
Metropolitan Cultural Alliance, Inc. Boston, Massachusetts	2/1/80-6/30/83	50,000	150,000	50,000
Mississippi Art Association Jackson, Mississippi	12/1/78-6/30/82	150,000	450,000	188,515

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Missouri Botanical Garden, Saint Louis, MO	12/1/78-6/30/81	\$ 350,000	\$1,400,000	\$1,548,946
Museum Associates, Los Angeles, California	1/1/80-6/30/83	500,000	1,500,000	1,224,808
Museum of Contemporary Art Chicago, Illinois	7/1/80-6/30/83	300,000	900,000	430,404
Music Center Presentations, Los Angeles, California	1/1/80-6/30/83	350,000	1,050,000	218,815
Natural Heritage Trust/Artpark, Leviston, New York	1/1/80-9/30/83	50,000	150,000	4,162
The Nelson Gallery Foundation, Kansas City, MO	12/1/79-4/30/83	450,000	1,350,000	1,788,964
Nevada Public Radio Corporation, Las Vegas, Nevada	1/1/80-6/30/83	155,000	465,000	133,276
New Mexico Symphony Orchestra Albuquerque, New Mexico	1/1/80-6/30/83	25,000	75,000	n/a
The New Museum, New York, New York	1/1/80-6/30/83	75,000	225,000	125,211
The New School of Music, Inc., Philadelphia, Pennsylvania	12/1/78-7/31/82	50,000	155,250	217,606
New York Studio School of Drawing, Painting and Sculpture, NY	1/1/80-8/31/83	75,000	225,000	n/a

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
North Carolina School of the Arts, Winston-Salem, North Carolina	1/1/80-6/30/83	\$ 500,000	\$1,500,000	\$ n/a
Oberlin College, Conservatory of Music, Allen Museum, Ohio	1/4/80-6/30/83	225,000	675,000	392,733
Otis Art Institute of Parsons School of Design, Los Angeles, CA	6/20/80-6/30/83	200,000	600,000	13,751
Philadelphia College of Art Philadelphia, Pennsylvania	7/1/80-6/30/83	350,000	1,050,000	n/a
Pittsburgh History and Landmarks Foundation, Pittsburgh, PA	6/1/79-12/31/82	300,000	900,000	396,303
Portland Society of Art, Portland, Maine	7/1/79-6/30/82	300,000	900,000	n/a
Prairie Public Television, Inc., Fargo, North Dakota	1/1/80-9/30/83	255,000	765,000	372,529
Rutgers University Art Gallery, New Brunswick, New Jersey	1/1/80-6/30/83	250,000	1,000,000	1,457,000
Sacramento Symphony Association, Sacramento, California	1/1/78-6/30/81	75,000	225,000	n/a
San Diego Opera Association, San Diego, California	1/4/80-6/30/83	350,000	1,050,000	568,928
The San Diego Symphony Orchestra Association, San Diego, CA	7/1/79-6/30/82	400,000	1,200,000	830,257

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEES
STATUS OF MATCHING
FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Savannah Symphony, Savannah, Georgia	7/1/80-6/30/83	\$ 50,000	\$ 150,000	\$ n/a
Skowhegan School of Painting and Sculpture, Inc. New York, NY	1/1/79-12/31/81	75,000	231,000	384,617
Spoleto Festival, U.S.A., Charleston, South Carolina	1/1/80-8/31/83	250,000	750,000	435,256
St. Louis Art Museum St. Louis, MO	1/1/80-12/31/82	350,000	1,050,000	455,654
Sun Valley Center for the Arts and Humanities, Sun Valley, Indiana	1/1/80-12/31/82	70,000	210,000	132,764
The Society of the Third Street Music School Settlement, NY	1/1/80-6/30/83	100,000	300,000	518,818
Toledo Orchestra Association, Inc., Toledo, Ohio	1/7/80-5/31/83	100,000	300,000	380,762
Tulsa Opera, Inc. Tulsa, Oklahoma	1/1/80-8/31/83	150,000	450,000	420,361
Twin Cities Public Television, Inc., St. Paul, MN	1/1/80-8/31/83	500,000	1,500,000	n/a
Vermont Council on the Arts, Montpelier, Vermont	1/1/80-12/31/82	199,000	597,000	n/a
Virginia Center for the Creative Arts, Sweet Briar, Virginia	1/5/80-12/31/83	75,000	225,000	59,644

*As of February 28, 1981

NATIONAL ENDOWMENT FOR THE ARTS CHALLENGE GRANTEEES
STATUS OF MATCHING
FOURTH ROUND

Grantee	Grant Period	NEA Funds	Minimum Required Match	Match To Date*
Virginia Opera Association, Inc. Norfolk, Virginia	1/1/80-5/31/83	\$ 100,000	\$ 300,000	\$ 198,569
The Washington Ballet, Washington, D.C.	1/1/80-8/31/83	100,000	300,000	82,368
The Washington Opera, Washington, D.C.	7/1/78-6/30/81	350,000	1,050,000	1,170,011
Waverly Consort, Inc. New York, New York	1/1/80-6/30/83	40,000	120,000	91,505
The Wichita Symphony Society Wichita, Kansas	1/1/80-6/30/83	40,000	120,000	40,000
Women's Interart Center, Inc. New York, New York	1/1/80-6/30/83	50,000	150,000	50,000
Young Audiences, Inc. New York, New York	7/1/80-6/30/83	75,000	225,000	48,254
		<u>\$15,079,000</u>	<u>\$47,178,150</u>	<u>\$ 26,808,216</u>

*As of February 28, 1981

ECONOMIC IMPACT AT STATE LEVEL

Mr. BIDDLE. Not just about the Challenge Grant, but I have some other indications of leverage of money. Here is a report from the Tennessee Arts Commission that shows an interesting ratio of match of \$5 of other monies for every \$1 given to the Tennessee Arts Commission in a block grant. It also shows that those monies generated some \$73 million in economic impact on the state.

Mr. YATES. That may be put in the record at this point, too. [The information follows:]

**TENNESSEE ARTS COMMISSION**

505 DEADERICK, SUITE 1700 NASHVILLE, TENNESSEE 37219 (615) 741-1701

April 14, 1981

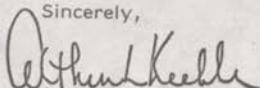
Mr. Livingston Biddle, Chairman
National Endowment for the Arts
Columbia Plaza, 2401 "E" St., NW
Washington, D.C. 20506

Dear Mr. Biddle:

The attached article has been prepared to provide you with some information as to what the National Endowment for the Arts has meant to Tennessee since it has been in existence.

We hope that you will find the information both enlightening and useful.

Sincerely,


Arthur L. Keeble
Executive Director

ALK/lsn enclosure

THE NATIONAL ENDOWMENT FOR THE ARTS AND THE STATE OF TENNESSEE
- by Gordon Holl, Assistant Director, Tennessee Arts Commission

In these days awash with speculation about what the effects of Mr. Reagan's and Mr. Stockman's proposed reductions in the Federal budget for FY 82 will be for the people of our nation, it might be interesting to examine just what one small Federal agency has meant to Tennesseans.

This Federal agency is the National Endowment for the Arts. It's a young agency, established just over 15 years ago. During that time it has grown in financial size from the \$2.5 million initial appropriation to a budget level proposed by President Carter for FY 82 of \$173 million. A lot of money? Yes, if looked at by itself. But, this \$173 million is only one-fourth of one-tenth percent of the whole Federal budget. Even so, President Reagan and Mr. Stockman have proposed that this agency's FY 82 appropriation be reduced by 50% to \$88 million.

Let's see what this small agency has done for Tennessee just in terms of dollars -- to say nothing of the improved cultural climate and opportunities for enjoyment of and participation in the arts by Tennesseans of all walks of life.

During its existence the National Endowment for the Arts, which is a grant making agency, has made some 465 grants to arts-related organizations, individual artists, and to the Tennessee Arts Commission, a state agency created by law to receive federal funds for the arts from the National Endowment for further distribution within Tennessee. The total of these 465 individual grants is \$8.356 million.

Of this \$8.356 million, \$3.567 million has come directly to the Tennessee Arts Commission, with the remaining \$4.789 million going directly to the arts organizations and the individual artists and scholars of Tennessee.

The funds received by the Tennessee Arts Commission comes in two different categories. One category is a type of "bloc" grant that is an equal appropriation which is divided among all the 50 states and six special jurisdictions. The other category is special direct project-oriented special purpose grants to accomplish a specific purpose.

Under the "bloc" grant category the Tennessee Arts Commission has received annual grants, ranging from a 1967 appropriation of \$25,000 to a recent \$333,830, totalling \$2.344 million. Approximately 90% of this \$2.344 million has been regranted by the Arts Commission to arts-related organizations in the state to assist them with their specific projects.

An analysis of the reports made by the Arts Commission of these "bloc" grants to the Arts Endowment lists the grants the Commission has made within Tennessee. These Commission-made grants are required to be matched on at least a dollar-for-dollar basis in the same way that the Endowment grants are matched. Since the current (1980-81) year has not yet been completed, the analysis covers only \$2.011 million of the \$2.344 million of "bloc" grants received. The \$2.011 million plus \$1.386 million in state funds have been matched by Tennessee grantees with \$9.005 million of their own funds or contributed services for a total of \$12.402 million in arts project activities since 1967.

In this one program, then, combined Federal and state funds have generated from the private sector of the state \$2.65 for each \$1.00 in grants. However, it can also be argued that without the Arts Endowment there would have been no state money, or a Tennessee Arts Commission, and that, therefore, the \$2.011 million has generated in Tennessee \$10.389 million, or \$5.16 for each Federal dollar.

What about the rest of the Federal dollars that have come to Tennessee - to the Arts Commission and directly to the states arts organizations and individuals? There is \$1.223 million to the Arts Commission and \$4.789 million in direct grants for a total of \$6.012 million. These dollars also had to be matched at least dollar-for-dollar also. That means a total of another \$12.024 million, minimum, of arts projects and activities in Tennessee. This sum added to the \$12.402 million developed by the "bloc" grants brings the total spent on the arts in Tennessee since 1967 to \$24.426 million. Or, stated another way, each Federal arts dollar coming into Tennessee has generated, at a minimum \$2.92 in local dollars.

How has all this benefited Tennessee? Well, for one thing there is the direct economic benefit. Various studies around the country have shown that on the average a dollar spent for the arts has a "ripple-effect" of approximately 3.5. This means that the arts dollar generates additional

spending on the part of the arts consumer and related business of \$3.50. Assuming a conservative factor of 3.0, this means that because of the funding Tennessee has received from the National Endowment for the Arts Tennessee's economy has benefited to the amount of \$73.275 million since 1967. It can safely be assumed that from 65% to 75% of this amount would never have happened if the Arts Endowment and the Tennessee Arts Commission had not been in existence.

What are some of the other benefits that Tennessee has derived from the existence of these two agencies?

Items:

- Mentioned above was the sum of \$1.223 million that the Arts Commission has received from the Endowment in other than "bloc" grant funds. \$642,350 of this \$1.223 million was for Tennessee's participation in the National Artists-in-Schools Program. In Tennessee this program since its initiation in 1970 has employed 645 practicing professional artists representing a variety of disciplines in residences lasting from one week to the whole school year. These resident artists worked in 603 schools in 58 school systems from one end of the state to the other. They worked with some 151,000 students from elementary to high school and with some 7,545 teachers. Because of this program most of these students - and teachers - have had an exposure to and have been able to participate in arts activities that they would never have been able to experience otherwise. The Artists-in-School Program on the national level is slated for virtual extinction under the proposed budget reductions. If that should indeed happen, it would mean the end of the program in Tennessee.
- Over 40 community arts councils and commissions exist in the state where none existed before 1967. While it is true that some are more active and effective in their promotion of the arts than others, the mere fact of their existence indicates a local interest in and concern for an improved climate for creative leisure-time use. Several councils are fund-raisers for the community's arts organizations, raising sizeable amounts of funds annually. Others are programming agencies providing for local events, festivals, and performing opportunities.
- Statewide organizations in the arts now exist as a direct result of the Tennessee Arts Commission's efforts. Some of these are: The

Tennessee Theatre Association, The Tennessee Association of Dance, The Association of Tennessee Symphony Orchestras, The Tennessee Jazz and Blues Society; The Alliance of Tennessee Community Arts Agencies, The Tennessee Literary Arts Association.

- While the Tennessee Artists-Craftsman's Association antedates the Tennessee Arts Commission, its visibility and status in the crafts movement and among the state craftsmen received a large part of its impetus from the assistance provided by the Arts Commission.
- And, still on the subject of crafts, the existence of the Crafts Division within the Tennessee Arts Commission between the years of 1972 and 1977 provided a mighty push to the crafts industry of the state, making Tennessee a leader in the nation's rediscovery of the value of hand-made objects.
- Because of the Crafts Division's existence and planning, two successive meetings of the International Crafts Symposium were held in Tennessee in 1973 and 1975. These internationally prestigious symposiums were the first held in the U. S. in the organization's history. Both resulted in important state collections of crafts by internationally renowned craftsmen.
- Further, without the Crafts Division of the Tennessee Arts Commission, the Joe L. Evins Appalachian Center for Crafts would never have become the reality it now is.
- Because of the Tennessee Arts Commission, the Tennessee State Museum, which in 1971 became a division of the Commission, has become one of the nation's outstanding and most progressive state museums, currently sharing new and expanded spaces in the new James K. Polk State Office Building and Cultural Complex with the Tennessee Performing Arts Center.
- The Tennessee Performing Center itself, while not a sole result of the Tennessee Arts Commission, owes much of its initial planning, organization, and location to the efforts of the then members of the arts Commission and its staff.
- The Sinking Creek Film Celebration, now in its twelfth year, an annual nationally - and internationally - renowned forum for the independent filmmakers of the nation, was an original idea of the Arts Commission and one of its members, Mary Jane Coleman, who continues to devote her

energies to the celebration's direction, and the promotion of film-makers and their films.

- Relatively modest (in today's terms) grants by the Arts Commission have assisted in the production by Tennessee filmmaker Ross Spears, of a documentary film on the life of Tennessee James Agee, which was a current nominee for an Academy Award for documentary films. And Sol Korine, whose documentaries have been nationally shown on PBS, and who is currently contracted to produce eleven programs on Southern Music for PBS national distribution, received his initial assistance from the Arts Commission.
- Two successful dance companies in Tennessee, The Sidewalk Dance Company in Knoxville and the Pendulum Mime Company of Nashville, are the spin-off results of an Artists-in-Schools dance residency in 1972 that brought a highly talented young dancer and teacher, Raymond Clay, to the state to form his Contemporary Dance Theatre Co. The dance residency was a part of the Tennessee Arts Commission's Artists-in-Schools program funded by the National Arts Endowment.
- In Jonesboro, Tennessee's oldest town, each fall since 1973 storytellers from across the nation gather to swap stories, entertain appreciative audiences ranging from youngsters to oldsters, and to promote the age-old art of oral storytelling. Originally sponsored by the Jonesboro Civic Trust, with the help of a small grant from the Arts Commission, the event has grown to form its own national organization known as The National Association for the Preservation and Perpetuation of Storytelling (NAPPS). It now has formed an archive and library with recordings, tapes, books, articles, and A/V aids that has subscribers across the U. S. The Tennessee Arts Commission has repeatedly assisted NAPPS projects during the intervening years.
- An Arts Commission grant of \$1,000 was instrumental in getting the Center for Southern Folklore started in Memphis in the early 70's, and subsequent larger grants since then have assisted the Center in expanding its services and resources.
- While only two have been held - with the third planned - the annual Cumberland Valley Writer's Conference has already attracted attention (and attendance) from writers of all genre across the south and midwest. The conference has been the recipient of Arts Commission grants.

- In the field of Theatre the Tennessee Arts Commission through its grants programs has assisted in the establishment of two alternative theatre companies that have received wide recognition throughout the South and East. These are: The Road Company in Johnson City and The Play Group of Knoxville.
- Much has occurred in the Visual Arts. During the early years of the Commission competitions in the several visual arts media have resulted in the acquisition of important collections by the State in painting, crafts, sculpture, printmaking, drawing, and photography by Tennessee's artists. An all-media collection of approximately 140 pieces of the work of Tennessee's artists is owned and displayed in the Inn at Fall Creek Falls State Park. Another all-media collection of some 150 pieces, again the result of a competition among Tennessee artists, was a Bicentennial project. The Commission's Art in Public Places Program has made possible sculptures in Knoxville and Memphis, and a fibre wall hanging in Nashville.
- Without the help of grants from the Tennessee Arts Commission and the National Endowment for the Arts The Country Music Foundation - and Nashville - would not be the proud owners of the last work of Thomas Hart Benton, his mural entitled "The Sources of Country Music."

The list could go on and on. All of these projects, and the organizations who have sponsored them - most of which have come into being within the lifetime of the Arts Commission - represent increased opportunities for the employment of artists and arts administrators. While employment, and the resulting benefits to local economy, is important to both the persons employed and to their communities, of even more importance is the expansion of the opportunities for the people of Tennessee to enjoy and participate in a much wider variety of quality arts experiences than was at all possible before. Clearly then, Tennessee is a better place in which to live because of the National Endowment for the Arts and the Tennessee Arts Commission.

It is to be hoped that Tennessee will continue to build upon what has been developed over the years, and will not allow, under whatever guise or excuse, the diminution of those very things which add the joy, the spice, the zest, and - yes - the beautiful to our lives in this beautiful state.

DESIGN ARTS GRANTS STIMULATE ECONOMY

Mr. BIDDLE. Here is a documentation of some of our design art grants where the ratio of matches is up to 500 to 1 in some cases.

Mr. YATES. How does that follow?

Mr. BIDDLE. That is a small design grant that may trigger a whole economic development in a given place. I think our Design Program is probably the one that stimulates or leverages in a way that is unlike any other program.

Mr. YATES. You said in your letter, the Chairman's statement contained the Annual Report for 1980:

A second important model for the long term future of the arts is a city like Savannah, Georgia, or San Antonio, Texas; or Winston Salem, North Carolina, where the arts are receiving the focal point, the driving force in revitalizing the city.

Winston Salem, for example, has been losing population to its suburbs. Several years ago, the arts endowment gave a small planning grant to the local arts council to move into a deteriorating section of the center city. From that beginning has come a coalition of cultural, political and business leaders who are now rebuilding the downtown around the special arts enclave, including a theater, a center for the arts, a park and artists studios. Combined efforts including historic preservation, have stimulated \$3 million in grants from other federal agencies and over \$100 million in private investment.

That is the point you are trying to make, I think.

Mr. BIDDLE. Yes sir.

Mr. YATES. To sustain Mr. Biddle's contention, page 198 of the justification may be placed in the record.

[The information follows:]

(Federal Challenge funds only)

(\$ in thousands)

Application/Grant Relationship

CHALLENGE GRANT PROGRAM

Category	FY 1977/78 (1st Rnd)			FY 1979 (2nd Rnd)			Total Matched By Grantees 1/	Total Matched By Grantees 1/				
	Apps	Amt Requested	Amt Awarded	Apps	Amt Requested	Amt Awarded						
Challenge Regular	374	\$128,300	59	\$27,000	\$88,275	\$166,262 2/	327	\$101,127	102	\$30,000	\$94,329	\$171,547 3/
FY 1980 (3rd Rnd)												
Regular	287	\$84,997	120	\$26,900	\$83,890	\$104,270	293	\$87,756	95	\$13,450	\$40,350	N/A
FY 1981 (Estimates) (4th Rnd)												

1/ As of November 30, 1980.

2/ Exceeds minimum required match by \$77,987.

3/ Exceeds minimum required match by \$77,218.

4/ Exceeds minimum required match by \$20,380.

"THE ARTS AND THE NEW ENGLAND ECONOMY"

Mr. YATES. Pages 9, 10 and 11 of the report prepared by the New England Foundation for the Arts, entitled "The Arts and the New England Economy," showing the economic impact of the New England cultural organization, may go into the record.

[The information follows:]

INTRODUCTION

A couple of years ago, the Advertising Council of America produced a public service television spot featuring Billy Martin of the New York Yankees telling viewers that the arts attract more people than baseball and all sports combined. Billy was shown with his foot up on a bench in a busy gallery of the Metropolitan Museum of art admitting, in a rare humble moment, that in the previous year the Yankees had come in second to the Met.

In New England, like New York, cultural organizations attract many millions of people each year contributing to the vitality of tourism and the economic health of the region. Arts institutions themselves constitute a significant industry—one which is low in its demands on fossil fuels and high in its demands on the energies and indigenous gifts of its people. To be specific, in 1978, New England's nonprofit cultural organizations alone constituted a \$560 million industry and this figure rises to over a billion dollars when the spending of audiences, of individual artists, and of educational institutions with arts programs are taken into account. The image of nonprofit arts organizations as economic "losers" is simply inaccurate—in New England, such organizations provided over 40,000 jobs and returned many millions of dollars in state and federal taxes. The notion that the arts put an undue strain on the budgets of state legislatures is also unfounded—in 1978, when the economic impact of these organizations exceeded half a billion dollars, state legislatures appropriated less than 1 percent of this amount (\$4,736,550) to its state arts agencies to support the work of the nonprofit cultural sector.

As residents of New England and directors of state arts agencies, we have grown increasingly concerned about the role we can play in rebuilding the economic vitality of this region in an era of scarce resources and growing anxiety over oil, inflation, unemployment, and other economic ills. Each day we are given the opportunity to support policies which will contribute to the quality of both our cultural and economic life. Yet we have often felt frustrated in our attempts to convince others that support for the arts can help foster a healthy economy. We have been plagued by an inadequately reliable information that answers such questions as: what constitutes the nonprofit arts industry? what implications does it have in such areas as manpower development, tourism, business relocation, and tax generation?

It was to find answers to such questions that we decided, three years ago, to undertake the first multi-state study of the impact of the arts on our region's economy. With the help of Thomas Wolf, executive director of our regional organization, the New England Foundation of the Arts, we were successful in interesting two federal agencies in the importance of our research. Both the Economic Development Administration of the United States Department of Commerce and the National Endowment for the Arts generously funded our efforts. We also had the assistance of several outstanding college and university students working in our agencies as research assistants under the auspices of the Student Internship in Economic Development Program; with their help, we were able to undertake the mammoth task of identifying and surveying the cultural organizations in New England. Finally, we were fortunate in our choice of a principal investigator. Economist Gregory Wassall has undertaken a similar study of arts impact in the state of Connecticut before developing the methodology for the regional study and those initial efforts were instrumental in assuring the success of the research reported here.

It is too easy to say that the results of this study speak for themselves. This is particularly true since this research examines only the tip of a very large iceberg. While the study does report the economic effect to nonprofit arts organizations, it does not consider the profit sector, audience spending multipliers, the economic effect of individual artists and others who are self-employed in the industry; nor does it try to establish an actual dollar effect of business relocation decisions influenced by quality of life considerations. While the New England Foundation for the Arts is doing follow-up work in these areas, it is important to keep in mind that the complexity of such research is immense and its results probably less reliable than what is reported here.

What we do have in this volume is the beginning of an understanding of what the arts mean to our region in economic terms. In addition to the conventional arguments about the importance of cultural organizations to the quality of New England life, we can now add that such organizations also play an important economic role in the region as well.

Indeed, this may be the central point which our report makes—that economic planners in New England should not, as they have in the past, ignore the region's extraordinary cultural assets. We must begin to adopt a more aggressive strategy which ties the arts to a strong and vigorous economy. Such a strategy has already been employed successfully in the south. A look at state promotional ads in *Business Week and Fortune* indicates the extent to which developers in southern states are using a favorable cultural climate to woo industry. Ironically, although we have had less of a strategy to promote it, New England's cultural climate is at least its equal.

The publication of *The Arts and the New England Economy* is our invitation to others in the public and private sector to join us in promoting one of the region's most precious resources and one of its most exciting industries.

Mr. YATES. It says:

To be specific, in 1978, New England's nonprofit cultural organization alone constituted a \$560 million industry. And this figure rises to over a billion dollars when the spending of audiences of individual artists and educational institutions with arts programs are taken into account. The impact of nonprofit arts organizations as economic losers is simply inaccurate. In New England, such organizations provide over 40,000 jobs, and return many millions of dollars in state and federal taxes.

Mr. BIDDLE. I made mention this morning, Mr. Chairman, of the fact that in the year that this study was conducted, the Endowment spent some \$12 million in those six New England states, and that the tax return, the IRS recouping of that, if you want to put it in that fashion, from individual income taxes of the people employed in these various arts endeavors, was \$10 million. So you can make a case on that point alone, I think, that there is significant benefit.

CHALLENGE GRANT CUTS

Mr. YATES. Your justification on page 4 shows that there are four categories that are set forth. For fiscal 1980, the program is shown as \$97 million; for fiscal 1981, at \$113,960,000; and prospectively for fiscal year 1982, at \$57,835,000.

Treasury Grants are shown as \$18,500,000 under fiscal year 1980, \$19,250,000 under fiscal year 1981, and \$15 million under fiscal year 1982.

Challenge Grants are shown as \$26,900,000 under fiscal year 1980, as \$13,450,000 under fiscal year 1981. You have certainly cut it back in 1981, half of what it was in 1980, when you had more money than you had before. Why then do you do that?

Mr. BIDDLE. I think, Mr. Chairman, we were considering the 1981 fiscal year as a year of some transition in the Challenge Program. We were looking for ways of continuing grants to those that were already eligible and already benefiting from the potential of this program. We were looking at a new kind of concept for the Challenge Grant Program, which had we been at a higher level, we would have been bringing to you today. That is the Challenge Grants that have proved eminently successful for the first round grantees. Four to five years ago, those organizations which completed their Challenge Grant most successfully could reapply for a second kind of Challenge Grant in order to enable them to get to an even higher degree of service.

So we are thinking in terms of 1982 of a two-pronged approach to the Challenge Grant Program:

One, to continue the Challenge Grants that have been successful in the past for new applicants; and

A second tier of Challenge Grants that would apply to those who had successfully achieved their first grant.

With the \$2.5 million in the 1982 budget, the \$88 million, that is not applicable.

Mr. YATES. Under the Carter budget you proposed to increase Challenge Grants from \$13 million to \$15 million.

Mr. BIDDLE. \$15.9 million.

INCREASE IN ADMINISTRATIVE BUDGET

Mr. YATES. Then you wound up with \$2.5 million. The fourth category was administrative, shown as \$12 million in 1980, \$11,900,000 in 1981, and \$12,665,000 in 1982, greater than last year actually, even though your budget has been cut in half. Why do you show your administrative expenses as being higher than last year?

Mr. BIDDLE. Well, there has been a great deal of discussion about that, Mr. Chairman, as I think you will recognize. I would have to begin by saying that the workload of the Endowment in terms of applications received, in terms of the services performed, is the principal factor in terms of an administrative budget. We would foresee, with the \$88 million, a slight diminishing in the number of applications, but not a substantial one. We would still see 25,000 applications coming to us at this very reduced level.

So the workload does not really diminish in terms of the agency's needs. The ceilings that have been applicable to the Endowment over the years since I have been there began with 330 employees full time, and diminished, then were increased you will recall in 1980 by 25 people through the understanding and sympathetic attention of this committee. We have now a ceiling of 320 employees.

Under the \$88 million, we would have a ceiling of 292 employees, a reduction of 10. But those costs that are involved with that number of people, and the rent and utilities and so forth that are involved in our budget, that is 80 percent of the figured costs of the agency. And this is another factor here as well, I think, if you look at fiscal 1978, when our administrative budget was a little over \$9 million, and we had 307 employees, and a lower number of applications than we would have in terms of the \$99 million today, next year 1982, if you project that just in terms of inflationary costs, you get higher than the \$12,665,000.

Mr. YATES. Mr. Regula has some questions on this point.

Mr. REGULA. Thank you, Mr. Chairman.

I note in the information here that 80 percent of your budget is fixed costs.

Mr. BIDDLE. That is right.

Mr. REGULA. Twenty percent of your administrative budget is used to accept and review applications and award grants, correct?

Mr. BIDDLE. Well, 20 percent is used for those costs that may be a little bit more flexible than the fixed costs of the employees. But

about 165 of the employees, of the 300 or the 292 requested, are concerned primarily with the grant making process in the agency.

Mr. REGULA. Are you suggesting if the budget were cut to \$44 million, then you would still have your administrative costs at \$12 million?

Mr. BIDDLE. No, I am not suggesting that.

Mr. REGULA. That is the thrust of what you are saying.

REDUCED NUMBER OF APPLICATIONS

Mr. YATES. I agree with Mr. Regula, because I don't understand why, whether your budget is cut from \$150 million to \$88 million as is proposed in the budget, you will still have the same number of applications, will you not? At least this is your contention as revealed in your budget justification. If that is true, you still have the same amount of paperwork.

Your contention would be accurate if the number of applications fell off.

Mr. BIDDLE. Right.

Mr. YATES. But that isn't your contention?

Mr. BIDDLE. But I think Mr. Regula gave me a \$44 million total.

Mr. YATES. Yes.

Mr. BIDDLE. That would definitely reduce the number of applications. It would just have to.

Mr. YATES. Why?

Mr. BIDDLE. Well, we would have to abandon certain programs if we were to go down to that level.

Mr. YATES. I see. Therefore, there could be no applications under those abandoned programs?

Mr. BIDDLE. That is right.

Mr. YATES. Would you yield for just a question on that?

Mr. REGULA. Yes.

TERMINATION OF CERTAIN PROGRAMS

Mr. YATES. You say on page 5 of your justification:

In general, the programs will be emphasizing direct organizational support, and providing considerably less support for service organizations, for touring, and other outreach efforts. Outreach efforts will necessarily fail in purpose unless the arts producing organization is sound artistically and financially.

One should not conclude from this, however, that there will be little effect on arts organizations seeking Endowment support for their home-based activities. Fewer symphony orchestras, theater, opera and dance companies, fewer museums will be supported and those that are will receive less funding.

Some efforts, supported out of program funds and not as directly involved with arts producing organizations, will be eliminated altogether. The National Council on the Arts has recommended the termination of funding entirely for international activities, . . .

Now, you had some people in that.

. . . research and evaluation Programs aimed at helping special constituencies the Intern Program and continuance of the advancement effort, involving the special building grants to emerging organizations of high artistic significance and future potential.

You are closing down some programs?

Mr. BIDDLE. That is correct.

Mr. YATES. If your answer to my previous question is correct, should not your administrative expenses certainly be reduced in respect to the programs for which you will have no applications?

USE OF STAFF RESOURCES

Mr. BIDDLE. I think what we need to think of in that respect is what Mr. Perlman said this morning about the need for a presence of the Endowment, let us say in the special constituency area that he was talking about. We have a very small—we have two people in that field. One is Paula Terry, and she has one assistant.

This is a very minor investment in terms of staff in an area that deals with all facilities for the handicapped around the country, and also serves as an advocated voice in terms of working with the areas which we have normally been concerned with here. Bringing the arts to prisons, bringing the arts to the Veterans Administration, to the handicapped. In this whole area, I think Paula Terry alone can help engender funding for these programs. If we eliminated that staff member, we would lose a resource.

Mr. YATES. I am going to give Mr. Regula his time back. I really wanted to refer Mr. Regula's attention to page 203 of the justification, which has a table showing the number of applications received beginning in the year 1977, and going through an estimate of 1982, together with the numbers of personnel that would be required.

Mr. REGULA. Thank you, Mr. Chairman.

Mr. YATES. I thank the gentleman for yielding to me.

INCREASE IN ADMINISTRATIVE BUDGET

Mr. REGULA. I am very much troubled by the apparent desire to keep the administrative end of this full steam, and at the same time, cutting off benefits. It is the old Washington Monument syndrome. When you reduce the Department of National Resources budget, they shut down the Washington Monument. You are playing the same game with us here.

Now, let me go to a few specifics. The personnel summary in the justification shows one person for the Fellows program, one for the International program, three for the Research program and two for the special constituencies program. There is no budget request for these programs. What are these seven people going to be doing?

Mr. BIDDLE. As I said, Mr. Regula, I think that in the special constituency area, the person there can serve as a great resource of this whole field in bringing the arts to handicapped people, to special situations in prisons, to the Veterans Administration. That is a resource for the country in this respect. This is a person who understands those areas very well and can help generate private money for people, other funding.

Mr. REGULA. You are saying that even though there is no budget request for funds for this program, that you will have an ongoing program?

Mr. BIDDLE. That we will be able to generate funds for those purposes through a staff resource.

Mr. MOORE. Mr. Regula, I think as far as Special Constituencies are concerned, there are two aspects to it. The program has over the years gathered some funding to put in the model project areas.

Mr. REGULA. Are you talking about private funding?

Mr. MOORE. No, within the Endowment—for model projects in the areas of the theater and dance that explore ways of either artistically using issues or people who are handicapped or aged or the like.

Another component has been working with other federal agencies.

A third has to do with section 504 of it and handicapped regulations that all federal agencies have to deal with. We got into this area very early, and I think we had an extremely successful effort. I think I can say with some confidence that our field does not look upon our activities in this area as being at all onerous or burdensome. We have had a very delicate program, very concerned with the interests of the organization that are our recipient constituency, to develop an awareness of the issues.

We are aware that there have been some, on the other cases outside of our area, kind of a heavyhandedness in this that has not made it acceptable. Mr. Perlman, who was here this morning, was speaking of this question of awareness and bringing forth ideas. We have that program and that would be ongoing within this particular office, continuing to keep information flowing.

We don't go out with these things and say "thou shalt." But here are ways in which you can enhance accessibility, as I say, which we are firmly convinced are not burdensome. I would be delighted to give you some more information about that. That would be ongoing.

Ms. TIGHE. May I add that it applies similarly in the International Program. Most of the work done in that program has not been directed toward spending our money. It has been directed toward advising other groups involved in international exchange of the arts on how best to place their money—lots of different places.

Certainly with the International Communications Agency, we have through our staff person been able to take their request for dance in some foreign country and using our panels, we would use any way, to review our application. They advised the ICA on what dance groups might be advisable or suitable to represent the United States.

We have done this with the Japan Friendship organization. We do this with our resources. When the panel comes in with something else, in comes our international person who has gotten the background information, coordinated it, gotten their information and conveyed it back to the organization. Through that means, I would like to hope we have been able to upgrade the quality of arts that this country is sending abroad with really very nominal cost to the Endowment.

Mr. BIDDLE. Let me give you one other example of this. The other day, not long ago, a corporation called me and said they wanted to do a visual arts program with Mexico, an exchange program utilizing American artists and Mexican artists. And they trusted the Endowment to provide some sort of guidance for this.

The young lady who works for the international area here and who has a great deal of imagination and ability and knowledge, was able to put together a suggestion which was accepted by the Mexicans and by the corporation, and as a result, a project is ongoing. It wouldn't have been possible without that staff resource. It just would have fallen somewhere askew.

Mr. REGULA. I assume you are saying these seven people are resource people even if they have no money to spend?

Mr. BIDDLE. That is the point.

Mr. MOORE. In the research area, if I might add, I think that I would point out we have a substantial drop in the staff of that program, from I think seven to three. As a result of having our personnel ceiling diminished by about 25 people in a rather short period of time, we have stopped hiring, regardless of the freeze, and we are trying as best as possible to reassign people within the agency to take up functions as vacancies occur.

With the research effort, though, there are ongoing contracts that need to be monitored. I would expect that if there were no funds remaining in that program, that the contracts that are now out would probably take a year to 18 months to complete. That was the idea of having those three staff there.

As far as the Fellows Program, it is up in the air as to whether or not we would take that individual and use that person someplace else. If we were going to have a Fellows Program, we might run it out of some other office. Without the ability to pay, to give some sort of monetary assistance to these young people who come in, we might not be able to have quite as broad a reach. We might just be drawing from people in the Washington-Baltimore area.

But there are arts administration programs in the area, and we have had some expressions of interest from people who might want to come without remuneration to work with us.

Mr. BIDDLE. The Fellows Program is to bring young people who are particularly interested in developing careers in the arts to have a period of time at the Endowment so that they can learn greater dimensions for their understanding of the work. It has been tremendously successful in helping build careers for arts administrators.

There is also a possibility that educational institutions might like to assign people to work as Fellows at the Arts Endowment for a period of time without cost to us. So that one young lady again, who is involved in the program, is a resource to this type of activity.

Mr. REGULA. Personnel. I have some other personnel questions, Mr. Chairman. I don't want to spend too much time on them.

Mr. YATES. Would you rather put them in the record?

Mr. REGULA. I won't pursue all of them.

Mr. YATES. You have the floor now and you may do as you wish.

Mr. REGULA. Thank you, Mr. Chairman.

I notice that the state programs are down by 50 percent, but there appears to be no reduction in personnel. You testified this morning, that you will have a 10 to 12 percent reduction in applications, perhaps more. Again, however, there is no reduction in personnel. I don't follow the logic on that. Maybe you can explain why you keep the same number of personnel in both instances?

Mr. BIDDLE. For the State Program, and I think it is again a resource for state activities, there is a great deal of information that needs to be exchanged between the states and ourselves. And regardless of the amount of money going to the states, the same workload applies to those areas as would apply otherwise.

Also, I think in an abbreviated financial time, a time of reduction, those resource people are even more valuable to the activities they are helping to conduct than they would be otherwise, because they are going to have to be perhaps more innovative, perhaps more advisory, in their capacities.

Mr. REGULA. Do you have confidence in the State Programs?

Mr. BIDDLE. I have great confidence in the caliber of state leadership.

BLOCK GRANTS TO STATES

Mr. REGULA. Then I assume you would favor a block grant whereby you would eliminate the administrative overhead, give the money to the states and let them administer the program out to the communities?

Mr. BIDDLE. More than is being done now?

Mr. REGULA. Yes. In other words, a total block grant program.

Mr. BIDDLE. I don't think I would favor that, Mr. Regula, for the reason that I think you have to have a national perspective on the arts. I think that many organizations feel that they want a hearing at the national level, and feel competitive in terms of the other organizations similar to them. They like the idea of plurality of approach.

A great deal of this applies to the middle level type of organization, which may be receiving some help from the state agency, but which looks upon the Endowment as another area where it can apply and be given additional help. Many organizations in the country now are receiving some help from the city, from a municipality, from the state arts agency and from the Endowment.

I think the Endowment gives a perspective to the national level that should not be eliminated, should not be reduced really beyond where it has always been, that is, 80 percent of the program moneys are for national purposes, and 20 percent have traditionally been for the states. If there were a desire to make that change, to make it a higher ratio, then I think the states would have made that expression to the Congress when the bill was reauthorized last year.

But I think it has been an extraordinarily effective partnership on the basis that it has established that there is 20 percent for state funding.

Mr. REGULA. The state cut in our budget proposal is greater than some of the others.

Mr. BIDDLE. That is because of the mathematics of the situation.

Mr. REGULA. But you are really saying that given the choice, the State Programs is not an equal priority with some of the other programs. Obviously, your administrative budget has the highest priority because it goes up. The Challenge Grant Program takes a real beating. In light of all your statements over the years I have been here, about what a wonderful thing it is, I am at a loss to understand that one.

The program that seems to be preserved, other than administrative, is the one that is run out of Washington. Comparatively, the states take a pretty good slice, too. That all says to me that your confidence is placed, (1) in administrative functions, and (2), in the things you do here in Washington. I don't believe that I accept that. I would like to see the arts reach these people out there that are paying the bill.

Mr. YATES. That is what he wants, too.

Mr. REGULA. But it doesn't happen.

Mr. YATES. I agree. He says it is the mathematics of it. When you cut a budget in half, you are going to have to cut the grants to states, too.

Mr. REGULA. I understand that, but they cut them even more than that, 55.9 percent.

Mr. BIDDLE. They are still 20 percent of the program. That is under the law. The reason that that reduction seems so large comparatively is because of the mathematics of the higher program monies under the \$175 million. It is a question whether the Treasury money is a larger percentage of our budget now than it was under the \$175 million. That is the mathematics of it. And the Treasury monies are not available on the 20 percent basis to the states because they are a different kind—

Mr. YATES. Formula?

Mr. BIDDLE. Formula.

GOVERNMENT MONEY DIRECTED TO LARGE CITIES

Mr. REGULA. Well, this sounds parochial, and it is. But in the 16th District, which is a good microcosm—

Mr. YATES. Of Ohio.

Mr. REGULA. Of the United States. We are part of the 50, you know. It has a very fine program locally. We are getting about \$1 for each \$10 we send. Now, that tells me that this program is not reaching the people. I think an inordinate amount is flowing to the large centers, such as New York City. I know you will tell me that this spills out. I can accept some of that. But not a 10 to 1 ratio. That perhaps is a philosophic division on how we could use this.

Mr. YATES. Tell me what you mean by ten to one ratio.

Mr. REGULA. In other words, our taxpayers in the 16th District are putting in \$450,000 and getting back about \$42,000. So for every \$10 they send they get \$1 back. That is directly. It doesn't take into account the joy they receive from—or will on July 4—when they can watch the performance out here on the mall. And I understand those things.

But that is why I am pursuing the block grant concept. If we want a universality of arts so people like me get reached, Mr. Chairman—

Mr. YATES. Oh, you have been reached. I have laid hands on you.

Mr. REGULA. You will have to try again.

Mr. YATES. What would your ratio be that the people of the 16th District in Ohio send to the Defense Budget?

Mr. REGULA. I would have to say—

Mr. YATES. It is a little larger center?

Mr. REGULA. I would have to say, because of steel, et cetera, but I don't think you can compare those because defense is a worldwide

problem, as you know. You were in the committee the other day when I took the \$92 million out of the MX, so I am talking about management, whether it is the arts or defense. You recall the amendment. But anyway, I just think if we are trying to get a universality of arts experience for all the people in the nation—

Mr. YATES. I couldn't agree with you more.

Mr. REGULA [continuing]. That we should be emphasizing the State budgets, and we should be emphasizing the grass roots aspect of this. What I see on these justifications is going the other way. It is keeping the administrative end and the city here alive, doing well and flourishing.

Mr. YATES. Well, this is the Nation's Capital. It belongs to the 16th District of Ohio, as well as the rest of the country.

Mr. REGULA. I understand that. We want our share back, that is all. It is too parochial.

Mr. YATES. It is much too parochial. And I don't think you really mean it.

Mr. REGULA. No, no. I don't mean it necessarily in dollars but what I am saying is that we want to see this program managed to achieve the goal, of enhancing the arts programs of this Nation. And I don't think that the approach that is being followed here, where we maintain and increase administrative costs, is reaching out and doing the valuable—

Mr. YATES. How do we do it? I asked why Illinois doesn't get more money than it received many years ago. I looked through the table of grants in the back of the budget and see that New York gets \$30 million. Almost as much as any other State. Massachusetts has approximately \$15 million. I think Illinois gets between \$7 and \$9 million.

As a good Congressman I can be as parochial as you on this. I react that way. I told the people in the Endowments, and I have told the arts organization to whom I have spoken, that Congressmen look at the formulas. The very thing you are talking about, and that a bill will rise or fall depending on the distribution of its formula to the various States. If it goes to one State more than another, there is a certain hostility that is generated at the unfairness that you think is created.

GRANTS OF NATIONAL IMPACT

I am not sure, and I am not entirely convinced yet, by their arguments. Yet, I am almost convinced, since it is a reasonable explanation, New York not only has the benefits for New York, but it also is the center for the Nation's cultural associations. The American Arts Alliance has its center in New York. Therefore, when a grant goes to this national organization, it goes to that address in New York. But the National Arts Alliance has chapters throughout the whole country. I don't know about the 16th District of Ohio. I know we have one in Chicago. So we benefit to that extent.

Then there are other organizations of that kind that are more prominent and more predominant in New York City than they are any other place. I find that in humanities, as well. The combination of both the arts and the humanities finds that about 17 per cent of all the money goes to New York, for the reason of various

formulas, because of the national organization, because for an obvious reason, culture seems to have gone to New York.

It is not only the arts capital of our country; New York right now is the arts capital of the world. It has taken over from Paris, from Vienna, it has taken over from the European capitals. It is the art center of the world right now, for better or for worse, the arts people go there.

I agree with you. You and I are in the hinterland. And these benefits ought to flow not only to the 16th District.

Mr. REGULA. Not in dollars, but in impact.

Mr. YATES. I agree with that. They ought to come to Chicago. But it is interesting to review. I don't remember whether you were here last year when a witness by the name of Wally Richardson from Nebraska came in from a town in Nebraska of 800 people, called Dunning, Nebraska. He just raved about what the Arts Endowment was doing to bring culture to the people in rural areas of Nebraska. I told him that as far as I was concerned, the only things I knew about Nebraska were football and corn. They are famous for that.

He said, "No, we are getting culture now, too." He said, "The Endowment brought culture to us."

So it is moving out to the hinterland, too. I suspect that the 16th District of Ohio, had you propounded the same question five or six years ago, would shout that they were paying in \$20 perhaps, and receiving only \$1 back. Now they are receiving \$10. We are moving in that direction.

I would agree with you that I would like to see the Endowments do more. I am taking the position with you against what most of the people I suspect on the Council for the Arts think is right. They want to provide the funds for artistic excellence.

Mr. REGULA. And we agree with that.

QUESTION OF PROFESSIONAL EXCELLENCE

Mr. YATES. Yes. In due deference to you, my friend, in due deference to me, I don't think the 16th District of Ohio has the professional excellence that New York City has. I don't know, perhaps I am demeaning the 16th District of Ohio. Is this the city of Canton?

Mr. REGULA. Yes. I suspect if you took 10 million people versus 350,000 it would come out pretty well, on a per capita basis.

Mr. YATES. Yes. Ohio, of course, is the mother of Presidents, it has a lot of culture. But I agree with you. I want the benefits to flow through America.

Mr. REGULA. We agree.

Mr. YATES. Then why are we arguing?

Mr. REGULA. Well, we are not. It's us against them.

WIDE DISTRIBUTION OF GRANTS

Mr. YATES. Now, let's find out whether it is really us against them. You gave me the statistics. You have a lot of right on your side. But we have several members of the Council here. Liv Biddle has to rely on the advice of the Council. We have Mrs. Albert; we have Mr. Lopez. Is Ms. Wyman still here? She had to go back. Mr.

Lopez and Ms. Albert, would you like to comment on this? You sit on the Council and you review the grants.

Mr. REGULA. Tell us where you are from also.

Mr. YATES. Have you ever seen Eddie Albert in the movies? This is Margo. He has seen Margo in the movies.

Mrs. ALBERT. No, no, I was before your time.

Mr. YATES. She is a very distinguished member of the Council, as is Bernard Lopez. He raises a point. How would you answer the point Mr. Regula raises? He is an important member of this committee. I want you to understand, and this is a very important committee for your life.

Mr. REGULA. They understand that.

Mr. LOPEZ. Mr. Chairman, I am respectfully aware of that. If you are from the hinterlands, I must confess that I must be from farther away than that. It doesn't even have a name. Even Kansas seems pretty big. New Mexico is indeed one of the smaller places in this country, and it is one of the larger places for the number of people it has.

I think that to us, the importance of the Endowment in places like that, that are characterized by very sparse populations, very great distances, has been fantastic, almost uncalculable. It has provided, first of all, a catalyst and stimulatory effect which is profound.

Since the Endowment has formed, there have been opportunities for the first time for certain kinds of experience that were never possible before. For instance, one area that has not been talked about but which is most important to the States, and which has suffered perhaps even more than any other program mentioned here, in a sense, is the Artists-in-Education Program. In a State such as ours the rule is that there are no art schools. All the priorities the school boards and such organizations place lowest of all are concern for cultural and creative arts exposure and activity. That has been cut to the bone.

I think that the influence of being able to provide professional artists in an environment which is accessible to young people whose lives are still relatively open and who delight in the possibilities of exploration is profound. This reaches throughout a small State like that.

Mr. REGULA. Could not a block grant accomplish that? If you gave the money to the States for arts purposes, they in turn could ensure that in New Mexico, you will have these programs in the school districts. Presently, it is not happening. You just said yourself, that has been cut more severely than some of the other things. Those are the decisions that bother me.

Mr. LOPEZ. Well, yes. More important than that, there have been opportunities for groups like the National Theater for the Deaf, for the Theater of Hope, and indeed, that have stimulated the growth of indigenous companies within New Mexico in the tradition which belongs in New Mexico, and which comes from there.

This never would have started had the Endowment not made those visible kinds of programs accessible to people.

BLOCK GRANT CONCEPT

Mr. YATES. But Bernie, you are not answering the question directly. He is saying, good. Those are fine programs, and they should continue. But he said shouldn't there be a funding that is different? Wouldn't that same thing, or possibly an expansion of that concept be more possible if there were block grants rather than specific grants through the Endowment?

The point he is making, it seems to me, is that the opportunity for funding the people out in the hinterland would be greater if you did not have as much administrative expenses. Is that what you are saying, Ralph?

Mr. REGULA. Yes Counselor, you are right on that.

Mr. LOPEZ. Yes. To address your question directly. I think that a block grant mechanism could address any of the areas that are now being addressed under the current system, under the current procedures and mechanics at the Endowment. There is no question about that. I do think, as Director of a State arts agency itself, that I would prefer to see an unrestricted system of block grants to the States directly, if it were indeed the wisdom of the Congress to apportion a larger percentage of funding to the States.

I would prefer to see it still run through the National Endowment for the Arts for many reasons. Even though the present law mandates that a certain percentage of the program funds go to each State, it is not in a sense—and this may run counter to some of your thinking really an entitlement program. It is not without its restrictions and criteria aimed at a national purpose. I think that is the key here.

The national purpose is excellence and accessibility, and I think that going through a small, but effective—and I would like to stress both those very much—small and effective group of people at the Endowment concerned with the criteria for excellence such as those that have been developed, which assure that any State receiving those funds conforms to certain very basic general but important criteria such as proper planning, assurance of public participation at the State level, is important.

Mr. YATES. All right.

Margo, just a minute. Am I taking your time Mr. Regula?

Mr. REGULA. No, go ahead. I think you and I are in agreement. That is great.

Mr. YATES. I am not sure we are in agreement.

Mr. REGULA. We are getting close.

Mr. YATES. I am acting as your lawyer.

Mr. REGULA. The price is right.

Mr. YATES. You get what you pay for around here.

All right. Mr. Regula would now say—

Mr. REGULA. I have got to be careful on this one.

IMPORTANCE OF NATIONAL STANDARDS

Mr. YATES. I know I am putting words in your mouth, and I am being very careful. Why should you have national standards? Why not give the money to the States arts commissions in New Mexico and let them decide the excellence, the standards, the scope of development of the arts?

Why do you have to have these national standards that are imposed on the people of New Mexico, if you will?

Mr. LOPEZ. I believe the standards of which we speak are important to distinguish. First of all, under the present guidelines, and I hope under any future ones, there is no criterion of excellence, or selection which is dictated. Each state must be able within its own context to define what excellence is, what is emerging talent, what should be supported within the context of their own needs.

What is assured, however, by a central overseer sort of organization or operation, such as is now provided, is that there is no arbitrary capriciousness on the part of the state, which is entirely possible and that certain procedures are followed to assure that a plan, by whatever their own criteria are, has been carefully thought out and addresses the needs of the State as a whole.

There have been I believe one or two cases in which a State block grant was not automatically given. I think that was welcomed in both cases. There was cooperative involvement resulting in, I think, considerably improved state plans. Yet the exact programs, the methods of distribution, the artistic criteria used at any single state was entirely up to itself.

Mr. YATES. Margo wants to say something.

Mrs. ALBERT. I am sorry. I was getting desperate because I have a terrible memory. I was very delighted by your answers because you and I have experienced something quite singular, which is NEA's extraordinary concern over the very things to which you were referring. I am part of a task force which is about to close out which was appointed by NEA to look at areas where they felt that they were not truly enough of the individual local needs. I have gone through two and a half, almost three years of the most horrible amount of work you could imagine, and a lot of having to answer questions in different localities because NEA felt we are not reaching deeply into enough places and meeting enough commitments.

"Go find out where the gaps are. What can we do?" And some very exciting and good things came out of that. That is the first thing that I wanted to mention, that you are concerned about how much money reaches Chicago, and how much money reaches Ohio.

But so is NEA, and so concerned that they did inform this task force as one of the ways of getting this better and better. NEA's work is a continuous, growing process. This is what has been very exciting to me. This is one of the reasons why I am very interested in what is going on here right now. I think the more you look into the way that NEA functions, and what it is they are giving to our nation, the more you will be excited about how much of it you can really applaud and agree with.

And I am very aware of your immense help and how much the lives of the arts are in your hands. As I mentioned to Congressman Yates, I have brought from California a deep appreciation and gratitude of the artists and people in the arts in California to the people of this committee. But they are just as concerned. It is probably not perfect. Maybe there is something more that can be done about Canton, maybe there is something more that can be done about Chicago.

The fact is that this is their thinking, as well. Whether it comes to the business of block grants to the individual areas, I think if you were to ask people very objectively in the state arts organizations, that they realize that there is an enrichment of their whole process and their whole experience locally that they can only receive through working very closely with the national group.

Does that make sense to you?

STATE SUPPORT OF THE ARTS

Mr. REGULA. Well, the fact that the states put up \$111 million of their own money last year, as compared to getting \$22 million from the NEA grants, a five to one match—is indicative of a very strong commitment on the part of the states.

Mrs. ALBERT. Yes.

Mr. REGULA. It seems to me if they have state legislatures—you have served in one as have I. Well, you have been around enough.

Mr. YATES. I came fresh into the Congress.

Mr. REGULA. Well, the state legislatures do not easily spend money.

Mrs. ALBERT. Tell me. I am from California.

Mr. YATES. They have Proposition 13.

Mr. REGULA. That says a lot about the state impact. I want to expand this to leverage it even more.

Mr. YATES. Let's look at this. You are wedded to the arts. I know you are. I am not sure you are wedded to the Endowment for the Arts. I don't know whether you are wedded to the President, but maybe private giving would be better. If we were to rely primarily upon private giving where would that money go? Where would it come from and where would it go? It would go to California because you have wealth out there. You have Norton Simon and others out there who give money.

It would go primarily to New York. New York is where that money is. That is where the corporations are and that is where the money would go.

I think, Ralph, we have a gripe. It is getting better as time goes on. But if we shift emphasis to the private communities, you are going to see less going to the 16th District of Ohio and you are going to see less going to New Mexico and less to the hinterlands.

Mr. REGULA. I am talking about states. The states have put up \$111 million to leverage \$22 million they have received from us. That is why I am pursuing the block grant. I just saw the advertisement the other day that Cleveland, Ohio—and they have had a few bum raps—is number three in corporate headquarters in the entire United States. So everything considered, they have a population of 800,000, New York 10 million.

Mr. YATES. Cleveland, Ohio is one of the great art centers of the country.

Mr. REGULA. Right. They have done marvelous things up there in private giving as we have in Canton. But what we are really attacking is how to achieve a goal we both ascribe to, artistic excellence. And how we can most effectively use the federal dollars.

I am disturbed by the allocation priority-wise that is being proposed to us in this budget process, or appropriations process. The

gentleman referred to the federal standards. But I examined the travel vouchers to some extent, and I find a great amount of the money spent for travels to New York City. It is not to New Mexico. In fact, I don't find much of any for audits in 1981. I notice in 1982 there is no money for audits.

Mr. YATES. Ask him the question.

Mr. REGULA. If you are going to establish all these national standards, how do you get those implemented if you say that the local state arts councils do not have the ability, in your judgment, to effectively take this funding through a block grant process and achieve artistic excellence in Ohio or Illinois or New Mexico?

Mr. YATES. Wait a minute Margo still has the floor.

Mrs. ALBERT. We had the lowest contribution from a state arts council in California until three years ago. I think we were lower than Alaska.

Mr. REGULA. Are you referring to the state portion of the money?

Mrs. ALBERT. Yes. During that period was the most tremendous flourishing of arts in California.

Mr. REGULA. During the past three years?

ARTS FLOURISHING

Mrs. ALBERT. Yes. I would say three, four, five years. If it had not been for NEA, as a matter of fact, if I had a chance I would like to read you a small thing, something which Gordon Davidson of the Theater put into the program to celebrate the aid of NEA to the theater, to all the arts in Los Angeles. Had it not been for the federal assistance, had it not been for the continuity, you see, ballet companies, theater companies, museums, need continuity. Some of them were Challenge grants. Some of the most fantastic things come out of \$2,500. Small seed money.

Three years in a row, Pulitzer prizes, sensational successes. There is something about a nation saying, yes, the arts are of prime importance. There is something about their saying, whatever we can give, measured with the condition of our life and so forth, it is definitely going to you.

When it becomes a local thing it sort of changes. It changes a lot anyway nationally, but you know what I mean. I think there is that to be considered. I think also when you see vouchers for travel to New York—and I am just as eager to look at where there are weaknesses, because I have the kind of faith in this organization because of what I have seen, and the real, renaissance, because there has never been a thing like it in this country before—of a vital surging arts movement which I think the Endowment is absolutely responsible for—when you see things like travel vouchers to New York, people go there because that is the center, because there are things they have to delve into that affects us all.

I am in Los Angeles, and I know there are things that they have to go there to inform themselves about, to do things about, to help create, that will affect me as well. I think maybe the difference is that having worked back stage in this organization, having travelled, as Bernie and I did, for almost three years from one end of this country to the other, looking at what is wrong—really, this is what we were doing—we have both come up with a feeling of the

integrity and the quality and the seriousness of this organization for the nation.

I really don't think they function like, you know, it is here and it is there. Of course, to some degree it is always going to be that place that is the international center of the arts—New York, may do better. And that we all have to work for our localities. But that is not how they function. They really don't. Yet they are looking to—and this is one of the reasons they have this task force—to look into what is a better way to spread the money around.

NEW YORK, AN ARTS CENTER

Ms. TIGHE. Can I pick up on the travel voucher, because I think there is always much discussion about that. I have been thinking of it in a different context. First, you know you already had the density of the artist population up there, artists to arts. That is really the thinnest layer of it.

Secondly, the national headquarters for so much private support, corporation and foundation support, is there.

In going over my travel for the last couple of years, I noticed how many meetings that took place at, for example, the Equitable Life Assurance Society in New York—meetings there that resulted in a fellowship program for the Southeastern part of the United States. That is just one example of many.

I can't tell you how many times you sit down in New York with a Mobil, with an AT&T, with Mellon, with Ford, whatever, and it results in a project with very wide application. I know the head of our Music Program sat down with Ford and came up with the Chamber Music Program. You could go on and on.

Next, the national headquarters as you pointed out, of so many of the service organizations are there. That is—if you are going to try to reach the poets and the writers of America the headquarters of that organization is in New York. There is nothing comparable any place else.

Also, a great deal of the arts writing and thinking, critical thinking is centered there.

Finally, the point Margo made so eloquently: it is a magnet for people elsewhere. So that if you are going to New York for the Equitable Life Assurance Society meeting, chances are you will find out that people from Cleveland, people from everywhere are there. And you catch them while they are there as well.

In going again over my own records, I found that 68 percent of my trips to New York in fiscal 1980 were trips that were for what I call national or regional purpose, meaning not related at all to New York-based organizations.

In this fiscal year over 78 percent have been for national or regional purposes. I suspect that proportion will carry right through. Implications are far wider than what is happening that day at the metropolitan area.

BUDGET AUDITS

Mr. REGULA. Coming back to this issue of states operating under federal standards, which you seem to think is important, how do

you accomplish this once the money has flowed out there? There is nothing in the budget audits.

Mr. MOORE. There is money in for audits, sir.

Mr. YATES. Wait a minute. Everybody says there is. Who is your budget man?

Mr. MOORE. I am not sure what you—we have an audit staff.

Mr. YATES. Where is your budget man? Is there money in the budget for audits? Would you identify yourself for the record?

Mr. BADEN. Larry Baden.

Yes, there is. If you look in the back of the budget book, page 222.

Mr. YATES. Identify for the record, Larry, and speak up.

Mr. BADEN. Not page 222, on page 224.

Mr. YATES. Is that speaking up?

Mr. BADEN. As much as I can, sir.

Mr. YATES. Okay.

Mr. BADEN. Within the Administration area, which is the first item below the program areas, funds are included in that. I would have to find out specifically how much, but funds are included in that for audit activities.

We intend to allocate somewhere between \$10 to \$15,000 for travel, but the exact amount I would have to provide for you.

Mr. REGULA. So it is lumped in with administration?

Mr. BADEN. Yes.

Mr. MOORE. Those administrative costs are travel, staff, et cetera.

Mr. REGULA. Does the \$12 million plus that you have in this budget for administration, include all travel?

Mr. MOORE. Yes.

Mr. BADEN. Yes.

Mr. MOORE. In that we have allocated \$435,000 for travel in fiscal 1982.

Mr. REGULA. How much was it in 1981?

Mr. MOORE. We had originally planned for \$505,000. We will be spending \$270,000. But as far as travel is concerned, there is an interesting chart we put together as far as costs are concerned, that the average trip cost, due to airline and per diem costs, has gone up from \$234 on the average in 1979 to \$582 average in fiscal 1981.

Mr. YATES. I have experienced the same thing going home to my district.

Mr. MOORE. So we have \$435,000 in fiscal year 1982. We will do less traveling per person than we did in 1979. The costs have increased tremendously.

Mr. REGULA. We understand that, because we all face the same problem.

Mr. YATES. We sure do.

Ralph, may I suggest that on page 221 of the justification you will find under the Deputy Chairman for Policy and Planning, under the heading of administrative services the items personnel, accounting, audit, data processing, so forth?

Mr. REGULA. Do you have any summary of the audits that you completed in 1981?

Mr. MOORE. I would be delighted to get it to you for sure. Yes. [The information follows:]

Audits and Surveys - FY 1981

<u>Date of Audit Report</u>	<u>Audit Report No.</u>	<u>Grantee</u>
Oct. 7, 1980	A-CAA-81-2	Montana College of Mineral Science and Technology Butte, Montana
Oct. 30, 1980	A-S-81-3	Chelsea Theatre Center, Inc. New York, New York
Nov. 18, 1980	A-DR-81-6	International Arts Relations, Inc. New York, New York
Nov. 14, 1980	A-DR-81-8	Group I Acting Company, Inc. New York, New York
Nov. 21, 1980	A-CAA-81-9	University of Utah Salt Lake City, Utah
Nov. 21, 1980	A-DR-81-10	San Jose Symphony Association San Jose, California
Nov. 21, 1980	A-DR-81-11	Media Study, Inc. Buffalo, New York
Dec. 5, 1980	A-CAA-81-12	University of Montana Missoula, Montana
Dec. 11, 1980	A-CAA-81-14	National Governors' Association Washington, D. C.
Dec. 18, 1980	A-CAA-81-15	Montana State University, Montana Cooperative Extension Service-Montana Agricultural Experiment Station Bozeman, Montana
Jan. 22, 1981	A-S-81-17	New England Foundation for the Arts Cambridge, Massachusetts
Jan. 22, 1981	A-S-81-18	Los Angeles Philharmonic Association Los Angeles, California
Jan. 22, 1981	A-S-81-19	The District of Columbia Commission on the Arts and Humanities Washington, D. C.
Jan. 22, 1981	A-DR-81-23	Theatre Development Fund, Inc. New York, New York

<u>Date of Audit Report</u>	<u>Audit Report No.</u>	<u>Grantee</u>
Jan. 30, 1981	A-CAA-81-25	Northeast Georgia Area Multifunded Planning and Development Commission Athens, Georgia
Feb. 6, 1981	A-S-81-30	Fine Arts Museum of San Francisco and de Young Museum Art School San Francisco, California
Feb. 6, 1981	A-S-81-31	Oklahoma Symphony Orchestra, Inc. Oklahoma City, Oklahoma
May 20, 1981	A-S-81-49	American Samoa Arts Council Pago Pago, American Samoa
May 15, 1981	A-CAA-81-50	Wichita State University Wichita, Kansas
May 15, 1981	A-CAA-81-51	Loyola University of Chicago Chicago, Illinois
May 15, 1981	A-CAA-81-52	Tulane University New Orleans, Louisiana
May 18, 1981	A-CAA-81-53	State of Montana, Department of Labor and Industry Helena, Montana
May 20, 1981	A-CAA-81-54	Texas Tech University Lubbock, Texas
May 20, 1981	A-CAA-81-55	California State University, Fullerton Foundation Fullerton, California
May 20, 1981	A-CAA-81-56	University of Colorado Denver, Colorado
May 20, 1981	A-CAA-81-57	University of Colorado Boulder, Colorado
May 20, 1981	A-CAA-81-59	University of Michigan Ann Arbor, Michigan
May 26, 1981	A-CAA-81-58	University of Minnesota Minneapolis, Minnesota
May 27, 1981	A-CAA-91-60	University of Montana Missoula, Montana

Mr. REGULA. Do you plan program audits for 1982, or do you do them on an ad hoc basis?

Mr. MOORE. We have two sorts. One is a sample and the other is at the request of a particular program. We have ongoing sampling audits, but we also do a number to find out whether someone has spent money wisely, or whether they can spend it wisely. It is retrospectively and prospective. But I would be glad to give you a history.

Mr. REGULA. Do you audit the individual grants on a random basis?

Mr. MOORE. Yes.

Ms. TIGHE. We make a lot of these audits. That is why I was surprised to hear because in addition to examples of individual grants, we also request, for example, anybody who makes an appeal, who says their grant was denied for reasons they might disagree with, we audit that person, their past grants if there have been any, in terms of putting together a package so we can reconsider the entire matter.

Also, if we get as we periodically do, rumors and letters from the field about something that might not be just right—sometimes, for example, an artist will write us and say that "I was working under an NEA program and something about that program was not what it should be." That is automatically audited.

Mr. REGULA. Do you ever hear from Paul Harvey? He has usually some horror story.

Mr. YATES. With the arts?

Mr. REGULA. Well, with everything.

Mr. BIDDLE. No, I don't believe they have ever gotten to us.

Mr. REGULA. You haven't heard from Paul Harvey?

Mr. BIDDLE. No. I listen to him regularly.

Mr. YATES. Did you want to make a comment?

Mr. BIDDLE. If I may.

Mr. YATES. You may.

Mr. BIDDLE. In the last three years, all eight regional organizations have been audited. We average about three to four state agency audits per year. Just for the record, so that you know where we are coming from when we talk about standards, these are in the legislation.

Mr. REGULA. Are these state audits that you are talking about?

Mr. BIDDLE. Right.

Mr. YATES. That is in the national legislation, though?

Mr. BIDDLE. Right.

Mr. YATES. The national legislation establishing the Arts Endowment?

STATE APPROPRIATIONS

Mr. BIDDLE. You mentioned the \$111 million, \$110 million the states are putting in, as opposed to \$2.37 million in 1966. That is a tremendous difference. That is state appropriated money. It is not other private matching money. That \$110 million is matched privately in the states. So we are talking about a higher ratio of matching than simply five to one.

In other words, the federal money triggers the state appropriated money, right?

Mr. REGULA. Right, but the \$111 million, as I understand it is state public money, and I do not know what—

Mr. BIDDLE. Taxpayers money, state money.

Mr. REGULA. I don't know what might be triggered additionally in private money. I think that opens up a very inviting concept, Mr. Chairman. I don't know why we are constrained by statutory limitations as to the way we can allocate this in terms of Challenge Grants to the states, the Treasury fund and so on.

But I think the evidence is compelling that the states have made great strides, and that is a tribute to the program, and you and others put that together initially. Maybe we have reached a watershed in the sense that we ought to allocating a much greter slice to them.

My question is, can we do that unilaterally here in the committee?

NATIONAL THRUST OF ENDOWMENT

Mr. YATES. I would like to think about that. My immediate reaction is that we are a national program.

Mr. REGULA. I understand.

Mr. YATES. I would fear that, if we emphasized the state part of it too much, you are going to lose the national purpose. I would just as soon have Chicago or Canton, Ohio become the arts center of the world and have everybody beat a path to our doorsteps as they are now doing to New York. I don't think that is going to happen.

Part of the reason is New York's legislature appropriates more money than any other state legislature. \$33 million. Much more than anybody else. That is why the arts flourish there, because they have more money to spend there, and because you have other money being spent there, the private and the states, the national funds go there. This is a case of whether the nation follows rather than leads, I suspect.

Mr. BIDDLE. And where, as you have this great new metrical increase in dollars that the states have provided, you have to realize that in 1966, New York State was funding the arts with about half a million. Now it is going to \$33 million, whereas there are, oh, maybe 12 states which don't even appropriate enough to make the match of our block grant.

Mr. YATES. I would also point out that there are many art forces in the country that think that too much money goes to the states now. That the money should go to what they consider to be the old line standard institutions.

Mr. REGULA. I feel that artistic excellence, as a national goal, is best served by the diffusion of these resources, as much as we can do efficiently.

Mr. YATES. But then you are qualifying artistic excellence when you do that, because you are qualifying by saying, you are not looking at artistic excellence as such, you are qualifying by saying it should be spread throughout the country. This is one of the criticisms that is made of the Endowment now, that it goes throughout the country rather than centering where the artists are.

But no, you and I agree, this is a national institution. And the strength that this appropriation receives and has received through the Congress is because it does go through the whole country and that it is flourishing throughout the country. It may be flourishing in the 16th District of Ohio, even though the amount of money that is reflected doesn't necessarily show it. You may have your arts organization there handling their arts performances without getting the benefit, just by stimulating it.

The money will help. I suspect that as time goes on, we will find more emphasis placed on state programs, but I would not like us to compel it. I would like to see it evolve.

Mr. REGULA. I guess the cliché is beauty is in the eye of the beholder.

Mr. YATES. It isn't a cliché. It is the truth.

ARTISTIC EXCELLENCE

Mr. REGULA. Artistic excellence will be in the eye of the beholder is what the term means.

Mr. YATES. I sat here for two hours—do you remember—about two years ago trying to get a definition of artistic excellence just as we tried to get a definition of a professional, because they also talk about professional excellence as well. These are terms that I assume are better not defined. It is like looking at that painting in the Corcoran Gallery that you and I looked at together. We looked at it, and you know, it was in the eye of the beholder.

But the point is that there are certain things that are very difficult to define. You cannot put it precisely. I suspect that is one of the reasons the Reagan Administration is now trying to do away with so many regulations, is because there have been attempts to say that this is how you shall have it.

I would suggest maybe we ought not to tell them this is what you should do. From what I have seen they are doing a very credible job. They are concerned with this as you and I are. Margo said they have worked on it three years now. They still don't have the answers but are nearer than they were.

Mr. REGULA. This says the Chairman is authorized to establish aid to the several states, which means the standards enumerated in section 5(c).

Mr. BIDDLE. That is on the previous page.

Mr. REGULA. Yes. When you read the words—

Mr. BIDDLE. The point I wanted to make is that a state programs panel meets to review this whole matter regularly. Bernie has served on it. The review criteria are pretty carefully done. As we pointed out, not Ohio, not Illinois, but there were two states last year which the panel judged were not up to those criteria. We worked with them. We improved the applications, and they were eventually off in the right direction.

Two little points:

One, is that we haven't mentioned really that we respond to applications. And we get about 20 to 25 percent of our applications from New York. That is another measure why the monies are in that volume there. We are encouraging as many applications from all over the country as we can. That is why applications have gone up so.

DECENTRALIZATION OF GRANTS

Mr. REGULA. If this program is successful in achieving artistic excellence for the nation, it would seem the ratio of applications from New York City versus the rest of the nation would have changed in the mix over the years.

Mrs. ALBERT. It has.

Mr. REGULA. New York would be going down as a percentage of the total. What is your experience?

Mr. BIDDLE. It is stable. It isn't going up any longer. It is on an even keel.

Ms. TIGHE. What is interesting, the mix has changed in terms of the ratio of institutions outside New York. There still is that density of the individual artist population in New York, but if you look at the ratio where the vast majority of our money goes, institutional as opposed to individual support, you will find that there are far more institutions outside New York, and that the percentages are shifting in that direction for institutions.

Mr. BIDDLE. There is one other point, if I could just mention it.

Mr. YATES. You may.

BRITISH ARTS COUNCIL

Mr. BIDDLE. I think it is kind of interesting. I was talking to the head of the British Arts Council the other day, who was visiting us, and his problems were so similar to the ones that we have about bringing the arts out to the people of Great Britain. We have had very interesting conversations. If they have an organization they want to decentralize, they give it an option—either go with the country or regional funding source, or it stays with the national source. They give the option to go either way.

He said most would still prefer to compete nationally, rather than regionally or locally. He said, however, that the sophistication of the groups was perhaps higher.

Mr. YATES. I just came across something. Here is an article. I have been reading so much I might as well read this, too. The arts are Britain's one success story.

This is from the *Globe*:

Dreadful weather, abysmal economy, prospects for improvement very low indeed—the only good news in London these days, aside from spring and an explosion of daffodils, is the arts.

Those who love the place for theater and music, for museums and galleries will be glad to know the old town is still a wonder. And this is because, recession or not, the arts continue to be a top priority item in the domestic economy of successive governments.

In the last two months, a considerable portion of my own domestic economy has been devoted to the arts. I have joined slow moving multitudes of the Tate Gallery, the Royal Academy, the National Gallery, the Hayward Gallery and the White-chapel Gallery. I have been to the National Theatre four times, to the Festival Hall for three concerts, twice to the Ballet Rambert at Sadler's Wells, once each to the Royal Shakespeare Company, to an opera and a ballet at Covent Garden, to a magnificent performance of the Verdi Requiem at Albert Hall.

Each time the house was packed, virtually every seat sold. And on each occasion, the paying customers could not cover the cost of the operation. Without a large measure of public support, the cultural feast that Great Britain offers its citizens and with which it tempts tourists from all over the world, would be seriously restricted.

At a time when Margaret Thatcher's government is cutting hard into almost every social program, the budget for the Arts Council has actually increased. Not

much. Not enough to do the job properly, according to the parties concerned, just enough to keep up with inflation. Despite the carping, the Arts Council is widely admired for its flexibility, its willingness to experiment, its insistence on high standards and for conserving this nation's cultural heritage. Unlike its American counterpart, the National Endowment of the Arts, it is not a political football.

Now, are you and I going to make this a political football?

Mr. REGULA. No. Mr. Chairman, I always say you should heed the advice of your lawyer. I probably would want to heed your advice.

Mr. YATES. I am sure you will. You always do.

Mr. REGULA. And support some increase over the budget amount.

Mr. YATES. Right.

Mr. REGULA. What I am troubled about is that we get value received. I am not satisfied.

Mr. YATES. What would satisfy you as to value received? The fact you got more money for the 16th District of Ohio? You are not that parochial.

Mr. REGULA. No, no. Let's forget that. What I am talking about is the way in which these funds are administered. One, I think we have had strong evidence that we maximize the use of the federal dollar by having grants to the states which generate a five to one match, well over what it used to be, probably less than one to one. We have the testimony of the states that they have developed a level of sophistication, in most instances where they can ensure that it reaches out into the classroom programs of the schools. So I would like to see some change in the mix.

Mr. YATES. Let's say I would, too, except that the legislative committee has set forth certain standards that govern—

Mr. REGULA. That is the reason I raise the issue with you, as to how constrained we are by statutory requirements in structuring the mix of the money we will appropriate for this particular function.

Thirdly, I am not, and some of this is based on conjecture, and some of it on fact, I am not totally satisfied that this has been administratively well run. I am not totally satisfied, particularly in view of the fact that the administrative budget has gone up while the budget that supposedly reaches the people actually is cut in half.

Mr. YATES. You can blame that on me and on you, because two years ago after I had visited the endowment and had seen with my own eyes how they were struggling beneath the flood of applications, to deal with the processes by which grants were approved, you and I approved an increase in administrative funds.

CONTRACTS

Mr. REGULA. As an example let's discuss, the use of sole source contracts. In fiscal 1981, NEA put out \$7 million in program funds and \$1.2 million in administrative funds for contracts. All of these, sole source to the best of my knowledge. I do the same thing with the military people. I don't like sole source contracts.

Mr. YATES. Ask them.

Ms. TIGHE. I can answer on the programmatic side. As I understand it, the issue of sole source does not relate to the program contracts.

Mr. REGULA. That is what the military tells me too.

Mr. YATES. Well, we have a wedding of the arts and military.

Mr. REGULA. The techniques I find in bureaucracy in many instances are similar, including congressional offices.

Mr. YATES. Should we let her answer or not?

Mr. REGULA. Yes, do go ahead.

Ms. TIGHE. When the Endowment contracts in the program areas, what we are doing obviously is contracting for somewhat limited service. We want people to do something that will service our field in one way or the other. In checking with our General Counsel, he has told us that in fact that is something that, where it is perfectly proper practice to sole source because we are buying as it were particular—

Mr. REGULA. I understand, like architects or lawyers.

Ms. TIGHE. The issue is in procurement.

Mr. YATES. I agree with you. I would like to see it opened to competitive bidding.

Mr. REGULA. Wherever possible.

Mr. YATES. Wherever possible.

Do you do that wherever possible?

Ms. TIGHE. In the procurement area.

Mr. MOORE. In procurement, you see, we have under section 5(c) the authority to do contracts or grants to achieve the purposes of the Act. These are not the procurement contracts, and doesn't fall legally it is my understanding, within the FPMRs as far as procurement of services for the agency are concerned.

These are assistance contracts. They are done almost exclusively as cooperative agreements, not contracts, consistent with the 1977 cooperative agreements law. That is the bulk of our contracts, as you have pointed out in your figures. Those are those assistance type contracts.

For our administrative side, we will spend this year \$137,000 in purchase of service contracts. I think the majority of those is for systems analysis that we have been using for the last year and a half to help us in the development of our ADP system. The others are small. I think there are possibly ten or twelve that make up that \$137,000.

I am not trying to make a hard and fast argument against the competitive bidding system, but it seems that those are small contracts where it is in our mind, as cost effective to do a sort of limited negotiation than it would be to advertise formally for them. We do use competition with publication, one or two grants. Particularly, with the research contracts that we have, which are generally fairly large. And we have always used, almost exclusively, used the competitive system.

Mr. YATES. We can put into the report a requirement for competitive bidding to the greatest extent possible. I would agree to that.

Mr. REGULA. Fine.

All right, another question for the Director. Could you tell me how much money is available in your discretionary fund and how you use it?

Mr. BIDDLE. Well, I had a couple of other comments.

Mr. REGULA. Okay, do those before you respond.

Mr. BIDDLE. One thought that we have had, and I am working with Mr. Lopez on this, is that Treasury funds as we mentioned, are not eligible for the 20 percent figure.

Mr. REGULA. They are not subject to the 20 percent?

Mr. BIDDLE. That figure does not apply to the Treasury funds because they are a special kind of match that requires money—

Mr. REGULA. So it is neither a limitation, nor a maximum?

Mr. BIDDLE. What it does is limit the State moneys just to the regular programs moneys. So that the Treasury funds are not subject to the 20 percent provided to the states. Now, it might be possible to phase down the amount of Treasury funds, giving us some stricture to keep a level of match that would be commensurate with the Treasury.

The Treasury requires a three for one match. The regular program requires a one for one match. The three for one match, therefore, would have to apply to the states as opposed to a one for one match which has been traditional. If we phase down the amount of Treasury money, we could apply a larger amount of total funds then to State activities. The 20 percent would apply to a broader base. Do you follow that?

CHALLENGE GRANTS

Mr. REGULA. I understand. What if you shifted from program to Challenge?

Mr. BIDDLE. The States would have difficulty with Challenge, although they can apply for Challenge.

Mr. REGULA. I mean the Challenge is a multiplier more than the program is. I am talking about two things, the State activities, and a multiplier effect—

Mr. BIDDLE. The Challenge monies now work on new and increased money. That is a very, very rigorous match. That is the reason Challenge is such a low figure in terms of the other accounts this time.

Mr. REGULA. Over the past years, I have been sold on the Challenge. Now you are unselling me.

Mr. BIDDLE. Well, it is a fantastic help to large institutions. We have invested \$98 million in that program, and it has engendered \$555 million, which is far better than three to one. Over five to one.

Mr. REGULA. Right.

Mr. BIDDLE. But most of the organizations receiving Challenge, not exclusively but most, are large—orchestras, theaters, dance companies and museums—not the little fellow who has difficulty making that very, very rigorous—so what I am saying is we could look at the whole question of leveraging provisional funds but some organizations are going to still be hardpressed to make the one for one match.

Mr. REGULA. Along this line, it is my understanding that OMB in its allocation to the NEA, has said here is \$88 million. This is what they are willing to allocate from their point of view on the budget. You make the distribution in our justifications.

Mr. BIDDLE. Not quite that way.

Mr. REGULA. Because this would be important if you were to try to change the mix.

Mr. BIDDLE. Well, OMB gave us pretty clear directions.

Mr. REGULA. Is this in a memo?

I think we ought to get it on the record, because frankly I am getting two different stories.

Mr. BIDDLE. On the directions given—

Mr. REGULA. Exactly. My understanding with OMB is that it is \$88 million. Do the most you can to accomplish artistic excellence with the \$88 million and that the decision on the allocation of the \$88 million, either administrative, Treasury, Challenge program, is one that was in the hands of the NEA.

Are you saying yes?

Mr. MOORE. I think that, if I might, sir, that the difference is that—

Mr. REGULA. Block grant?

Mr. MOORE. No. That OMB has expressed some fairly strong interest in the Treasury Program because of its matching potentials for us. There has been a history over a couple of years of that question being presented to us with some fairly strong indication of their interest in that area. So if somebody comes to us and says "\$88 million but," there is some expression of interest in that Treasury area as there was with the Council.

Ms. TIGHE. Can I bring up a point about Challenge that relates to this?

Mr. REGULA. Let me finish and be sure we are clear now. You are saying that verbally you had some understandings as how you should allocate the \$88 million but there is nothing in writing dictating that?

Mr. BIDDLE. No. And it has been my understanding since I have been Chairman that the Treasury funds were regarded as a mechanism for leveraging money, and therefore should be used up to the limit of the authorization.

Mr. REGULA. Aside from that, then, you can use the mix as you see fit in the recommendations to this committee?

Mr. BIDDLE. Yes.

Ms. TIGHE. We made the point to OMB with the Challenge Program that you cannot have a small Challenge Program and have it have impact. The way Challenge is presently constructed is that anyone who has received a Challenge grant already is ineligible and cannot apply. Now, we are going into what is the fifth round now. The pool of eligible organizations is less. Plus that pool is pushed further by the stringency of the Challenge match.

The ideal situation is to begin the second round of Challenge for which we are authorized. However, the point we made to OMB clearly was that in order to open again, not only do you have to take care of the people who have never gotten Challenge grants before, but everyone who has gotten one before becomes eligible again. You can't open it with \$15 million. We told them, I believe, that \$35 was the baseline in all our calculations to be able to continue both first round and second round of Challenge concurrently.

Consequently, I think they were aware of the fact that with the reduced level, Challenge was bound to suffer, because if we needed that much to do a significant Challenge program, with \$88 million, that was not going to be in the realm of possibility.

Mr. YATES. Unless you took it out of the programs.

Ms. TIGHE. And the impact that would have on the states would be devastating. As you know, the 20 percent is not drawn from Challenge or Treasury money. So if the preponderance of Treasury monies went for Challenge and Treasury, forget it for the state programs.

Mr. REGULA. It seems to me that with only \$2.5 million, you might as well drop it.

Mr. YATES. This committee may not accept the \$2.5 million.

Mr. REGULA. I understand that. That is really part of what our discussion is about, what we might do to change the mix.

Mr. YATES. That is what we are going to get into. I have asked Mr. Biddle to present budgets which reflect not the 50 percent cut the Administration is requesting, but which reflect cuts of 10, 15, and 20 percent. Which I take it you will support with greater or lesser interest.

Mr. REGULA. With that caveat, yes.

These Challenge Grants have been pretty broadly based in the past years since this program has been in place, as far as—

Mr. BIDDLE. Geographical?

Mr. REGULA. Well, I don't like that word, but in terms of impact on people.

Mr. BIDDLE. Yes. And I think there has been, in the first round of Challenge there was an emphasis just on major institutions. Grants were a million dollars up. My effort has been to broaden the base of the Challenge grantee. So the second round of Challenge which I was involved in almost doubled the number of grantees, and therefore, cut in half the average size of the grant. That pattern was pretty much followed, so that 98 organizations now, all over the country, have received Challenge Grants and have been able to engender \$555 million in new and increased money.

Mr. REGULA. Is this the one that people are referring to when they say to me, one of the values of NEA is that the private sector will respond if the program has been given approval by NEA because they are using the NEA as a standard to determine whether or not they should support it?

Mr. BIDDLE. It is applicable to that program.

Mr. REGULA. In the oversight hearing that point was brought out.

Mr. BIDDLE. I think it is true of any of the programs. The fact that the Endowment has looked at this organization, has selected it among the few, the relatively few grantees that are successful. About one-fifth of the applicants are successful. It means that 75 to 80 percent are not. So that is a tremendous judge of quality.

Mr. YATES. Margo, would you like to say something?

Mrs. ALBERT. I would like to bring up something I don't believe we have discussed. That is, there is a reason why NEA staff moves something, there are some of the most outstanding people in the arts giving their time as volunteers. And some of the most distinguished, whether they are famous or not, the very famous or just people of very high value who spend a tremendous amount of time and put their professional reputation on the line on these divisions. There is no way companies can duplicate that. I just would like to make that small point.

Mr. YATES. Did you have another question?

Mr. REGULA. We have a question pending.

Mr. YATES. What is the question?

Mr. REGULA. On the chairman's discretionary fund.

Mr. YATES. I am just looking through the list of Challenge Grants. It is interesting. The largest single Challenge grant I find went to the Cleveland Foundation for \$1,750,000. That is not in the 16th District.

Mr. MOORE. It has been in 43 states at this point.

PROFESSIONAL COMPETENCE OF CHALLENGE GRANTEES

Mr. LOPEZ. One other thing that has not been mentioned is that—and really argues against making the Challenge mechanism much broader in terms of support—is that it is not merely the three to one dollar match that distinguishes the Challenge grant. I think the criteria associated with it, the fact that an organization has to demonstrate a very high degree of professional administrative and organizational competence and a five year plan, is something really that would not be appropriate or within the reach of smaller organizations throughout the country, but which is within the reach of the very well known solidly established groups.

DISCRETIONARY FUNDS

Mr. REGULA. Back to discretionary funds.

Mr. YATES. Yes.

Mr. BIDDLE. I just wanted to begin with explaining the word "discretionary", because to some that might suggest that I have primary control over that amount of money, whatever it is, and that it is discretionary beyond the panel system, beyond National Council review. I do have an authority to allocate funds within programmatic areas, but once those funds are allocated, they become subject to the same scrutiny, the same review process that applies to any others.

Some have misunderstood the words "Chairman's Grant" as meaning a grant that the Chairman is authorized to make without other review processes. That is not the case. The Chairman's Grant simply is utilized from time to time as a means of expediting the process that will have to wait for the next Council meeting. Sometimes they cannot wait that long. Each Chairman's Grant is reviewed by a panel—

Mr. REGULA. Panel of whom?

Mr. BIDDLE. The same kind of panel.

Mr. REGULA. Is this an in-house panel?

Mr. BIDDLE. No, these are the 610, I think, panelists now that serve—this is the panel review process.

Mr. REGULA. If a panel has to review it, isn't that as cumbersome as the Council reviewing it?

Mr. BIDDLE. No, because they first go through a panel then to the Council.

Mr. REGULA. You short circuit it by one step?

Mr. BIDDLE. Right. Sometimes it is possible to call a panel on a single letter. But the Chairman's Grants are no more than \$17,500 under law. They are used with a lot of care.

Mr. REGULA. \$17.5 thousand is the maximum?

Mr. BIDDLE. Right.

Mr. REGULA. What is the total of the Discretionary fund? What was it in 1981 and what is it in 1982?

Mr. MOORE. In 1981 we had approximately \$330,000 that were available as a reserve, in a sense.

In fiscal 1982 we have not planned any such availability.

Mr. REGULA. You are saying the Chairman's Discretionary Fund in 1981 was \$330,000?

Mr. MOORE. That is correct. We had identified it in, I think, the fiscal 1979 submission. We did not in this submission identify that amount—in the fiscal 1981 submission. We have not made any reserve in this particular submission.

Mr. BIDDLE. When we say reserve, in the sense that it is money for programmatic use that isn't totally allocated for specific purposes at the beginning of the year. There are also available from prior years monies that we ought to mention, to be sure we are completely discussing what—

Mr. REGULA. Are you saying there is some carryover from prior years into 1981?

Mr. BIDDLE. Yes.

Mr. REGULA. For the Chairman's Discretionary Fund?

Mr. BIDDLE. No, not for the discretionary area. Are the projects funded out of this source listed here anywhere?

Mr. MOORE. Yes.

Mr. REGULA. Would they be in here?

Mr. MOORE. Yes. I don't think they would be identified necessarily as having come from prior year obligated funds, no.

Mr. REGULA. In other words, you are saying the Chairman's Discretionary Fund is in effect something that can be used by the Chairman, subject to approval by the panel?

Mr. BIDDLE. By the Panel. But then it has to be reported to the Council. So the Council has that.

Mr. REGULA. Are those grants spelled out in here?

Mr. MOORE. Yes, they are.

Mr. YATES. Where?

Mr. MOORE. I am sorry. They are not specifically identified. I would have to go back and take a look at it.

Mr. REGULA. Could you supply those for the record?

Mr. MOORE. Sure.

Mr. YATES. He can give you a list for the record specifically of those grants, can you not?

All right, that may be done.

[The information follows.]

CHAIRMAN'S RESERVE FUND USES
FY 1980

Artists-in-Education

Jack Harris, NYC (Contract)	\$ 650
Arts Education & Americans/DC	70,000
Carol Shema/DC (Contract)	<u>15,724</u>
	(\$86,374)

Dance

Arts Alaska/Anchorage	17,500
Joffrey Ballet/NYC	<u>50,000</u>
	(67,500)

Design

Partners for Livable Places/DC (Contract Amend.)	2,500
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Expansion Arts

National Guild of Community Schools for the Arts/NYC	6,500
New Growth Arts Festival, Indiana Arts Council/Indiana, PA	2,000
DC Commission on the Arts/DC	<u>25,000</u>
	(33,500)

Folk Arts

Commonwealth Arts Council/Saipan	10,000
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International

US/UK Fellows	5,000
Belgium Today/DC	14,500
Mexican Symposium/DC	20,000
Arizona Commission/AZ	10,000
Meridian House/DC	3,000
Valle del Sol/Phoenix, AZ	<u>20,000</u>
	(72,500)

Fellows

Ernest Dillahy/Los Angeles, CA	2,140
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Media Arts

Northeastern Pennsylvania TV Assoc./Pittston, PA	10,000
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Music

National Music Conference/NYC	5,000
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Partnership

Community Study (D. Martin)/DC	50,000
R. Napier/DC	15,500
C. Gelles/NYC	<u>11,028</u>
	(76,528)

Special Constituencies

Larry Malloy/DC (Contract Amend.)	17,929
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Special Projects

Byrd Hoffman Fdn./NYC	50,000
Richard Allen Ctr./NYC	30,000
Dept. of Cultural Affairs/NYC	15,000
J. Rodriguez/Fairfax, VA	40,000
Cultural Resources, Inc./DC	3,750
M. Washburn of Assoc./DC	42,376
Artist in Prisons/DC	25,000
NEA/SBA Joint Project	11,500
Salute to Learning/DC	20,000
Lincoln Ctr./NYC	150,000
T. Nash/DC	22,000
Linda Coe/DC	1,500
Hispanic Task Force/TX	11,665
White House Conf. on Families/DC	17,500
Theatre Development Fund/NYC	4,900
Reencuentro Cubano/NYC	17,500
G. Larson/DC	6,300
F. Cohen/MD	3,600
Auxiliary to Bellvue Hospital/NYC	15,780
Univ. of Texas at San Antonio	<u>15,544</u>
	(503,915)

States

Mid America Arts Alliance/MO	17,000
NASAA/DC	<u>8,000</u>
	(25,000)

Theatre

International Puppet Festival/NYC	4,473
University Players/DC	17,500
American Theatre Assoc./DC	5,000
K. Turner/DC	<u>20,620</u>
	(47,593)

Visual Arts

Pratt Institute/Brooklyn, NY	1,500
Partners for Livable Places/NYC	30,000
Tennessee Tech. Univ./Cookeville	15,000
Cranbrook Academy of Art/MN	<u>2,000</u>
	(48,500)

TOTAL	\$1,008,979
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FISCAL RECORDS MADE PUBLIC

Mr. REGULA. Mr. Chairman, I have a number of other questions, but in the interest of time, I am going to submit them to Chairman Biddle for response.

One question. Are all of your fiscal management and administrative records open to the public? All of ours are.

Mr. WADE. Bob Wade, General Counsel.

Yes, they are. This is all subject to Freedom of Information requirements.

Mr. REGULA. Wait a minute now. When you say Freedom of Information requirements, ours are published. The travel records, all of the expenditures, anything we spend money for in the Congressional Office is freely open to the public. How difficult is it to get access to yours?

Mr. WADE. Under Freedom of Information you have complete public access to all federal expenditures. We make those available upon request. Individuals, members of the press, frequently ask for access to these records. They can come in and view them or we will supply them at a very small cost in terms of administrative costs.

When I was saying subject to, I meant under these laws which cover this area.

Mr. REGULA. Are you saying it is relatively easy to get access to your fiscal records?

Mr. WADE. Right. The only time we would be hindering anyone in any way would relate to Privacy Act considerations under which certain considerations protect individual folders. That is the limit on it.

Mr. REGULA. In the expenditure of public funds where would you get into Privacy Act problems?

Mr. WADE. There wouldn't be any. Insofar as federal funds are expended all that information is accessible.

Mr. REGULA. Yes, I am not talking about personnel records but about the travel vouchers, all that is available?

Mr. WADE. Every federal dollar we spend is accessible in terms of a record to any individual of the public who wants to know about it.

Mr. REGULA. Reserving the right to submit these questions, Mr. Chairman, I would be interested in getting some responses from Mr. Biddle or others here who have testified as to how we could better diffuse activities of this program to achieve better artistic excellence on a nationwide basis. I am not satisfied that we have made as much an effort as we should along those lines.

Mr. YATES. What does that mean? Perhaps they understand. I am not sure I do.

STATE PROGRAMS GRANTS

Mr. REGULA. For example, more money to the states. Maybe they don't feel that is a way to accomplish it, but I happen to feel it has potential. Perhaps some shifting to the Challenge Grants.

Mr. YATES. How would you give it to the states? Would you give it, would you increase each state contribution by a certain percentage, or would you give it to the states that showed a greater interest in the arts by the state legislatures.

Mr. REGULA. How do you allocate the 20 percent now?

Mr. BIDDLE. The 20 percent—

Mr. YATES. Statutory.

Mr. BIDDLE. It is statutory.

Mr. REGULA. How do you allocate it state by state?

Mr. YATES. It is statutory. Twenty percent.

Mr. REGULA. Twenty percent of the total, as I understand it.

Mr. YATES. Yes.

Mr. REGULA. I understand.

Mr. BIDDLE. In the mathematics of this—part of the problem is the states at the moment, while it appears states are suffering more than some of the other areas, part of the reason is the mathematics of the statutory provision that relates to 20 percent of the regular program moneys going to the states. Now, that happens to be 20 percent of our programmatic moneys, \$58.6 million.

Mr. REGULA. In other words, of the \$58.6 million that you have requested, at least 20 percent of that has to be allocated to state arts councils?

Mr. MOORE. That is correct.

Mr. BIDDLE. To state programs.

Mr. YATES. Each state gets 20 percent of that—

Mr. REGULA. How do you break it down among the states? You are saying 20 percent of the total.

Mr. BIDDLE. There is a block grant under the statute that must be \$200,000 per state.

Mr. REGULA. Minimum?

Mr. MOORE. No.

Mr. BIDDLE. No less than.

In the years since state monies developed, I mean percentage put aside for state monies grew above the basic allotment. First, every state gets the \$200,000.

Mr. REGULA. Right.

Mr. BIDDLE. With the formula that exists now that is about all that is available to the states. Under the higher ratio of this year, that \$11.6 million for the states is \$23 million because of the mathematics of the situation.

Mr. REGULA. Is that \$23 million in the \$58 million?

Mr. BIDDLE. No sir, the \$23 million is out of the money we are operating on now.

Mr. REGULA. For fiscal 1981. Yes, I am sorry.

Mr. BIDDLE. So it appears that the states have suffered more than 50 percent reduction, which indeed they have, but—

Mr. REGULA. I understand how you arrive at it.

I have two questions. Once you reach the \$200,000 minimum, then from that point on will the states get additional funds according to their applications that are approved; do you need only meet the 20 percent minimum in a total amount allocated to state projects?

Mr. BIDDLE. In the past we have had a formula which has involved above the basic block grant, the \$200,000, above that, the states have been rewarded first on the basis of population. Then second, on the basis of effort. Am I saying that right?

Mr. LOPEZ. If I may jump in just a bit and try to simplify.

Mr. BIDDLE. Here is the expert on that.

Mr. LOPEZ. The 20 percent amount, which is 20 percent of the program funds is distributed to the states. Three-fourths of that is distributed on the basis of the basic block grant that is an equal amount to every state. That happens to be \$275,000 at the moment.

The balance above that is called national and state priorities. That is a long list of certain areas, such as special constituencies which state applies for. That is strictly on the basis of population.

There was an effort at formulation which is mixed up in all this, but it was so convoluted and clumsy and against the state arts agency. For instance, Washington State once a couple of years ago wound up almost doubling its state appropriation and because of the complexity of the formula, still came out losing some block grant. We dropped the effort part. Now it is in block grant to everybody plus the population over the block grant. It is a very predictable thing.

The other 25 percent is available for distribution to the regional organizations around the country, and certain other minor partnership programs with the states.

Mr. REGULA. Do I understand correctly that statutorily, the 20 percent is a minimum, and there is nothing to prevent you from exceeding that amount?

Mr. MOORE. That is correct.

Mr. LOPEZ. The language says no less than.

Mr. REGULA. This means we could increase that by line item in the appropriation.

Mr. YATES. Except we would have to take it away from other programs.

Ms. TIGHE. The states apply to all the programs and compete and succeed in getting grants from all the different discipline programs as well?

Mr. REGULA. Is this outside the 20 percent?

Ms. TIGHE. Absolutely. If you look at all the other disciplines you will see state art agencies and local art agencies compete and receive grants as well. So 20 percent presently is a base. There is more than that to be had right now.

Mr. BIDDLE. Also, the states are eligible to apply for Challenge Grants. The 20 percent does not apply. Several states have applied successfully for Challenge Grants.

Mr. LOPEZ. In response to your direct question, I think the two major ways in which the states can receive greater portions is first of all, really to aggressively move to eliminate Treasury funding mechanisms. They are very cumbersome, they are a mess administratively.

Mr. REGULA. Are these statutory, Treasury funding, or can we do that?

Mr. BIDDLE. The Treasury funds are statutorily authorized. They are statutorily authorized with a certain ceiling within the authorizing legislation. But obviously, I think the appropriations process can alter that.

Mr. REGULA. We could change that to zero and put \$15 million more in programmatic or Challenge Grants, is that correct?

Mr. BIDDLE. These levels of funding, it would not be that—

Mr. LOPEZ. If I might add, the other way would be for the budget of the agency to be increased.

Mr. REGULA. Over the recommended \$88 million?

Mr. YATES. That doesn't mean that you are supporting that.

Mr. LOPEZ. Oh, of course not. No, I would like to go on record, sir, as saying that the National Council for the Arts was in no way responsive to or did they in any way endorse that figure. We deal with that number only because we have a legal responsibility to do so.

Mr. YATES. It was the suggestion of the Chairman of the committee, that they come up with alternative budgets. We will get into that.

I was reading the annual report for 1980. I notice a very fine explanation in Ms. Tighe's statement of her concern for rejection. I wonder why the 16th District of Ohio, if it applies, could not come under your extra care provision.

Mr. REGULA. I am not sure that we have applications for more than we receive. I am sorry I even injected that note.

BUDGET BREAKDOWN

Mr. YATES. At any rate, let's get on with the budget. We will adjourn in five minutes.

Let's start on page 4 of your justification. You show a separation by the Reagan budget.

Ralph, I think you would be interested in this, too.

How would you break down the 10, 15, and 20 percent budgets I asked you to show the committee in those four categories? Can you do that, or have you already done it?

Mr. MOORE. Yes sir.

Mr. YATES. Let's take a look at it.

Mr. MOORE. We do have further breakdowns by category.

Mr. YATES. This says confidential. Why is it confidential?

Mr. MOORE. It is for the committee's eyes only, sir.

Mr. YATES. Why is that? It is no longer confidential. But why? If I dare open my mouth am I breaking a confidence?

Mr. BIDDLE. It is confidential until you wish to release it.

Mr. YATES. It is released. This shows a five percent, a 10 percent, and a 15 percent reduction. This is to be compared with which chart? These budgets will be a part of the record.

[The information follows:]

CONFIDENTIAL

NATIONAL ENDOWMENT FOR THE ARTS
 IMPACT OF PROPOSED FUNDING LEVELS BELOW \$175.0 MILLION
 (in thousands)

	FY 1982 REQUEST	% OF TOTAL	5% REDUCTION	% OF TOTAL	10% REDUCTION	% OF TOTAL	15% REDUCTION	% OF TOTAL	20% REDUCTION	% OF TOTAL
Advancement	1,500	1.0	1,400	1.0	1,250	1.0	1,000	.8	750	.7
Artists-in-Education	5,913	4.1	5,705	4.1	5,370	4.1	5,005	4.1	4,665	4.2
Dance	9,992	6.9	9,550	6.9	8,980	6.9	8,380	6.9	7,805	6.9
Design Arts	5,660	3.9	5,380	3.9	5,060	3.9	4,720	3.9	4,395	3.9
Expansion Arts	8,877	6.1	8,450	6.1	7,950	6.1	7,415	6.1	6,910	6.1
Fellows	134	.1	125	.1	115	.1	100	.1	100	.1
Folk Arts	3,300	2.3	3,180	2.3	2,995	2.3	2,790	2.3	2,605	2.3
Inter-Arts	5,226	3.6	5,050	3.6	4,750	3.7	4,430	3.7	4,125	3.8
International	287	.2	250	.2	175	.1	125	.1	100	.1
Literature	5,308	3.6	5,055	3.7	4,755	3.7	4,435	3.7	4,130	3.7
Media Arts	12,552	8.6	11,960	8.6	11,250	8.6	10,495	8.7	9,780	8.7
Museums	13,928	9.6	13,280	9.6	12,490	9.6	11,650	9.6	10,855	9.7
Music	17,400	12.0	16,680	12.1	15,695	12.1	14,640	12.1	13,640	12.1
Opera-Musical Theater	6,943	4.8	6,585	4.8	6,195	4.8	5,780	4.8	5,385	4.8
Regional Reps	960	.6	960	.7	960	.7	960	.8	960	.8
Research	1,189	.8	750	.5	600	.5	500	.4	450	.4
Special Constituencies	487	.3	425	.3	350	.3	250	.2	200	.2
State Programs	26,165	18.0	24,690	17.8	23,140	17.8	21,850	18.0	20,050	17.8
Theater	11,672	8.0	11,195	8.1	10,530	8.1	9,820	8.1	9,150	8.1
Visual Arts	8,007	5.5	7,680	5.6	7,225	5.6	6,740	5.6	6,280	5.6
(Subtotal)	(145,500) 1/	(83.1)	(138,350) 2/	(83.2)	(129,835) 3/	(82.4)	(121,085) 4/	(81.4)	(112,335) 5/	(80.2)
Challenge Administration	15,900	9.1	15,000	9.0	15,000	9.5	15,000	10.1	15,000	10.7
	13,600	7.8	12,900	7.8	12,665	8.1	12,665	8.5	12,665	9.1
Total	175,000	100.0	166,250	100.0	157,500	100.0	148,750	100.0	140,000	100.0

1/ Includes \$127,000 in Program funds and \$18,500 in Treasury funds.

2/ Includes \$119,850 in Program funds and \$18,500 in Treasury funds.

3/ Includes \$112,335 in Program funds and \$17,500 in Treasury funds.

4/ Includes \$106,085 in Program funds and \$15,000 in Treasury funds.

5/ Includes \$97,335 in Program funds and \$15,000 in Treasury funds.

I have to go answer a quorum call. Let's adjourn now and come in at 9:30 tomorrow morning, if that is satisfactory. Mr. Regula has some questions that he would like answered for the record.

[The questions and answers follow:]

ADDITIONAL QUESTIONS
SUBMITTED BY CONGRESSMAN RALPH REGULA

Question: Between the submission of the first FY 82 budget and the March revisions, the NEA decided it needed to purchase Automated Data Processing equipment at a cost of approximately \$325,000. This purchase was not cleared by OMB, I understand. After President Reagan took office, a general freeze was put on equipment purchases, from which you have not received an exemption. I understand your administrative budget figure includes money for this computer. Could you explain why your budget is premised on purchasing this equipment, despite OMB's objections?

Answer: On January 30, 1981, the Office of Management and Budget issued Bulletin 81-9 entitled "Moratorium on Procurement of Certain Equipment." This Bulletin "provides for a moratorium on the procurement of certain types of equipment by Executive Branch departments and agencies and for a limited number of exemptions from the moratorium." After receiving that Bulletin, the Endowment informally and on March 18, 1981, formally informed OMB that it intended to request an exemption of the OMB in order to purchase a new ADP system. This decision resulted from a lengthy study undertaken by the Endowment in which it was determined that the purchase of new ADP equipment would be necessary to improve the managerial and administrative capabilities of the Endowment. On April 9, 1981, the Endowment requested an exemption of OMB from Bulletin 81-9 in order to procure computer equipment. Included with this request was a report prepared by our Grants Management and Information Office. To date (May 29, 1981), OMB has not responded to our request.

Question: \$60,000 was provided for equipment purchase in FY 81. Only \$4,000 is being spent for that purpose. What is the other \$56,000 being used for?

Answer: The chart below outlines the timing and history behind the funding allocated for the purchase of equipment under Object Class 31.0.

Object Class 31.0 - Equipment
(\$ in thousands)

<u>Date and Reason</u>	<u>Level</u>
1. Feb 1980 - Congressional Budget Request	60
2. Oct 1980 - Reduced need due to FY 1980 Procurement	54
3. Nov 1980 - Reprogramming by Agency	24
4. Feb 1981 - Reduction in response to OMB Bulletin 81-9	15

Although \$60,000 was requested for FY 1981, only \$54,000 was initially allocated due to two occurrences: 1) our entire administrative appropriation was less than our entire request, and 2) by the end of FY 1980, we were able to procure some updated equipment, thereby adding to our inventory.

It soon became apparent that further reduction would have to be made for two reasons:

1. To apply to personnel compensation shortfall, necessitated by the cost of living increase authorized by the Congress and the OMB requirement to absorb 30% of our need within other object classes; these actions resulted in a further reduction of the funds allocated for the purchase of equipment; from \$54,000 to \$24,000.
2. To bring up the level allocated for supplies and material to a figure more in line with actual FY 1980 expenditures since these costs are driven by private sector inflation.

Finally, the OMB Bulletin 81-9 directed a moratorium on procurement of certain equipment. In response to this moratorium, the Agency further reduced Object Class 31.0 and applied the savings to Personnel Compensation. Further, OMB had allowed the Agency to use \$10,536 in 130 Unrestricted Funds for Supplies and Equipment procurement (Apportionment Schedule Jan. 21, 1981). The availability of the 130 funds allows for a transfer of a total of \$20,000 to Object Class 11.0 as follows:

31.0 Feb. Level	24	
Reduction LAW OMB 81-9	-9	9
Subtotal	15	
Application of 130 funds to Total	<u>-11</u>	<u>11</u>
	4	
Amount Transferred to 11.0 Personnel Compensation		20

Question: \$700,000 is earmarked for the Excellence in Federal Design Program to provide technical expertise and guidance to Federal agencies and departments in order to improve their printed communications. According to the justification, the Endowment convenes panels at the request of the various departments. Why shouldn't the departments using this service reimburse the Endowment for the cost of these services?

Answer: The Design Excellence Project was initiated in 1972 under a Presidential mandate to improve the quality of design within the Federal government. We strongly feel that this project is an integral part of the Endowment's charge to provide leadership in the arts and to promote excellence.

The Endowment's chief role in this program is to produce studies, analyze design management practices and promote, through advocacy, the improvement of the quality of design within the Federal government. This

role requires effecting cost saving design practices through improving the visual image and increasing the utility of Federal architecture, and improving the design quality of government publications, specifically the graphic design of such publications.

To get the Federal Graphics component started, however, the Endowment had to convince other departments of the value of good graphic communications. The Endowment therefore offered to pay professional designers to evaluate departments which requested a technical review of their graphic communications. This approach worked very well. To date, the Endowment has reviewed the work of approximately 60 Federal departments and agencies. After the initial evaluation paid for by the Endowment, departments would often follow-up, with their own funds, to produce technical graphic communications guidelines.

Several specific cases illustrate the cost savings to the Federal government following the initial Endowment evaluation:

The Labor Department standardized its publications sizes and minimized the choice of typefaces. The measures taken reduced printing costs by 15 percent per year.

The National Park Service was confronted with an assignment of updating 150 brochures of varying shapes and sizes. After the Endowment's evaluation, a single format was adopted for all brochures, achieving economies in format, typesetting, map rendering and printing. The result: the old brochures cost 4-1/2 cents each compared to 2-1/2 cents for the new brochures. On a run of 17 million copies, the Service saved \$340,000 in one year.

The Environmental Protection Agency redesigned a pesticide handbook to conform to new graphic standards. The new format reduced the manual from 84 pages to only 44 pages. On a printing run of one million copies, the savings amounted to \$300,000. Three additional printings of the handbook resulted in total savings of approximately \$900,000.

The Endowment intends to conduct a survey of the costs and benefits to all departments which have engaged in this program to date. When we have a more comprehensive understanding of the cost benefits, we will develop reimbursable projects, when feasible, to allow the Endowment to recoup its costs for assembling graphics review panels.

Question: The original FY 82 budget had requested only \$283,000 for the Excellence in Federal Design Program. Why have you decided to increase the original budget request by 150% when other activities are being reduced or eliminated?

Answer: As described in the budget request, the Excellence in Federal Design category seeks to improve the quality of design at all levels of government. The apparent increase in the revised budget represents a

consolidation, for administrative purposes, of all activities related to this advocacy effort. Included in the revised request are funds for the improvement of design projects not only at the Federal level but at state and local government levels as well. A number of these activities were previously funded under several grant categories in the Design Arts Program. This consolidation took place within the limited time frame in which the entire FY 1982 budget was being revised and the Design policy panel is now addressing the issues related to the restructuring of the category, including re-naming the category to reflect this consolidation. The requested \$700,000, however, would be used for those activities stated on page 47 of the revised FY 1982 budget request.

Question: I understand that in the last quarter of FY 81, the NEA intends to award 25 Ethnic Heritage grants. This program was not justified in the FY 81 request. Has it been your practice to establish new categories of grants without prior notification to the Congress?

Answer: After considerable discussion between the Endowment and its appropriations subcommittees a few years ago, the Endowment evolved a budget submission in which for the first time the Endowment's program areas became the visible measure of spending allocations. We intend to maintain this format of presentation and where allocations are altered between say the Music and Theater Programs in a given fiscal year, the Endowment, of course, could approach the Committees for reprogramming approval, where appropriate. Within its program areas, however, the Endowment believes it is important that there be discretion from time to time to adjust or modify categories as necessitated by changes in the field as judged by our policy and grant panels and as reviewed by the National Council on the Arts. Basic concepts of the program are not altered. We believe this procedure is in accordance with the views of our appropriations subcommittees with whom we worked out the presentation of our budget in a program-by-program display a few years ago.

The Heritage Awards category, for instance, was reviewed for two years by the Folk Arts panel before being presented to the National Council. The Council, in turn, referred the proposal to its Policy and Planning Committee for analysis. It was then reviewed a second time by the National Council and finally approved by the Council in May of 1980 for implementation in FY 1981. By that time, the Endowment's FY 1981 budget request had been sent to the Congress. Given the lengthy and thorough review which the proposal had received for three years and the relatively small amount of money (\$25,000) involved, the Endowment decided to follow the Council's recommendation to implement it in the current fiscal year. The Folk Arts Program has always been concerned with the individual artist. Heritage Awards emphasize such concerns.

Question: You have proposed continuing the Ethnic Heritage Awards program at the same level in FY 82. How, in a period of retrenchment, do you explain the addition of a new category of funding?

Answer: The category stems from the Folk Arts Program's desire to support and honor those traditional artists who most clearly demonstrate the very highest qualities of authenticity and excellence and who have shown themselves to be nationally significant influences on their particular art form, whether it be lace-making or ballad singing. There are a finite number of such individuals, just as there are a finite number of pre-eminent painters or cellists; thus, we do not expect this category to grow. It represents barely one percent of our adjusted budget.

For such a small investment of Federal funds, however, the impact could be substantial. The nominees for these awards will be men and women of substance whose work is of great aesthetic significance. They are the senior practitioners who are all too often unknown beyond their own particular art forms. The government of Japan has long recognized the national importance of their traditional artists and artisans through their "living cultural treasures" program which honors and supports some seventy of their highest quality potters, weavers, musicians, etc. The Heritage Award category is a version of this same idea that has been especially tailored to American needs.

Question: In the FY 81 justification, we were notified that the Endowment had set aside \$1.5 million of the FY 80 Challenge Grant program to establish a program of Institutional Advancement Awards. Now we see that FY 81 funds have been set aside for Ethnic Heritage Awards. Have you initiated or do you plan to initiate any other new funding categories in the current fiscal year or in FY 82 without justifying them to Congress?

Answer: The Folk Arts Program does not intend to create any new categories in the current fiscal year. Other programs, such as Literature and Visual Arts, are in the process of restructuring their categories to meet the proposed 1982 budget cuts, but it is not anticipated that new categories will be implemented in FY 1981.

Question: The justification states that in FY 81, 80 grants were awarded at a cost of \$1.1 million under the Interdisciplinary category.

In last year's justification for Interdisciplinary projects under Special Projects, it was stated that only 30 grants would be awarded at a cost of \$750,000. Why have you increased this activity so greatly over the 81 estimate?

Answer: The Inter-Arts Program was re-organized in Fiscal Year 1981. At the time of last year's submission, this re-organization had not yet been completed. The changes resulting from the re-organization are as follows:

FY 1981 Congressional Request

Interdisciplinary	\$ 750,000
Special Projects (including Challenge Grant contracts)	<u>1,620,000</u>
TOTAL	\$ 2,370,000

FY 1982 Congressional Request

Multi-Program (described in February 1982 request)	\$ 550,000
Interdisciplinary Arts Projects (formerly Special Projects)	1,136,000
Challenge Grant Contracts (transferred to Research Program)	<u>530,000</u>
TOTAL	\$ 2,216,000

The discrepancy from our anticipated to our actual budget for FY 1981 is therefore \$154,000.

Question: A reduction of approximately 50% is proposed for the Media Arts. Of the total remaining funds, the American Film Institute would receive almost 30%, while there would be no funds for Services to the Field, the Residence/Workshop Program or the Joint Fund with the Corporation for Public Broadcasting. Why does AFI continue to receive what appears to be such a disproportionate share of the Media budget?

Answer: The American Film Institute was founded by the National Endowment for the Arts in 1965. Since that time, the Film Institute has evolved into a robust and dynamic national institution, serving the media arts field in ways entirely consonant with the policy guidelines of the Media Arts Program.

From the outset, the Endowment has realized the complementary partnership between the Media Arts Program and the Institute. Both institutions' goals and programs are in complete accord. For this reason, we view the Institute as essential to the Endowment's contributions to the media arts field; its presence magnifies the impact of the Endowment's programs. And the Endowment fully recognizes that the presence of a national film institute is essential to the recognition of the arts of media.

In Fiscal Year 1981, AFI will receive a General Grant of \$1,850,000, which will be used to support the core functions of the Institute -- the Center for Advanced Film Studies, the Directing Workshop for Women, the Exhibition Services Program, the Public Services Program, the Education Services Program, the Feldman Library, an Interns Program, Student Film Distribution, the Catalogue Project, and a program in Television and Video Services.

It was anticipated that AFI would receive an increased grant of up to \$2,000,000 in FY 1982. In line with the overall projected cut of 50% in the Media Arts Program budget, the General Grant is scheduled to be reduced to \$1,000,000 in FY 1982.

The American Film Institute also carries out two important contracts for the Media Program: film preservation and film fellowships. These programs are administered in conformance with guidelines and standards established by the Media Arts Program. Because the bulk of the funds are passed through to subgrantees as an extension of the Media Program, this activity is not viewed as further funding of the Film Institute.

The two contracts have not been decreased as drastically as some other program areas because they continue to be pressing priorities, particularly film preservation.

Question: AFI administers a grant program funded by NEA for a film preservation program. What portion of the grants funds are retained by AFI for administrative purposes? How much would it cost the Endowment to administer these grants directly?

Answer: In FY 1980, the Film Preservation Program contract budget was \$650,000. Of that, \$76,560 or 12% was retained by the AFI for administration. An additional \$85,940 was given to them for the AFI Preservation Project, which enables AFI to coordinate the systematic acquisition and preservation of the holdings of the grantees and to respond quickly, if modestly, to preservation needs when they arise.

To conduct this highly specialized area for which the AFI has a staff of five, the Endowment would most likely have to add at least three positions -- a program administrator, a program specialist and a secretary, at an approximate cost of \$65,000. Modest part-time resources would also be desirable if the level of service which now exists were maintained. Thus, the cost differential is estimated as negligible.

Question: The original justification states that the New England Conservatory received a \$90,000 Treasury Grant to establish a program of scholarship aid. In light of all the other programs that provide scholarship aid for higher education do you believe the Endowment should be supporting a project of grants-in-aid for higher education?

Answer: The Music Program of the National Endowment for the Arts aims to enhance the career development of musicians. It is hoped that those outstanding students who benefit from the scholarship program will join the ranks of other outstanding American-trained musicians. It should be noted that funds for music scholarship activities are not available from any other Federal agency.

The New England Conservatory is the oldest independent school of its kind in the United States. The Conservatory, which was founded in 1867,

provides a training environment for talented young people, producing musicians of distinction for careers in a variety of professional fields. Graduates of the Conservatory are members of the principal symphony orchestras of the United States, theater and ballet orchestras, jazz and chamber ensembles, opera companies and choral groups.

Students at the New England Conservatory of Music receive studio instruction from a distinguished faculty consisting of Boston Symphony Orchestra musicians and eminent artists from Boston and other cities throughout the United States. Students receive regular ensemble instruction and have many performance opportunities with the school's numerous performing ensembles.

The Conservatory's faculty and student ensembles and soloists present over 300 concerts annually at the Conservatory and a large number of programs throughout the Boston area. The Conservatory regularly joins with such institutions as the Boston Symphony Orchestra, Museum of Fine Arts, and the Isabella Stewart Gardner Museum in presenting programs of special interest to the community.

Before being admitted to the New England Conservatory each applicant is examined in his or her major performance area. Auditions are heard after all documents have been received. All applicants are expected to have reached an advanced level of performance accomplishment. Candidates for advanced standing must present evidence of greater repertory and proficiency. Scales, arpeggios, and sight reading requirements are demanded of all instrumental applicants in their auditions.

Question: Have you provided funds to establish scholarship programs in any of the other program categories?

Answer: The Music Professional Training category is the only category in the Music Program which provides scholarship assistance. There is no intention of expanding any Music Program categories to include scholarship aid.

Question: Research and Evaluation were justified and funded as two distinct categories in FY 81, yet it appears that they have been combined under the Research heading. Did you provide notification to the Committee that you were doing away with the evaluation program as a separate category and using the \$300,000 appropriated for that purpose elsewhere?

Answer: The functions of the Evaluation Division were merged into Research in order to permit more efficient use of available staff. None of the functions of the Evaluation Division were dropped, however.

The \$300,000 appropriated for the Evaluation Division in FY 1981 was used for evaluation projects, although the functions of the Division were merged into Research to economize on staff costs. Because the funds were expended for the evaluation purposes stated in the FY 1981 budget request,

we did not feel it was necessary to notify the Committee of an administrative reorganization. We are making every effort to be as frugal as possible with regard to staff, utilizing talents and combinations of talents and still seeking to continue basic priority service.

Question: Could you give the Committee a listing of the research and evaluation projects in 80 and 81 and your plan for 82?

Answer: The following are the Research and Evaluation projects -- FY 1980 and FY 1981 (to date):

Survey of solo recital musicians

Survey of crafts-artists (continuation of project initiated in FY 79)

Survey of arts organization administrators

Study of Expansion Arts organizations

Study of arts organizations in the decade of the 1970's

Dissemination of research results

Economic data on applicant organizations

Conference on cultural data banks

Survey of public participation in the arts

Museum Coordinators: An Evaluation and Implementation Study

Programming in the Arts: An Impact Evaluation

Impact on Museums of Arts Endowment Support for Special Exhibitions

Evaluation of the impact and effectiveness of Endowment funding for visual artists fellowships

Evaluation of the impact and effectiveness of Endowment funding for CityArts

At the FY 1982 budget level of \$88 million, no new research or evaluation initiatives would be undertaken, except to monitor those activities which were begun in previous fiscal years.

Question: \$535,000 requested by the Endowment to analyze census data was denied by Congress in FY 81. This would leave an appropriation of \$665,000 for Research in the current year. The FY 82 justification shows an FY 81 level of \$1,495,000. Even with the transfer of the \$300,000 appropriated for evaluation, this activity has a \$530,000 increase over the amount appropriated?

Answer: Under the Special Projects category described on page 151 of the FY 1981 budget submission, a total of \$1,620,000 was requested. Of that amount, \$530,000 was to be used for institutional advancement and challenge grant application review contracts. When the Special Projects Program was reorganized into Inter-Arts, it was felt that the review contract funds, which are essentially evaluation efforts, should be moved into Research with other evaluation projects. The Challenge program conducts an extensive review of all applicants to review their fundraising potential and management strength to determine the impact on the overall institutional structure should the applicant be awarded a Challenge Grant. In other words, we try to determine beforehand how well the Endowment's grant will be used and if it will be effective in strengthening the institutional base of the grantee. It was felt that the same rigorous review should be applied to the 300 Institutional Advancement applicants, as well as Challenge Grant applicants.

Question: Did you go ahead with the census project the Congress denied?

Answer: The census project that Congress denied was a post-Census follow-up survey of the labor force in nine artists' occupations using samples formed from the million or so artists enumerated during the 1980 Census. This project has not gone ahead.

Question: What are these additional funds being used for?

Answer: \$665,000 for research projects, \$300,000 for evaluation projects and \$530,000 for Challenge and Advancement evaluations.

Question: The Endowment offers grants for a variety of arts disciplines, each of which have their own National Service Organization. I understand the Endowment also gives grants to these Service Organizations such as Opera America or the Theatre Communications Group. These Service Organizations, in turn, essentially "lobby" the Endowments for increased support for their particular discipline. Do you think it is appropriate for Endowment grants to be used in this fashion?

Answer: The Endowment does not provide money to service organizations so that they can turn around and "lobby" the Endowment on behalf of individual disciplines. The service organizations funded by the Endowment provide a wide range of services in an economic fashion to their constituent organizations, emphasizing the exchange of information through workshops, seminars, conferences and newsletters. Much of this activity focuses on how their constituent organizations might better manage themselves administratively. These service organizations, of course, are interested in Endowment policies, but they do not "lobby" the Endowment in a concerted fashion to get special treatment for their own constituents.

FRIDAY, MAY 8, 1981.

WITNESSES

LIVINGSTON L. BIDDLE, JR., CHAIRMAN
 DONALD A. MOORE, DEPUTY CHAIRMAN, POLICY AND PLANNING
 MARY ANN TIGHE, DEPUTY CHAIRMAN, PROGRAMS
 HENRY PUTSCH, EXECUTIVE DIRECTOR, OFFICE OF PARTNERSHIP
 BESS HAWES, DIRECTOR, FOLK ARTS PROGRAM
 RHODA GRAUER, DIRECTOR, DANCE PROGRAM
 THOMAS FREUDENHEIM, DIRECTOR, MUSEUM PROGRAM
 SANDY SCHREIBER, ACTING DIRECTOR, THEATER
 JESSIE WOODS, URBAN GATEWAYS, MEMBER, NATIONAL COUNCIL ON
 THE ARTS
 JIM MELCHERT, DIRECTOR, VISUAL ARTS PROGRAM
 ESTHER NOVAK, DIRECTOR, INTER-ARTS PROGRAM
 ANA STEELE, DIRECTOR, PROGRAM COORDINATION
 JOE PRINCE, DIRECTOR, ARTISTS IN EDUCATION PROGRAM
 MICHAEL PITTAS, DIRECTOR, DESIGN ARTS PROGRAM
 DAVID WILK, DIRECTOR, LITERATURE PROGRAM
 A. B. SPELLMAN, DIRECTOR, EXPANSION ARTS PROGRAM
 EUNICE MOSS, ASSISTANT DIRECTOR EXPANSION ARTS PROGRAM
 ANTHONY TURNEY, DIRECTOR, STATE PROGRAMS
 BRIAN O'DOHERTY, DIRECTOR, MEDIA ARTS PROGRAM
 ED CORN, DIRECTOR, OPERA-MUSICAL THEATER PROGRAM
 DEBORAH SALE, DEPUTY CHAIRMAN, FEDERAL COUNCIL ON THE
 ARTS AND HUMANITIES
 ELIZABETH WEIL, DIRECTOR, CHALLENGE GRANTS PROGRAM
 NORMAN CHAMP, MEMBER, NATIONAL COUNCIL ON THE ARTS
 JOSH DICKINSON, MEMBER, NATIONAL COUNCIL ON THE ARTS
 SANDY BOYD, MEMBER, NATIONAL COUNCIL ON THE ARTS
 ROSALYN WYMAN, MEMBER, NATIONAL COUNCIL ON THE ARTS
 THEODORE BIKEL, MEMBER, NATIONAL COUNCIL ON THE ARTS
 MARGO ALBERT, MEMBER, NATIONAL COUNCIL ON THE ARTS
 KURT HERBER ADLER, MEMBER, NATIONAL COUNCIL ON THE ARTS
 ARTHUR JACOBS, MEMBER, NATIONAL COUNCIL ON THE ARTS
 LIDA ROGERS, MEMBER, NATIONAL COUNCIL ON THE ARTS
 EZRA LADERMAN, DIRECTOR, MUSIC PROGRAM
 JACOB LAWRENCE, MEMBER, NATIONAL COUNCIL ON THE ARTS
 BLANCHETTE ROCKEFELLER, MEMBER, NATIONAL COUNCIL ON THE
 HUMANITIES
 BERNARD BLAS LOPEZ, MEMBER, NATIONAL COUNCIL ON THE ARTS

TERMINATION OF CERTAIN PROGRAMS

Mr. YATES. Mr. Reporter, show the hearing coming to order. When we concluded our hearing yesterday, we had received from you, in accordance with the request by the committee, your best estimates of how you would distribute your funds, assuming reductions in the budget yet of five percent, ten percent, fifteen percent and twenty percent. And we added the 50 percent reduction to the sheet that we have.

Now, based on what this sheet discloses, the 50 percent request would result in elimination of advancement entirely. What is Advancement?

Mr. BIDDLE. Mr. Chairman, that is the program that we developed last year that is to give a sort of Challenge Grant to smaller

organizations that have the potential of becoming national—of great national significance in the art fields.

Mr. YATES. How much money is available in the 1981 budget for that?

Mr. BIDDLE. \$750,000.

Mr. YATES. So that with a 20 percent reduction, you would be able to restore the \$750,000 for that account?

Mr. BIDDLE. You may remember that there were discussions about this at the conference. It was determined that it was best to handle it through the Treasury program rather than the Challenge Grant program as we had initially thought, although these would require a three-for-one match similar to the Challenge match, but not identical. To start off, Mr. Chairman—

Mr. YATES. Did you want to make a statement?

Mr. BIDDLE. I thought perhaps it might be an idea, subject to your thoughts, of course, to put in some perspective in response to your request of what 50 percent reduction entailed in general terms, and then to demonstrate how some of these factors would be brought back into the picture as the reduction becomes less severe.

Mr. YATES. I meant to read that portion of the justification yesterday. Did I not do so? You say:

In general, the programs will be emphasizing direct organizational support and providing considerably less support for service organizations maturing in other outreach efforts will necessarily fail in purpose unless the arts producing organization is sound artistically and financially. One should not conclude from this, however, there will be little effect on arts organizations seeking dominant support for home based activity—symphony orchestras, et cetera, and those that will receive less funding.

Some efforts supported out of program funds are not as directly involves with arts producing organizations will be eliminated altogether. National Council on the arts has recommended the termination of funding entirely for international activities, research and evaluation, programs aimed at helping special constituencies, the intern program and continuance of the Advancement effort involving the special building grants to emerging organizations of high artistic significance and future potential. Because the Endowment forwards funds that effort has been substantially scaled back in terms of budget.

Did I read that yesterday? I meant to.

OUTREACH WILL SUFFER

Mr. BIDDLE. I wanted to add to that. I think the outreach part of the program is the one that could suffer very seriously in terms of this reduced figure. Organizations, large and small, when constricted, certainly tend to reduce their outreach to their communities. A symphony that has less funds available to it will retrench by not providing concerts for schools, going into its community, where even the expenses, even a major amount of touring is more expensive than staying at the home base.

So I think in a period of retrenchment you will have a great restriction of the kind of activities that we have tried to develop over the years, that is, the service of organizations large and small to the broadest possible segment of their communities.

Also, I think organizations would tend to go with the safer products, and that could have an effect on new artists, new emerging artists, new musicians, new choreographers, new composers, because it would not be perceived that those would attract at the box office the same attendance as a traditional symphony or a classical

piece that people knew and were accustomed to. So I think that is a part of this that is important to bring up.

I think the Arts Endowment has been responsible, through its outreach, through its help to smaller organizations. I think we been instrumental in discovering assets in the arts that were not previously known. Certainly that is true in our Expansion Arts program. It is true in our Folk Arts program, programs that reach out into the communities and away from the major centers of population.

Certainly, touring and the media involvement with the arts would gravely suffer with this restricted amount of money. As we point out, the numbers of grants would be fewer, and there would be lower numbers of grantees. Let's take, for example, a symphony orchestra that does get a Treasury grant of let us say somewhere around, major symphonies, \$290 to \$300,000. That money has to be tripled by the private donors in order for the Treasury monies to be available. So if you roughly figure on a \$300,000 federal investment in that symphony, the Treasury matching ratio brings another \$900,000 into the picture, or a total of \$1,200,000.

Most symphonies, including the one here, the National Symphony, \$1,200,000 means the difference between a successful budget year and a failing budget year. I think that is the area where our help has been most significant.

Mr. YATES. What place in the scale of the budget will an organization like the National Symphony be able to receive \$1,200,000, at a cut of 5, 10, 15, or 20 percent?

Mr. BIDDLE. I would say at a level of ten percent.

Mr. YATES. So if there is a 20 percent cut the National Symphony still loses its money, is that right?

Mr. BIDDLE. Exactly.

Mr. YATES. That is interesting. How do you know this so exactly?

Mr. BIDDLE. Well, a 10 percent cut from \$175 million puts us to where we are today, where those kinds of symphonies are getting that amount. The National Symphony is not quite at that.

Mr. YATES. What kind of symphony is the National Symphony?

Mr. BIDDLE. A major symphony orchestra.

Mr. YATES. You mean National Symphony made it?

Mr. BIDDLE. It certainly made the majors.

Mr. YATES. For a while it wasn't in the major league was it?

Mr. BIDDLE. Ezra Laderman could address that better than I. But certainly I feel that the symphony has demonstrated its quality.

Mr. YATES. You have touched upon something I think we should go into. I wish we had audio visual aides up here with the different cuts up on the board. And say, at this point National Symphony gets a million.

Mr. BIDDLE. It isn't quite that much for National Symphony. I am talking about the Chicago Orchestra, and Boston. There are about six or seven.

Mr. YATES. Can I have a recess for about 30 seconds while I say hello to some constituents?

[A short recess was taken]

Mr. YATES. I want to get a picture.

Mr. BIDDLE. The federal investment is a quarter of the Treasury fund total. The three other dollars must match the one.

Mr. YATES. I had hoped that the different reductions of 5, 10, 15, and 20 percent, would show me how it affects the national arts community. You have given one slight example as to where in this spectrum of financing an organization like the National Symphony would receive a million.

Mr. BIDDLE. That was not the best example of a symphony—

Mr. YATES. Give us a good example.

Mr. BIDDLE. Boston Symphony. New York Symphony.

Mr. YATES. We will pick a symphony.

Mr. BIDDLE. Chicago Symphony. Those are judged by our panel to be the paramount orchestras.

Mr. YATES. The major league?

Mr. BIDDLE. Those grants are now around \$300,000 per orchestra.

Mr. YATES. Those grants are now around \$300,000 under the existing budget?

Mr. BIDDLE. Right.

Mr. YATES. Under the Administration's budget, which would reduce your budget by 50 percent, what would happen to those major symphonies?

Mr. BIDDLE. They would be reduced by 40 percent.

Mr. YATES. That would be roughly \$160,000 instead of \$300,000.

Mr. BIDDLE. \$180,000.

Mr. YATES. \$180,000?

Mr. BIDDLE. Yes. Ezra could be more specific.

I think that is the correct figure. While Ezra is coming, we have prepared for you, Mr. Chairman, really pretty detailed—

Mr. YATES. Why keep them from us, then? Oh, my goodness, they are detailed, aren't they?

WHERE CUTS ARE MADE

Mr. MOORE. The charts here are program by program category.

Mr. YATES. Ezra, was I premature in calling you up? Should we follow these in order? I would like to have you sit there to review benevolently while we go through this until we get to music. I think we ought to go through these one by one and see what the picture will be under the various categories.

Advancement is the Challenge Grant Program for the smaller organizations. Under the 50 percent reduction they would receive zero. Then where would that line be drawn? What is a smaller organization?

Mr. BIDDLE. In order to initiate this program, we asked for applications from the constituency that primarily deals with the expansion arts part of our program. Some 300 organizations applied. Not all Expansion Arts grantees, but the smaller organizations that felt they could make a three-for-one match.

Mr. YATES. What is a smaller organization?

How do you draw a line between a large organization and a small organization? I know a large organization is the Metropolitan Museum in New York or Metropolitan Opera, the Arts Institute in Chicago. They all have their Challenge grants.

Mr. BIDDLE. Right.

Mr. YATES. The Challenge Grant, according to your justification, was originally designed as a means of financing large organizations, but where is the line drawn?

Mr. BIDDLE. Well, with these particular grantees, and I would ask Mr. Spellman perhaps to come up and join us.

Mr. YATES. All right.

Mr. BIDDLE. But I think these organizations—

Mr. YATES. Would you like to take Mr. Loeffler's chair and tell us what is a smaller organization? How do you draw the line?

CUTTING ADVANCEMENT GRANTS

Mr. SPELLMAN. There are a couple of features in the Program, one which is the imperative to enhance development of a lot of minority organizations. There was a concern with some of the minority organizations that are expressive of cultural pluralism in the country, visibility heightened, and where their product was strong enough to command national attention we thought.

But in terms of budget size, which is more germane to your question, the organizations ranged in annual budgets from approximately \$100,000 to up to \$900,000 a year, with a mean of around \$250,000 a year.

Ms. TIGHE. There are other factors. It wasn't simply a matter, we all agree, of budget size.

Mr. YATES. Excuse me a minute. You were saying?

Ms. TIGHE. We were talking about the characteristics we had in mind.

Mr. SPELLMAN. Again, back to the point—

Mr. YATES. This is for minorities, is that what you are saying?

Mr. SPELLMAN. Not exclusively. About three of the 15 organizations selected were not of minority makeup.

Mr. YATES. The example that is given in the Carter budget justification shows as an example founded in 1964, the Balkan Art Center has always emphasized dance and celebrations. So you have the Balkan as one. It demonstrates one of the cultures of various national groups.

Mr. SPELLMAN. That is right.

Mr. BIDDLE. An ethnic background.

Mr. SPELLMAN. We try to feature a range of organizations.

Mr. YATES. Is this dead if the Carter budget goes through? Excuse me, if the Reagan budget goes through?

Mr. SPELLMAN. In the second year, yes. The first year was fiscal 1981 money.

Mr. YATES. Yes. We are talking about 1982.

Mr. SPELLMAN. That is right.

Mr. YATES. Let's think in terms of 1982. As far as 1982 is concerned, is this program wiped out?

Mr. SPELLMAN. Yes sir.

Mr. MOORE. It is also I think the case that we had been planning to try to fund for a three-year period the original grantees. There are two points: One is that the original program, or the original group of 15 would have to be truncated.

Mr. YATES. What is the original group of 15? This is new? Is there a group of 15?

Mr. SPELLMAN. There were selected for fiscal year 1981.

Mr. YATES. How do you select 15?

Mr. SPELLMAN. We put together a panel and also people strong in the major disciplines because it was our sense that the organiza-

tions had the quality of the art to present, but had not been able to achieve the visibility. So we did want people of a high caliber involved in the selection process so we could have representation in the corporate community—

Mr. YATES. Excuse me. I see some Council members. Why don't you come up here and take seats at the table? Bernie, do you have a seat back there?

Mr. LOPEZ. Yes, I do.

Mr. YATES. Go ahead.

Mr. Bikel is here this morning. What happened to your attire?

Mr. BIKEL. Oh, it is fine.

Mr. YATES. Are you improving? I see you are walking without a crutch.

Mr. BIKEL. Yes.

Mr. YATES. All right, so much for you. You and that program are in trouble if the Reagan budget is approved.

Ms. TIGHE. Can I make a point about the 20 percent. Even at 20 percent, that \$750,000 would just hold the program even. There would be no new people because it is a three-year commitment. So the program means simply that we can keep an existing commitment.

Mr. YATES. How can you make a three-year commitment?

Mr. MOORE. Technically we do not make a three-year commitment in the sense of obligating funds ahead of time. If funds are made available then we would make a second year commitment and a third year commitment, depending upon the availability of funds.

Ms. TIGHE. And grant letters go out year by year.

Mr. YATES. Yes, containing the condition, depending on what the congressional budget shows.

Mr. MOORE. Exactly.

Mr. SPELLMAN. Could I perhaps amend Mary Ann's comment? The \$750,000 represents a greatly reduced program. The Chairman had originally committed a million and a half dollars per year for this program. The organizations have shown that they can match to the tune of \$1,800,000. So if we were to carry through on the full commitment we would be funding them at a level of a million and a half a year.

Mr. YATES. If there were a five percent reduction, you would have \$1,400,000 available. If there were a ten percent reduction you would have \$1,250,000. Fifteen percent reduction, \$1,000,000. And 20 percent reduction would be \$750,000. The budget as is, zero.

ARTISTS-IN-EDUCATION PROGRAM

Let's talk about Artists-in-Education, of which the Council thinks most highly, is that right?

Mr. BIDDLE. Yes.

Mr. YATES. So this year there is available—

Mr. BIDDLE. \$5.2 million.

Mr. YATES. It had been proposed to increase that to \$5.9. Under the Reagan budget that would be reduced to \$235,000 at a five percent reduction that would permit financing of \$5,705,000. A ten percent reduction, \$5,300,000. Fifteen percent reduction \$5,000,000. And a 20 percent reduction, \$4,600,000.

Your justification shows that the Council did anguish with the Director and Deputy Directors over the distribution of the reduced budget. Did the Council consider the amounts to be made available under the various categories of 5, 10, 15, and 20 percent?

Mr. BIDDLE. No sir.

COUNCIL'S INPUT ON PROPOSED CUTS

Mr. YATES. The Council has never considered it?

Mr. BIDDLE. Not that full—

Mr. YATES. We have the members of the Council here. Have you seen it recently? Do you know about it?

Mr. BIDDLE. This is fresh as of today.

Mr. YATES. And the Council will consider it as of today?

Mr. BIDDLE. Over the weekend.

Mr. YATES. You wrestle with it. However, I take it there wouldn't be too much objection if the committee found itself reducing your budget by 20 percent. Can I guess that the members of the Council would be inclined to go along with the allocations of funds as they appear in this chart?

Mr. BIDDLE. I don't want to speak for the Council.

Mr. YATES. I was asking a councilman.

Mr. BIKEL. Do you really want me to do this on one leg, literally and figuratively?

Mr. YATES. Well, I want you to figure it.

Mr. BIKEL. At first blush, it seems a schematic distribution.

Mr. YATES. All right, I will tell you what we will do. We will find out from Liv how he did it first. Liv, how did you do it?

Mr. BIDDLE. If you would look at the percentage totals—

Mr. YATES. Yes. Does each of the Council members have one of these? Would you like one of these? Do you want to distribute these to the members of the Council?

Mr. BIDDLE. We proceed from the basis that the Council had fully considered and approved the budget that had been recommended by President Carter. And that the configurations of that budget related to the sense of priority that the Council had given to the procurement programs. So if you look at the first column, not on your sheet, which shows the 50 percent reduction—

Mr. YATES. I have it on this sheet. We have penciled it in.

Mr. BIDDLE. The first column shows the relative percentages that are applicable in terms of priorities approved by the Council to the total of \$175 million. We took, in terms of these reductions, virtually the same percentage of a total budget. We protected the priority—

Mr. YATES. All right. Let's see if I understand that. The Council had considered and had approved allocations based upon a 50 percent reduction?

Mr. BIDDLE. No, based upon the \$175 million.

Mr. YATES. But did not the Council also approve the allocation under the \$88 million budget?

Ms. TIGHE. The reductions you see here go backwards from the Carter budget rather than building up the other way. That is the distinction.

CHANGES IN PRIORITIES

Mr. YATES. Is there a difference in terms of emphasis in the funding between the Carter budget and the 50 percent reduction?

Mr. MOORE. Yes, there is.

Mr. YATES. Do you change the percentages?

Mr. BIDDLE. There is a slight difference, because while placing generally an emphasis on the same priorities that are in the higher budget does eliminate, as you pointed out, the Special Constituencies program and the international program. There are eliminations.

Mr. YATES. It is a very tough job that we gave you.

Mr. BIDDLE. We thought it would be more appropriate, since 5, 10, 15 percent—

Mr. YATES. And 20 percent.

Mr. BIDDLE. And 20, but up to 15, are in my judgment, not basically undercutting the whole complexity of our activities. In other words, we can preserve most of what we are doing at a slightly reduced level provided the budget does not go beyond that level.

Mr. MURTHA. May I ask a question, Mr. Chairman?

Mr. YATES. Mr. Murtha.

Mr. MURTHA. Do you mean that you will be able to give approximately the same number of grants but which are smaller? Is that what you mean, or do you have to reduce?

Mr. BIDDLE. I would think that in most cases, up to 15 percent, the programmatic areas could be protected as they are today. The diversity of the programs.

Mr. YATES. Is your answer to this question, yes, then?

Mr. BIDDLE. The answer to that is yes.

Mr. YATES. In other words, what you have done is taken the Carter budget, and with respect to the proposals for 5, 10, and 15 percent reductions, you have mathematically reduced them by that appropriate amount?

Mr. BIDDLE. Yes sir.

Mr. Bikel has a schematic reduction.

Mr. YATES. With respect to that, I assume the Council had approved the original Carter budget. Would the Council members accept that kind of formulation? Just accepting the Carter budget, when you have a five percent reduction, I assume the change isn't so great that you would require a change?

Mr. BIKEL. Five percent isn't so great. Even ten percent isn't so great. I am starting to get very worried when we come to the 15 percent, because somewhere there lies the difference, in that figure, between survival or not of smaller institutions, of those things which are not of the obvious kind. We are in the business of supporting only that which is palpably successful or success oriented. We are also in the business of supporting that which is experimental, bold, courageous, enterprising.

To that extent, it seems to me that those marginal artistic institutions and individuals whom the Endowment supports, those who suffer to an extent to which they might irretrievably be harmed if it went beyond the ten percent into the 15 and beyond.

HOW REDUCTIONS ARE MADE

Mr. YATES. I can understand that. The question was directed to the formulations under the 5, 10 and 15 percent based upon the original budget, as to whether or not the Council would object to the use of that original budget in just applying reductions at 5, 10, and 15 percent. I don't suppose the Council would object to that method of calculation.

Mr. BIDDLE. I don't think they would.

Mr. YATES. Because of the time frame for one thing, I didn't have a chance to take it to the Council. It is based on a previous action of the Council and as I say, the impacts are not so different except in funding at 5 and 10 percent, but you then begin to worry at 15 percent. At 20 percent you took another tactic, right?

Mr. BIDDLE. No, the 20 percent is the same tactic.

Mr. YATES. The same thing?

Mr. BIDDLE. Which, in essence, would be a ten percent reduction from the existing \$159.6 million.

Mr. YATES. I don't understand.

Mr. BIDDLE. The Carter budget—

Mr. YATES. You started with the Carter budget and took a 20 percent reduction from that figure?

Mr. BIDDLE. Right, which is a ten percent reduction from the 1981 budget.

Mr. YATES. I see. You took the proposed Carter budget of 1982, and that is a ten percent reduction from the 1981 budget?

Mr. BIDDLE. The Carter budget has about a 10.4 increase over where we are today. So if we reduce the Carter budget by ten percent, you get back to where we are today. You reduce it by—

Mr. YATES. If that is true, are you hurt by a 20 percent reduction?

Mr. BIDDLE. That is what I am saying. It isn't that magnitude—

Mr. YATES. But Mr. Bikel was saying that once you get to 15 percent he begins to worry. His worries are increased.

Mr. BIKEL. What I took into consideration was that the economy and country moved into a ten percent higher ball park figure due to inflation and due to the fact that the lumber to construct the stage set is now 25 percent dearer than it was last year. And it is because of that that 10 percent add-on in the budget figure in my thinking as being where we are.

Mr. BIDDLE. If you look at the rate of inflation over a one year or two year period—

Mr. YATES. I know. We still have to worry about inflation. Is it fair to ask you where is the line that you would draw if you had a choice of a reduction, if all other programs in the government are being reduced, except defense? At what level do you find an acceptable figure?

Mr. Duffey, when he came in and testified, indicated that he thought perhaps he could get along with a 20 percent reduction.

Mr. BIDDLE. From the Carter budget?

Mr. YATES. Yes.

Mr. BIDDLE. Yes, well, that puts me in a difficult position.

Mr. YATES. Obviously, but we are going to have to answer that question.

Mr. BIDDLE. I would say certainly the 20 percent reduction—

Mr. YATES. Maybe I should ask you that question later. Let's take that off the record at this point and ask that question later.

Mr. BIDDLE. I will answer it now if you want me to.

Mr. YATES. All right. I wanted to go into a survey of where the figures will leave you. I don't know whether to ask you or your program directors these questions. What happens to your programs with certain kinds of reductions? We have Ezra sitting at the table. Ezra, what happens to your music programs, according to the reductions of 5, 10, 15, 20, and 50 percent? At 50 percent you are hurt, aren't you?

EFFECT OF CUTS IN MUSIC PROGRAM

Mr. LADERMAN. Fifty percent is devastating. It is devastating for a number of reasons.

Mr. YATES. Tell us what those are.

Mr. LADERMAN. The Music Program was one of the programs among a number that felt that program should remain intact. So that I have not eliminated any part of the basic program. That the Music Program attempts to service a whole spectrum of areas within the world of music. So that instead of having one or two categories, there are in fact nine categories that music funds and has guidelines to.

So that meant that if each of them were considered of equal importance, and I do consider them of equal importance, that in some kind of fair and equitable way, they all have to equally suffer. And suffer they have.

At the 50 percent level, orchestras have come down from about \$10 million to \$6 million. And since we were talking about orchestras before, let me just tell you what that means. It means that in 1981 we have funded 153 orchestras. At a 44 percent reduction, I would say perhaps one-half to one-third of those orchestras would be funded. We would have to eliminate a whole number of orchestras that we have funded.

Mr. YATES. Do you mean eliminate entirely?

Mr. LADERMAN. Entirely.

Mr. YATES. How many orchestras would be dropped?

Mr. LADERMAN. Fifty. Maybe more. Those are the other orchestras unfortunately that have just joined us, that we just made possible to fund, that we just brought into the Endowment to give them support and guidance and that catalytic impact that we keep talking about.

Mr. YATES. Can you give us an example of one such orchestra?

Mr. LADERMAN. Oh, Eugene, Oregon, which is now in the process of building a music center which will be ready in two years and will have an opera component and orchestra, where they have grand designs for developing a real musical, theatrical, opera concept.

Mr. YATES. How much money would you have given them?

Mr. LADERMAN. \$5,000. But that seed money is terribly important to give that orchestra opportunities to find other sources of income, of gaining credibility in the area at a point when everything seems to be moving toward building an artistic entity in Eugene, Oregon.

Mr. YATES. It seems to me as I sit here that a town like Eugene devoted as it is to creating this music center, would not have great difficulty in building up private sources, is that true?

Mr. LADERMAN. Right now they are having difficulty in just creating the structure.

Mr. YATES. What you are saying in other words is that they would have difficulties?

Mr. LADERMAN. That is right, yes, because there has been no space in Eugene where an orchestra could play. They played in the recital hall of the University all these years which seats about 700, 800. This will be the first time the orchestra will be performing in a space commensurate with the sound of an orchestra. So the whole process requires time.

Mr. YATES. Except, Ezra, it also requires a great deal of money to finish that music center and to pay for all the components of it. You are only going to give them \$5,000, a relatively small sum.

Mr. LADERMAN. At the beginning.

Mr. YATES. That is right. And the President's message would say to you, for that kind of money, certainly the community could make up the difference and they wouldn't have to go to the Arts Endowment for friends.

Mr. LADERMAN. I think that one of the great reasons for the Endowment's position is that as a national organization it has an overview of all orchestras, all artistic groups in this country. In that overview, if it identifies an orchestra as worthy of support, that orchestra in the competitive nature that we are in—and indeed, other orchestras are competitive, no different than all the other aspects of our society, there is a healthy competitiveness—suddenly they gain a credibility they didn't have before because it has that Endowment support, far different than if we get support from the state.

One of the incredible strengths of the Endowment is our peer panel review system—

Mr. YATES. What you are taking away is the pride of the community having been designated by the National Endowment for the Arts as having an orchestra worthy of support, is that right?

Mr. LADERMAN. Right.

Mr. YATES. When you take that seal of approval away, the air goes out of the drive and it becomes much more difficult to raise money?

Mr. LADERMAN. Absolutely.

Mr. YATES. Mr. Murtha.

Mr. MURTHA. Why wouldn't you just reduce the grants? Why are you forced to reduce these newcomers rather than just reduce the grants?

Mr. LADERMAN. Indeed, what I am doing is speculating on how the panel will act and the direction it will go. But one of the ways that it can go, and I didn't finish my thought completely, is that all the grants will be reduced proportionately. Surely that is a way it can go. Indeed, the panel in its wisdom may decide to do that, in which case that major six or seven at that level will be reduced.

Liv was not incorrect. Somewhere between, I would say a third to almost a half in funding. Somewhere along that line, depending upon the way we structure, if we have \$6 million to deal with the

support to orchestras. So there could be a general decrease across the board. The panel may not think that.

The panel may think it is far more important for these orchestras who have already had a great history of identity with the Endowment and support, and importance within the community, the major orchestras, the regional orchestras, those that have been around for many years, are the most demanding of our support, not those that have just come into the field.

Unfortunately, as in so many other aspects of life, those who come earliest stay the longest. Indeed, I am not sure what wisdom will be, but that is one of the ways that maybe we will work it out. That we will save our money for the larger institutions and the smaller institutions will suffer the most.

Mr. YATES. As a matter of fact, we are presented with the same possibility in congressional redistricting in so many of the states. Last in, first out. That is the rule that you are providing—

Mr. LADERMAN. I don't subscribe to that but it may happen that way.

Mr. MURTHA. In answer to the Chairman's question, we have in my area an unemployment rate of double the national average. We have substantial strikes in the coal mines. There is no way, for instance, the orchestra in my area could make up for the loss of the small grant in business contributions, because the businesses are hurt by the high unemployment rate. It is a disastrous situation and I think it shows the importance of redistributing the money from an area which has four or five percent unemployment. I don't know if the prosperous Southwest gives more money, but it certainly has much less of an economic problem than we have.

Mr. YATES. You say a 50 percent cut would be devastating. At what point then does it become non-devastating? I am sure if you were given an opportunity to choose you would say that any cut would have its effect. This is a very tough question, as of what point does a reduction sound the death of orchestras, or cause the kind of impact that reduces the contribution they can make to their community?

INDIVIDUAL ARTISTS WILL SUFFER MOST FROM CUTS

Mr. BIKEL. May I answer that kind of question?

Mr. YATES. Will you yield to Mr. Bikel?

Mr. LADERMAN. I was going to emulate what he said just before. I was going to share his view of the same world.

Mr. BIKEL. In terms of the larger—one can live with anything. You can live presumably with a 50 percent cut, but one also can live with pestilence and disease because one has to. But you are asking me in terms of the decent view?

Mr. YATES. Theo, no. I will accept that initial statement, except that Ezra says at some point you don't live with pestilence and disease, you are dead. Like Eugene, Oregon, is dead.

Mr. BIKEL. Right. I will tell you who is dead first. Individual grantees will be dead. The sculptor, the painter, the writer, the poet—the ones that we don't see that much of, that we don't hear that much about, the ones that have absolutely no call on private sector support.

Have you ever known a poet who can go to the private sector and say "Give me \$2,000 so I don't have to drive a cab 12 hours a day and can sit down and write my volume of poetry"? It doesn't happen. It doesn't exist, that kind of world, or a sculptor or a painter or the small presses that the Literature Program has?

Mr. YATES. You raise a very interesting point because we are told about the fund raising from the private sector of business and the arts. They raised over \$400 million last year. No, that was the whole community.

Mr. BIDDLE. No, that is correct. \$450 million is about where it is now, corporate support.

Mr. YATES. That is corporate support only. How do they work?

Mr. BIKEL. They work because they have our lines of communication with the artistic world. Before there was an Arts Endowment, that didn't exist. Before there was an Arts Endowment there was corporate giving, but it all went to the Philharmonic or San Francisco Opera. It went to the big name recognitions and was all left to the lords and ladies bountiful who knew what they were about.

Mr. MURTHA. Once the Endowment started it was not near the amount they give now. Because of the Endowment's coordination and the endorsement of programs, are they giving more today than they gave before?

Mr. BIKEL. Much more, because of the catalytic effect that the endowment had. If you tell somebody if you give us \$3 we can get a \$1 out of the government, they say whoopee, that is great. And they get it. There was much more corporate giving—contrary to Mr. Stockman's thesis in his memorandum—there was much less industrial support and private sector support of the arts in America than there is today.

EFFECT OF 20 PERCENT CUT IN MUSIC PROGRAM

Mr. YATES. That is true, but let's get back to the question I asked him about the music world. And the contributions that you are making to the music world. Where is the line to be drawn? Where can you live? I didn't quote Mr. Duffey exactly. What happened was Mr. Duffey, in a letter to OMB, suggested that a 20 percent reduction could be made with great difficulty. Now, what would happen if you had a 20 percent reduction?

Mr. LADERMAN. We would have to live with it.

Mr. YATES. Of course you will.

Mr. LADERMAN. We would hardly be able to service what we believe to be important in our lives with a 20 percent cut.

Mr. YATES. These are conclusions. Give me specifics, what would happen.

Mr. LADERMAN. At a 20 percent cut?

Mr. YATES. Yes. Would you fund orchestras that weren't funded?

Mr. LADERMAN. I would hope that we would fund them all. In other words, I think that the perspective would change. I think if there was a 20 percent cut in the Music Program, what would happen is that we would not eliminate any orchestras—that is, I hope so—but that we would kind of prorate the decrease in the level that we have funded in this year.

Mr. YATES. So you would have some orchestra support reduced. Do you have programs that you wanted to begin or to create? I

know you were looking at festivals and choral societies, and you were looking at other places. You had begun with chorals, I think. What would happen to your beginning programs?

Mr. LADERMAN. I would say that in each of the programs they would suffer relative to the Orchestra Program, they would all suffer equally. What that means, say in the Recording Program. Instead of being able to build on what was a very exciting beginning, where in the first year of its existence we have just begun to see the tip of the iceberg of what can happen, that momentum is absolutely stopped, and what we can do is deal with fewer responses to the applications, which indeed will grow. They are not going to diminish because the new programs take a year or so to get out in the field before good applications begin to come in.

Mr. YATES. Describe what you mean by the Recording Program.

Mr. LADERMAN. The Recording Program was developed at the Endowment to respond to a crying need to get major American music recorded. That over the history of the recording of American music so that we have had a good amount of chamber music and solo music because that is relatively inexpensive to do on the very small labels. But it is prohibitive to have—except if you are a composer that has international significance—any amount of recording done of larger works.

Yet we have a profoundly vital American composer community that deserves to be recorded by American orchestras, by American ensembles.

Mr. YATES. Obviously you are not talking about Gershwin or Duke Ellington here, because they are recorded.

Mr. LADERMAN. That is right. I am talking about that whole echelon of composers who for the most part get recorded with their more modest works, in size, that call for three or four instruments or five instruments, where that kinds of recording can be absorbed, oftentimes supported and subsidized by the composer himself. And perhaps the institution that composer works for.

Mr. YATES. What else will happen if you have a 20 percent cut?

Mr. LADERMAN. Well, at that 20 percent cut, one can only foresee less Endowment involvement in the recording of American music. We wouldn't be able to fund the various orchestras to record significant works by American composers on labels that would have real distribution so that their works would get to be known and into the mainstream of American music.

That was the purpose of the program. And this is a prototype of all the other parts of the music program. Each part of the music program would suffer that way.

Mr. YATES. I had better put the documents that were handed me this morning into the record. And referring to the music portion of one of those, you have laid out what would happen under music applications, grant relationship and funding impact. You have individual policy, individual creativity, composers, institutional, living heritage, making arts available, music recording, and leadership. That shows what reductions would be.

[The information follows:]

NATIONAL ENDOWMENT FOR THE ARTS
IMPACT OF PROPOSED FUNDING LEVELS BELOW \$175.0 MILLION
(In thousands)

	FY 1982 REQUEST	% OF TOTAL	5% REDUCTION	% OF TOTAL	10% REDUCTION	% OF TOTAL	15% REDUCTION	% OF TOTAL	20% REDUCTION	% OF TOTAL
Advancement	1,500	1.0	1,400	1.0	1,250	1.0	1,000	.8	750	.7
Artists-in-Education	5,913	4.1	5,705	4.1	5,370	4.1	5,005	4.1	4,665	4.2
Dance	9,992	6.9	9,550	6.9	8,980	6.9	8,380	6.9	7,805	6.9
Design Arts	5,660	3.9	5,380	3.9	5,060	3.9	4,720	3.9	4,395	3.9
Expansion Arts	8,877	6.1	8,450	6.1	7,950	6.1	7,415	6.1	6,910	6.1
Fellows	134	.1	125	.1	115	.1	100	.1	100	.1
Folk Arts	3,300	2.3	3,180	2.3	2,995	2.3	2,790	2.3	2,605	2.3
Inter-Arts	5,226	3.6	5,050	3.6	4,750	3.7	4,430	3.7	4,125	3.8
International	287	.2	250	.2	175	.1	125	.1	100	.1
Literature	5,308	3.6	5,055	3.7	4,755	3.7	4,435	3.7	4,130	3.7
Media Arts	12,552	8.6	11,960	8.6	11,250	8.6	10,495	8.7	9,780	8.7
Museums	13,928	9.6	13,280	9.6	12,490	9.6	11,650	9.6	10,855	9.7
Music	17,400	12.0	16,680	12.1	15,695	12.1	14,640	12.1	13,640	12.1
Opera-Musical Theater	6,943	4.8	6,585	4.8	6,195	4.8	5,780	4.8	5,385	4.8
Regional Repts	960	.6	960	.7	960	.8	960	.8	960	.8
Research	1,189	.8	750	.5	600	.5	500	.4	450	.4
Special Constituencies	487	.3	425	.3	350	.3	250	.2	200	.2
State Programs	26,165	18.0	24,690	17.8	23,140	17.8	21,850	18.0	20,050	17.8
Theater	11,672	8.0	11,195	8.1	10,530	8.1	9,820	8.1	9,150	8.1
Visual Arts	8,007	5.5	7,680	5.6	7,225	5.6	6,740	5.6	6,280	5.6
(Subtotal)	(145,500) 1/	(83.1)	(138,350) 2/	(83.2)	(129,835) 3/	(82.4)	(121,085) 4/	(81.4)	(112,335) 5/	(80.2)
Challenge	15,900	9.1	15,000	9.0	15,000	9.5	15,000	10.1	15,000	10.7
Administration	13,600	7.8	12,900	7.8	12,665	8.1	12,665	8.5	12,665	9.1
Total	175,000	100.0	166,250	100.0	157,500	100.0	148,750	100.0	140,000	100.0

- 1/ Includes \$127,000 in Program funds and \$18,500 in Treasury funds.
 2/ Includes \$119,850 in Program funds and \$18,500 in Treasury funds.
 3/ Includes \$112,335 in Program funds and \$17,500 in Treasury funds.
 4/ Includes \$106,085 in Program funds and \$15,000 in Treasury funds.
 5/ Includes \$97,335 in Program funds and \$15,000 in Treasury funds.

NATIONAL ENDOWMENT FOR THE ARTS
Impact of Proposed Increments Below \$175.0 million
(Applications & Grants)

	FY 1982 Request		5%		10%		15%		20%	
	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants
Advancement	15	15	15	15	15	15	15	15	15	15
Artists-in-Education	131	86	131	86	131	86	131	86	131	86
Dance	1,217	304	1,217	294	1,217	273	1,217	261	1,217	245
Design Arts	1,927	361	1,927	344	1,907	331	1,777	312	1,595	293
Expansion Arts	1,021	640	1,021	480	1,021	471	1,021	465	1,021	450
Fellows	500	37	500	34	500	31	500	29	500	29
Folk Arts	659	304	659	297	659	283	659	269	659	255
Inter-Arts	810	324	797	315	790	296	763	268	755	257
International	175	4	175	4	175	3	175	3	175	3
Literature	3,495	497	3,485	489	3,476	477	3,451	455	3,456	423
Media Arts	1,535	320	1,527	300	1,513	288	1,498	266	1,474	249
Museums	1,500	757	1,494	700	1,449	675	1,414	627	1,294	568
Music	4,100	1,185	3,920	1,155	3,920	1,126	3,920	1,080	3,920	1,050
Opera-Musical Theater	310	178	310	175	310	168	310	162	310	152
Regional Repr.	12	12	12	12	12	12	12	12	12	12
Research	0	18	0	8	0	5	0	3	0	3
Special Constituencies	0	45	0	37	0	30	0	25	0	21
State Programs	84	80	84	80	84	78	84	73	84	71
Theater	1,525	529	1,503	521	1,485	505	1,275	470	995	446
Visual Arts	12,590	952	10,390	700	10,380	652	9,725	593	9,725	555
(Subtotal)	(31,606)	(6,648)	(29,169)	(6,050)	(29,044)	(5,797)	(27,947)	(5,471)	(27,328)	(5,176)
Challenge	375	50	350	45	350	45	350	45	350	45
Total	31,981	6,698	29,519	6,095	29,394	5,842	28,297	5,516	27,678	5,223

ARTISTS-IN-EDUCATION

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY 82 REQUEST	5% REDUCTION	10% REDUCTION	15% REDUCTION	20% REDUCTION
Individual Creativity	Residency Grants	5,213.0	5,005.0	4,670.0	4,355.0	4,065.0
Institutional Creativity	---	0.0	0.0	0.0	0.0	0.0
Living Heritage	---	0.0	0.0	0.0	0.0	0.0
Making Arts Available	---	0.0	0.0	0.0	0.0	0.0
Leadership	Spec. Proj. Services	200.0	200.0	200.0	200.0	200.0
		500.0	500.0	500.0	450.0	400.0
	(Subtotal)	(700.0)	(700.0)	(700.0)	(650.0)	(600.0)
	Total	5,913.0	5,705.0	5,370.0	5,005.0	4,665.0

ARTISTS-IN-EDUCATION

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

Policy	Category	FY 82 REQUEST		5% REDUCTION		10% REDUCTION		15% REDUCTION		20% REDUCTION	
		# Appl.	# Grants	# Appl.	# Grants	# Appl.	# Grants	# Appl.	# Grants	# Appl.	# Grants
Individual Creativity	Residency Grants	56	56	56	56	56	56	56	56	56	56
Institutional Creativity	---	0	0	0	0	0	0	0	0	0	0
Living Heritage	---	0	0	0	0	0	0	0	0	0	0
Making Arts Available	---	0	0	0	0	0	0	0	0	0	0
Leadership	Spec. Proj. Services	45	15	45	15	45	15	45	15	45	15
		30	15	30	15	30	15	30	12	30	10
(Subtotal)		(75)	(30)	(75)	(30)	(75)	(30)	(75)	(17)	(45)	(25)
Total		131	86	131	86	131	86	131	83	131	81

DANCE

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in thousands)

(Federally Appropriated Funds only)

Policy	Category	FY82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
Individual Creativity Institutional Creativity	Choreographer Fellowships	390.0	390.0	390.0	390.0	425.0
	Grants to Dance Companies	2,900.0	2,800.0	2,600.0	2,300.0	1,900.0
	Services	650.0	550.0	480.0	380.0	325.0
	(Subtotal)	(3,550.0)	(3,350.0)	(3,080.0)	(2,680.0)	(2,225.0)
Living Heritage	Dance/Film/ Video	227.0	150.0	150.0	150.0	100.0
Making Arts Available	Dance Touring	5,500.0	5,350.0	5,150.0	4,950.0	4,850.0
(Subtotal)	Grants to Dance Presentors	300.0	300.0	200.0	200.0	195.0
	Interdisciplinary	25.0	10.0	10.0	10.0	10.0
		(5,825.0)	(5,660.0)	(5,360.0)	(5,160.0)	(5,055.0)
Leadership	---	-0-	-0-	-0-	-0-	-0-
Total		9,992.0	9,550.0	8,980.0	8,380.0	7,805.0

DANCE

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		Appl.	Grants	Appl.	Grants	Appl.	Grants	Appl.	Grants	Appl.	Grants
Individual Creativity Institutional Creativity	Choreographer Fellowships	550	55	550	55	550	55	550	55	550	60
	Grants to Dance Companies	350	125	350	120	350	115	350	110	350	92
	Services	100	30	100	28	100	22	100	15	100	15
	(Subtotal)	(450)	(155)	(450)	(148)	(450)	(137)	(450)	(125)	(450)	(107)
Living Heritage	Dance/Film/ Video	70	10	70	8	70	8	70	8	70	5
	Dance Touring	62	62	62	62	62	62	62	62	62	62
Baking Arts Available	Grants to Dance Presentors	70	20	70	20	70	10	70	10	70	10
	Interdisciplinary	15	2	15	1	15	1	15	1	15	1
(Subtotal)		(147)	(84)	(147)	(83)	(147)	(73)	(147)	(73)	(147)	(73)
Leadership	---	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total		1,217	304	1,217	294	1,217	273	1,217	261	1,217	245

DESIGN ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in thousands)

(Federally Appropriated Funds only)									
Policy	Category	FY '82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction			
Individual Creativity	Fellowships	736	699	692	667	605			
Institutional Creativity	Services	1,075	900	700	500	300			
Living Heritage	---								
Making Arts Available	Design Demonstration State Arts Interdisciplinary	2,264 57 113	2,257 54 107	2,228 51 101	2,201 - 96	2,201 - 90			
Leadership	Design Explor./ Research Design Communications Design Excellence	283 849 283	268 827 268	220 814 254	210 806 240	196 777 226			
Total		5,660	5,380	5,060	4,720	4,395			

DESIGN ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY '82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		Applic.	Grants	Applic.	Grants	Applic.	Grants	Applic.	Grants	Applic.	Grants
Individual Creativity	Fellowships	800	105	800	99	800	98	750	95	700	86
Institutional Creativity	Services	70	30	70	25	50	20	40	14	20	8
Living Heritage	---										
Making Arts Available	Design Demonstration State Arts Interdisciplinary	610	120	610	118	610	116	600	114	550	114
		20	5	20	5	20	5	20	-	20	-
		20	6	20	6	20	6	20	6	15	6
Leadership	Design Explor./ Research Design Communications Design Excellence	90	15	90	14	90	12	80	11	75	10
		300	65	300	63	300	62	250	61	200	59
		17	15	17	14	17	12	17	11	15	10
Total		1,927	361	1,927	344	1,907	331	1,777	312	1,595	293

EXPANSION ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in thousands)

(Federally Appropriated Funds only)		FY 82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
Policy	Category					
Individual Creativity	-----	0	0	0	0	0
Institutional Creativity	Community Cultural Cntrs.	900	900	900	900	900
	Consortia Services	151	151	-0-	-0-	-0-
(Subtotal)		1,208	1,208	1,100	608	608
		(2,259)	(2,259)	(2,000)	(1,508)	(1,508)
Living Heritage	-----	0	0	0	0	0
Making Arts Available	Expansion Arts	5,202	5,202	5,202	5,159	4,654
	Special Summer Projects	482	100	-0-	-0-	-0-
	Regional Tour	186	141	-0-	-0-	-0-
(Subtotal)		(5,870)	(5,443)	(5,202)	(5,159)	(4,654)
Leadership	City Arts	748	748	748	748	748
Total		8,877	8,450	7,950	7,415	6,910
Advancement		1,500	1,400	1,250	1,000	750
Grand Total		10,377	9,850	9,200	8,415	7,660

EXPANSION ARTS

Applications/Grant Relationship and resulting Impact
as Related to Agency Policies

Policy	Category	FY 82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants
Individual Creativity Institutional Creativity (Subtotal)	---										
	Community Cultural Contrs.	52	34	52	34	52	34	52	34	52	34
	Consortia	5	5	5	5	5	0	5	0	5	0
	Services	57	40	57	40	57	36	57	20	57	20
Living Heritage	---										
Making Arts Available	Expansion Arts	700	449	700	449	700	449	700	444	700	404
	Summer Projects	161	74	161	13	161	-0-	161	-0-	161	-0-
	Regional Tours	31	23	31	14	31	-0-	31	-0-	31	-0-
(Subtotal)											
Leadership Total	City Arts	1,021	15	1,021	15	15	15	15	15	15	15
Advancement	Advancement	15	640	15	480	1,021	471	1,021	465	1,021	450
Grand Total		1,036	655	1,036	585	1,036	549	1,036	528	1,036	488

(MANAGEMENT) FELLOWS
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

<u>Policy</u>	<u>Category</u>	<u>FY 82 Requirement</u>	<u>5% Reduc.</u>	<u>10% Reduc.</u>	<u>15% Reduc.</u>	<u>20% Reduc.</u>	<u>(\$ in thousands)</u>
Individual Creativity	---	0	0	0	0	0	
Institutional Creativity	---	0	0	0	0	0	
Living Heritage	---	0	0	0	0	0	
Making Arts Available	---	0	0	0	0	0	
Leadership (Management) Fellows		<u>134</u>	<u>125</u>	<u>115</u>	<u>100</u>	<u>100</u>	
Total		134	125	115	100	100	

(MANAGEMENT) FELLOWS
 Applications/Grant Relationship and Funding Impact
 as Related to Agency Policies

FY 82 Request 2% Reduc. 10% Reduc. 15% Reduc. 20% Reduc.
 ADPS. GTEA. ADPS. GTEA. ADPS. GTEA. ADPS. GTEA. ADPS. GTEA.

(Federally Appropriated Funds only)

Policy	Category	0	0	0	0	0	0	0	0	0	0	0
Individual Creativity	---	0	0	0	0	0	0	0	0	0	0	0
Institutional Creativity	---	0	0	0	0	0	0	0	0	0	0	0
Living Heritage	---	0	0	0	0	0	0	0	0	0	0	0
Making Arts Available	---	0	0	0	0	0	0	0	0	0	0	0
Leadership (Management) Fellows		27	500	34	500	31	500	29	500	22	500	29
Total		500	37	500	34	500	31	500	29	500	29	500

FOLK ARTS
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in thousands)

(Federally Appropriated Funds only)

<u>Policy</u>	<u>Category</u>	<u>FY 82 Request</u>	<u>5% Reduction</u>	<u>10% Reduction</u>	<u>15% Reduction</u>	<u>20% Reduction</u>
Individual Creativity	---	0	0	0	0	0
Institutional Creativity	---	0	0	0	0	0
Living Heritage	Polk Arts					
Making Arts Available	---	25	25	25	25	25
		80	80	80	80	70
		660	660	660	600	600
		1,370	1,370	1,290	1,250	1,250
Leadership	---	210	105	-0-	-0-	-0-
		250	250	250	250	150
		705	690	690	585	510
Total						
		3,300	3,180	2,995	2,790	2,605
TOTALS						

FOLK ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY 82 Request Apps. Grants	5% Reduction Apps. Grants	10% Reduction Apps. Grants	15% Reduction Apps. Grants	20% Reduction Apps. Grants
Individual Creativity	---	0	0	0	0	0
Institutional Creativity	---	0	0	0	0	0
Living Heritage	Folk Arts					
Making Arts Available	Heritage Awards	50	50	50	50	50
	Apprenticeships	115	40	115	40	115
	Services to the Field	53	53	53	53	53
Leadership	Presentation	262	137	262	129	262
	FAIS	29	12	29	0	29
	Ethnic Tours	18	10	18	10	18
	Documentation	132	47	132	46	132
Total		659	304	659	283	659
	TOTALS					
						255

INTER-ARTS
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY 82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
Individual Creativity	Artists Colonies Training	\$ 300	\$ 300	\$ 300	\$ 275	\$ 275
		<u>300</u>	<u>175</u>	<u>125</u>	<u>100</u>	<u>-0-</u>
	(Subtotal)	(600)	(475)	(425)	(375)	(275)
Institutional Creativity	Services Multi-Program	900	900	800	700	600
		<u>600</u>	<u>600</u>	<u>500</u>	<u>500</u>	<u>500</u>
	(Subtotal)	(1,500)	(1,500)	(1,300)	(1,200)	(1,100)
Living Heritage	---					
Making Arts Available	Presenting Organizations	2,250	2,250	2,250	2,150	2,150
Leadership	Interdisciplinary Regional Representatives	876	825	775	705	600
		<u> </u>				
Total		\$5,226	\$5,050	4,750	\$4,430	\$4,125

1/ Regional Representatives are displayed on a separate chart.

INTER-ARTS
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)		FY 82 Request	5% Reduced	10% Reduced	15% Reduced	20% Reduced
Policy	Category	Apps. Grants	Apps. Grants	Apps. Grants	Apps. Grants	Apps. Grants
Individual Creativity	Artista Colonias	25	17	25	14	25
	Training	25	8	10	4	0-
	(Subtotal)	(50)	(29)	(35)	(18)	(25)
Institutional Creativity	Services	125	60	125	47	100
	Multi-Program	35	20	30	15	30
	(Subtotal)	(160)	(80)	(155)	(62)	(130)
Living Heritage	---					
Making Arts Available	Presenting Organizations	400	150	400	140	400
Leadership	Interdisciplinary Regional Representatives	200	60	200	48	200
Total		810	324	790	296	755

INTERNATIONAL

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

		(\$ in thousands)				
(Federally Appropriated Funds only)						
<u>Policy</u>	<u>Category</u>	<u>FY82 Request</u>	<u>5% Reduction</u>	<u>10% Reduction</u>	<u>15% Reduction</u>	<u>20% Reduction</u>
Individual Creativity	--	0	0	0	0	0
Institutional Creativity	--	0	0	0	0	0
Living Heritage	--	0	0	0	0	0
Making Arts Available	--	0	0	0	0	0
Leadership	International	<u>287</u>	<u>250</u>	<u>175</u>	<u>125</u>	<u>100</u>
Total		287	250	175	125	100

INTERNATIONAL
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

<u>Policy</u>	<u>Category</u>	<u>FY82 Request</u> <u>Apps</u>	<u>Grants</u>	<u>5% Reduction</u> <u>Apps</u>	<u>Grants</u>	<u>10% Reduction</u> <u>Apps</u>	<u>Grants</u>	<u>15% Reduction</u> <u>Apps</u>	<u>Grants</u>	<u>20% Reduction</u> <u>Apps</u>	<u>Grants</u>
Individual Creativity	--	0	0	0	0	0	0	0	0	0	0
Institutional Creativity	--	0	0	0	0	0	0	0	0	0	0
Living Heritage	--	0	0	0	0	0	0	0	0	0	0
Making Arts Available	--	0	0	0	0	0	0	0	0	0	0
Leadership	International	175	4	175	4	175	3	175	3	175	3
Total		175	4	175	4	175	3	175	3	175	3

LITERATURE

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

Policy	Category	FY 82 Req.		- 5%		- 10%		- 15%		- 20%		(\$ in thousands)
		Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants	
(Federally Appropriated Funds only)												
Individual Creativity	Fellowships	2700	121	2700	120	2700	116	2700	112	2700	108	
Institutional Creativity	Publishing	486	211	486	211	486	211	486	200	486	190	
	Prof. Dev.	50	30	40	28	40	20	35	18	30	10	
	(Subtotal)	(536)	(241)	(526)	(239)	(526)	(231)	(521)	(218)	(516)	(200)	
Living Heritage	---	0	0	0	0	0	0	0	0	0	0	
Making Arts Available	Audience Dev.	259	135	259	130	250	130	230	125	230	115	
Leadership	Criticism											
Total		3495	497	3485	489	3476	477	3451	455	3446	423	

Note

1. Includes Interdisciplinary applications and grants, and Criticism in the Arts applications and grants.

LITERATURE

Policy	Category	Applications/Grant Relationship and Funding Impact as Related to Agency Policies				
		FY 82 Req.	- 5%	-10%	-15%	-20%
Individual Creativity	Fellowships	1,513	1,500	1,450	1,400	1,350
Institutional Creativity	Publishing	2,165	2,050	1,985	1,860	1,755
	Prof. Dev.	835 ¹	750	620	525 ³	425 ³
	(Subtotal)	3,000	2,800 ¹	2,605 ²	2,385	2,180
Living Heritage	---	0	0	0	0	0
Making Arts Available	Audience Dev.	795	755	700	650	600
Leadership	Criticism	0	0	0	0	0
Total		5,308	5,055	4,755	4,435	4,130

Notes

1. Includes Criticism in the Arts and Interdisciplinary
2. Includes Interdisciplinary (Criticism in the Arts at -0-)
3. Interdisciplinary and Criticism in the Arts both at -0-

MEDIA ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in Thousands)

(Federally Appropriated Funds only)		FY B2 Request	5% Reduction	10% Reduction	15% Reduction	20% Reductions
<u>Policy</u>	<u>Category</u>					
Individual Creativity	API Fellowships Production	450.0 1,015.0 (1,465.0)	450.0 1,015.0 (1,465.0)	450.0 1,015.0 (1,465.0)	450.0 1,015.0 (1,465.0)	450.0 1,015.0 (1,465.0)
	(Subtotal)					
Institutional Creativity	Media Arts Cntrs. API General Grant Services	700.0 2,000.0 650.0 (3,350.0)	700.0 1,800.0 600.0 (3,225.0)	700.0 1,800.0 600.0 (3,100.0)	700.0 1,700.0 575.0 (2,975.0)	700.0 1,650.0 552.0 (2,902.0)
	(Subtotal)					
Living Heritage	API Archives Prospective Arch.	650.0 87.0 (737.0)	650.0 37.0 (687.0)	650.0 -0- (650.0)	625.0 -0- (625.0)	600.0 -0- (600.0)
	(Subtotal)					
Making Arts Available	Programming in the Arts Radio Exhibition In Residence/ Workshop Short Film Showcase	6,000.0 244.0 419.0 132.0 130.0 (6,925.0)	5,700.0 244.0 419.0 90.0 130.0 (6,583.0)	5,200.0 244.0 419.0 42.0 130.0 (6,035.0)	4,652.0 244.0 419.0 -0- 115.0 (5,430.0)	4,050.0 244.0 419.0 -0- 100.0 (4,813.0)
	(Subtotal)					
Leadership	NEA/CPB Fund	75.0	-0-	-0-	-0-	-0-
Total		\$12,552.0	\$11,960.0	\$11,250.0	\$10,495.0	\$ 9,780.0

MEDIA ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)		FY 82 Request		5% Reduct.		10% Reduct.		15% Reduct.		20% Reduct.	
Policy	Category	Apps.	Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants
Individual Creativity	AFI Fellowships Production	1	1	1	1	1	1	1	1	1	1
		725	70	725	70	725	70	725	70	725	70
(Subtotal)		(726)	(71)	(726)	(71)	(726)	(71)	(726)	(71)	(726)	(71)
Institutional Creativity	Media Arts Contra. AFI General Grant Services	40	25	40	25	40	25	40	25	40	25
		1	1	1	1	1	1	1	1	1	1
250	60	250	58	250	55	250	53	250	50	250	50
(Subtotal)		(291)	(86)	(291)	(84)	(291)	(81)	(291)	(79)	(291)	(76)
Living Heritage	AFI Archives Prospective Arch.	1	1	1	1	1	1	1	1	1	1
		8	4	4	2	0	0	0	0	0	0
(Subtotal)		(9)	(5)	(5)	(3)	(1)	(1)	(1)	(1)	(1)	(1)
Making Arts Available	Programming in the Arts Radio Exhibition In Residence/ Workshop Short Film Showcase	135	40	135	35	125	30	115	25	100	20
		200	40	200	40	200	40	200	40	200	40
		80	40	80	40	80	40	80	40	80	40
		75	20	75	12	75	10	75	0	75	0
		15	15	15	15	15	15	15	15	15	15
505	155	505	142	495	135	480	115	456	101		
(Subtotal)		4	3	0	0	0	0	0	0	0	0
Leadership	NEA/CPB Fund										
Total		1,535	320	1,527	300	1,513	288	1,498	266	1,474	249

MUSEUMS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

		(\$ in thousands)				
Policy	Category	FY 82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
Individual	Fellowships	100	100	100	100	90
	Sabbaticals	75	500	50	50	35
	Museum Training	500	400	374.7	349	325.7
	(Subtotal)	(675)	(550)	(524.7)	(499)	(450.7)
Institutional Creativity	Utilization of Museum Coll.	1,350	1,350	1,350	1,350	1,350
	Catalogue	1,200	1,200	1,200	1,200	1,200
	Visiting Spec.	150	146	137.4	128	119.4
	Services	300	200	100	-0-	-0-
	(Subtotal)	(3,000)	(2,896)	(2,787.4)	(2,678)	(2,669.4)
Living Heritage	Conservation	1,528	1,528	1,466.8	1,330	1,340
	Collection Maint.	1,250	1,250	1,261.5	1,177	1,150.7
	Museum Purch. Plan.	900	900	700	500	-0-
	(Subtotal)	(3,678)	(3,678)	(3,428.3)	(3,007)	(2,490.7)
Making Arts	Wider Availability	850	750	499.6	466	444.2
	Cooperative Prog.	-0-	-0-	-0-	-0-	-0-
	Special Exhib.	5,650	5,406	5,250	5,000	4,800
	Interdisciplinary	75	-0-	-0-	-0-	-0-
	(Subtotal)	(6,575)	(6,156)	(5,749.6)	(5,466)	(5,244.2)
Leadership		-0-	-0-	-0-	-0-	-0-
Total		13,928	13,280	12,490	11,650	10,855

MUSEUMS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY82 Request Apps. Grants	5% Reduction Apps. Grants	10% Reduction Apps. Grants	15% Reduction Apps. Grants	20% Reduction Apps. Grants
Individual	Fellowships	60	60	20	60	60
	Sabbaticals	10	5	10	10	10
	Museum Training	60	20	60	60	60
	(Subtotal)	(130)	(45)	(130)	(130)	(130)
Institutional Creativity	Utilization of Museum Coll.	110	110	45	110	110
	Catalogue	140	60	140	140	140
	Visiting Spec.	60	20	60	60	60
	Services	55	25	45	10	10
	(Subtotal)	(365)	(150)	(355)	(320)	(320)
Living Heritage	Conservation	150	150	70	150	150
	Collection Maint.	60	30	60	60	60
	Museum Purch. Pin.	130	60	120	120	60
	(Subtotal)	(340)	(160)	(330)	(330)	(210)
Making Arts	Wider Availability	175	175	40	150	150
	Cooperative Prog.	-0-	-0-	-0-	-0-	-0-
	Special Exhib.	475	480	300	480	480
	Interdisciplinary	15	4	4	4	4
	(Subtotal)	(670)	(382)	(335)	(634)	(634)
Leadership		-0-	-0-	-0-	-0-	-0-
	Total	1500	757	1,449	1,414	1,294
					627	568

MUSICApplications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in thousands)

(Federally Appropriated Funds only)

<u>Policy</u>	<u>Category</u>	<u>FY 82 Request</u>	<u>5% Reduction</u>	<u>10% Reduction</u>	<u>15% Reduction</u>	<u>20% Reduction</u>
Individual Creativity	Composers/Centers for New Music	850.0	820.0	765.0	700.0	600.0
	Music Prof. Trng.	1,300.0	1,235.0	1,170.0	1,000.0	1,000.0
Institutional	Orchestra	10,450.0	10,000.0	9,400.0	8,850.0	8,300.0
	Chamber Music	550.0	520.0	500.0	470.0	440.0
	Chorus	550.0	520.0	500.0	470.0	440.0
	New Music Perf.	550.0	520.0	500.0	470.0	440.0
	Services	350.0	350.0	315.0	300.0	220.0
Living Heritage	Jazz	1,800.0	1,750.0	1,620.0	1,530.0	1,400.0
Making Arts Available	Solo Recitalists	300.0	285.0	270.0	250.0	240.0
	Music Recording	200.0	200.0	180.0	160.0	160.0
	Music Festivals	400.0	380.0	375.0	340.0	320.0
	Interdisciplinary	100.0	100.0	100.0	100.0	80.0
Leadership	---	-0-				
Total		17,400.0	16,680.0	15,695.0	14,640.0	13,640.0

MUSIC

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

Policy	Category	FY 82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants
Individual Creativity	Composers/Centers for New Music	875	165	875	160	875	160	875	150	875	140
	Music Prof. Trng.	100	45	100	45	100	40	100	40	100	40
	(Subtotal)										
Institutional	Orchestra	270	165	250	160	250	160	250	155	250	150
	Chamber Music	200	125	175	115	175	110	175	105	175	90
	Chorus	225	120	220	115	220	110	220	110	220	110
	New Music Perf. Services	175	95	175	95	175	90	175	90	175	90
	(Subtotal)										
Living Heritage	Jazz	1,700	300	1,700	300	1,700	295	1,700	290	1,700	290
	(Subtotal)										
Making Arts Available	Solo Recitalists	300	80	200	75	200	75	200	65	200	65
	Music Recording	100	35	100	35	100	30	100	30	100	30
	Music Festivals	100	40	100	40	100	35	100	35	100	35
	Interdisciplinary	30	5	10	5	10	5	10	5	10	5
Leadership	---										
Total		4,100	1,185	3,920	1,155	3,920	1,120	3,920	1,080	3,920	1,050

OPERA-MUSICAL THEATER

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY 82 Request	(\$ in thousands)			
			5% Reduction	10% Reduction	15% Reduction	20% Reduction
Individual Creativity	New American Works	400.0	400.0	390.0	380.0	370.0
	Producer	50.0	50.0	50.0	50.0	50.0
	(Subtotal)	(450.0)	(450.0)	(440.0)	(430.0)	(420.0)
Institutional Creativity	Prof. Companies	4,675.0	4,470.0	4,290.0	4,085.0	4,000.0
	Services	643.0	600.0	500.0	400.0	300.0
	(Subtotal)	(5,318.0)	(5,070.0)	(4,790.0)	(4,485.0)	(4,300.0)
Living Heritage	Special Opera-Musical Theater Projects	200.0	160.0	125.0	100.0	80.0
Making Arts Available	Regional Touring	425.0	400.0	370.0	350.0	285.0
	Media Presentations	500.0	475.0	450.0	400.0	300.0
	Interdisciplinary	50.0	30.0	20.0	15.0	-0-
	(Subtotal)	(975.0)	(905.0)	(840.0)	(765.0)	(585.0)
Leadership		00.0	00.0	00.0	00.0	00.0
Total		6,943.0	6,585.0	6,195.0	5,780.0	5,385.0

OPERA-MUSICAL THEATER

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)		FY 82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
Policy	Category	Apps.	Grants	Apps.	Grants	Apps.	Grants	Apps.	Grants	Apps.	Grants
Individual Creativity	New American Works Producer	40	23	40	23	40	22	40	21	40	20
		<u>15</u>	<u>5</u>	<u>15</u>	<u>5</u>	<u>15</u>	<u>5</u>	<u>15</u>	<u>5</u>	<u>15</u>	<u>5</u>
(Subtotal)		(55)	(28)	(55)	(28)	(55)	(27)	(55)	(26)	(55)	(25)
Institutional Creativity	Prof. Companies Services	150	112	150	110	150	107	150	104	150	100
		<u>15</u>	<u>11</u>	<u>15</u>	<u>11</u>	<u>15</u>	<u>10</u>	<u>15</u>	<u>10</u>	<u>15</u>	<u>9</u>
(Subtotal)		(165)	(123)	(165)	(121)	(165)	(117)	(165)	(114)	(165)	(109)
Living Heritage	Special Opera-Musical Theater Projects	50	11	50	10	50	9	50	8	50	7
Making Arts Available	Regional Touring Media Presentations Interdisciplinary	20	12	20	12	20	11	20	11	20	10
		<u>5</u>	<u>1</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>1</u>
		<u>15</u>	<u>3</u>	<u>15</u>	<u>3</u>	<u>15</u>	<u>3</u>	<u>15</u>	<u>2</u>	<u>15</u>	<u>0</u>
(Subtotal)		(40)	(16)	(40)	(16)	(40)	(15)	(40)	(14)	(40)	(11)
Leadership		<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
Total		310	178	310	175	310	168	310	162	310	152

REGIONAL REPRESENTATIVES

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

POLICY	Category	FY 82 REQUEST	(\$ in thousands)			
			5% REDUCTION	10% REDUCTION	15% REDUCTION	20% REDUCTION
Individual Creativity	--	0	0	0	0	0
Institutional Creativity	--	0	0	0	0	0
Living Heritage	--	0	0	0	0	0
Making Arts Available	--	0	0	0	0	0
Leadership		960	960	960	960	960
Total		960	960	960	960	960

REGIONAL REPRESENTATIVES
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

<u>Policy</u>	<u>Category</u>	<u>Fy82 Request</u> <u>App. Grants</u>	<u>5% Reduction</u>	<u>10% Reduction</u>	<u>15% Reduction</u>	<u>20% Reduction</u>
Individual Creativity	--	0	0	0	0	0
Institutional Creativity	--	0	0	0	0	0
Living Heritage	--	0	0	0	0	0
Making Arts Available	--	0	0	0	0	0
Leadership	Regional Representatives	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Total		12	12	12	12	12

RESEARCH
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Priority	Category	FY 82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
	---	0	0	0	0	0
Individual Creativity	---	0	0	0	0	0
Institutional Creativity	---	0	0	0	0	0
Artistic Heritage	---	0	0	0	0	0
Artistic Acts Available	---	0	0	0	0	0
Research/Evaluation		\$1,189	\$750	\$600	\$500	\$450
TOTAL		\$1,189	\$750	\$600	\$500	\$450

(\$ in thousands)

RESEARCH

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY 82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		App	Grant	App	Grant	App	Grant	App	Grant	App	Grant
Individual Creativity	---	0	00	0	0	0	0	0	0	0	0
Institutional Creativity	---	0	00	0	0	0	0	0	0	0	0
Writing Reciprocity	---	0	00	0	0	0	0	0	0	0	0
Making Funds Available	---	0	00	0	0	0	0	0	0	0	0
Teachable Research/Evaluation		0	18	0	8	0	5	0	3	0	3
Total		0	18	0	8	0	5	0	3	0	3

Note: The Research Division does not receive Applications

SPECIAL CONSTITUENCIES
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

POLICY	CATEGORY	FY 1982		5%		10%		15%		20%	
		Appa.	Grants	Appa.	Grants	Appa.	Grants	Appa.	Grants	Appa.	Grants
Individual Creativity	---	0	0	0	0	0	0	0	0	0	0
Institutional Creativity	---	0	0	0	0	0	0	0	0	0	0
Living Heritage	---	0	0	0	0	0	0	0	0	0	0
Making Arts Available	---	0	0	0	0	0	0	0	0	0	0
Leadership	MODEL PROJECTS/COOPERATIVE AGREEMENTS	1000 ^{1/}	45	1000 ^{1/}	37	900 ^{1/}	30	700 ^{1/}	25	500 ^{1/}	21
Total		1000	45	1000	37	900	30	700	25	500	21

^{1/} Applications are indirectly submitted to the office of Special Constituencies. Further, applications are submitted to the other program areas within the Embowment, and therefore are also included in their application figures.

SPECIAL CONSTITUENCIES
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds Only)

(\$ in thousands)

Policy	Category	FY 1982	5%	10%	15%	20%
Individual Creativity	---	0	0	0	0	0
Institutional Creativity	---	0	0	0	0	0
Living Heritage	---	0	0	0	0	0
Making Arts Available	---	0	0	0	0	0
Leadership	MODEL PROJECTS/COOPERATIVE AGREEMENTS	397	335	265	200	170
	TECHNICAL ASSISTANCE	90	90	85	50	30
Total		487	425	350	250	200

STATE PROGRAMS
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

		(\$ in thousands)				
(Federally Appropriated Funds only)	<u>Category</u>	<u>FY 82 Request</u>	<u>5% Reduction</u>	<u>10% Reduction</u>	<u>15% Reduction</u>	<u>20% Reduction</u>
Individual Creativity	---	000.0	000.0	000.0	000.0	000.0
Institutional Creativity	---	000.0	000.0	000.0	000.0	000.0
Living Heritage	---	000.0	000.0	000.0	000.0	000.0
Making Arts Available	Basic State Grants Regional Programming	22,225.0 3,175.0	20,974.0 2,996.0	19,659.0 2,808.0	18,565.0 2,652.0	17,034.0 2,433.0
(Subtotal)		(25,400.0*)	(23,970.0*)	(22,467.0*)	(21,217.0*)	(19,467.0*)
Leadership	Partnership Proj. Support Services	465.0 300.0	432.0 288.0	404.0 269.0	380.0 253.0	350.0 233.0
(Subtotal)		(765.0)	(720.0)	(673.0)	(633.0)	(583.0)
Total		26,165.0	24,690.0	23,140.0	21,850.0	20,050.0

* 20 percent of Regular Program Funds

STATE PROGRAMS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)

Policy	Category	FY82 Request Apps. Grants	5% Reduct. Apps. Grants	10% Reduct. Apps. Grants	15% Reduct. Apps. Grants	20% Reduct. Apps. Grants
Individual Creativity	---	00	00	00	00	00
Institutional Creativity	---	00	00	00	00	00
Living Heritage	---	00	00	00	00	00
Making Arts Available	Basic State Grants Regional Programming	56 8	56 8	56 8	56 8	56 8
(Subtotal)		(64)	(64)	(64)	(64)	(64)
Leadership	Partnership Proj. Support Services	10 8	10 8	10 4	10 3	10 2
(Subtotal)		(20)	(16)	(20)	(9)	(7)
Total		84	84	84	84	84
						71

THEATER

Applications/Grant Relationship and Funding Impact
as related to Agency Policies

(Federally Appropriated Funds only)		(\$ in thousands)				
Policy	Category	FY 1982 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
Individual Creativity	Prof. Training	210	110	-0-	-0-	-0-
	Dirac./Fellows	160	160	160	100	-0-
	Fellowships for Playwrights	280	280	250	250	170
	Artists Associates	242	242	242	242	152
	(Subtotal)	(892)	(792)	(652)	(592)	(322)
Institutional	Prof. Theater	7,900	7,900	7,900	7,900	7,900
	Ops.	800	800	698	488	488
	Services Dramaturgen	50	50	50	-0-	-0-
	(Subtotal)	(8,750)	(8,750)	(8,648)	(8,388)	(8,388)
Living Heritage Making Arts	---	-0-	-0-	-0-	-0-	-0-
	Touring	1,300	1,100	1,100	800	400
	Play Publications	60	-0-	-0-	-0-	-0-
	Media Presentations	500	383	-0-	-0-	-0-
	Residencies for Playwrights	120	120	80	-0-	-0-
	Interdisciplinary	50	50	50	40	40
	(Subtotal)	(2,030)	(1,653)	(1,230)	(840)	(440)
Leadership	---	-0-	-0-	-0-	-0-	-0-
	Total	11,672	11,195	10,530	9,820	9,150

THEATER

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(\$ in thousands)

(Federally Appropriated Funds only)

Policy	Category	FY 1982		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		Apps	Request Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants
Individual Creativity	Professional Training Director/Fellowships	10	1	5	1	0	0	0	0	0	0
	Fellowships for Playwrights	60	8	60	8	60	8	60	5	0	0
	Artists Associates	600	24	600	24	600	20	600	20	400	15
		50	12	50	12	50	12	50	12	50	8
	(Subtotal)	(720)	(45)	(715)	(45)	(710)	(40)	(710)	(37)	(450)	(23)
Institutional	Professional Theater Companies	480	400	480	400	480	400	480	400	480	400
	Services	40	30	40	30	40	25	20	10	20	10
	Dramaturgen	30	3	30	3	30	3	0	0	0	0
		(Subtotal)	(550)	(433)	(550)	(433)	(550)	(428)	(500)	(410)	(500)
Living Heritage Making Arts	-----	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	Touring	50	30	50	26	50	26	40	20	20	10
	Play Publications	15	4	0	0	0	0	0	0	0	0
	Media Presentations	15	2	15	2	0	0	0	0	0	0
(SUBTOTAL)	Residencies for Playwrights	150	12	150	12	150	8	0	0	0	0
	Interdisciplinary	25	3	25	3	25	3	25	3	25	3
		(255)	(51)	(240)	(43)	(225)	(37)	(65)	(23)	(45)	(13)
		-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Leadership	-----	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL		1,525	529	1,505	521	1,485	505	1,275	470	995	446

VISUAL ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)		(\$ in thousands)				
Policy	Category	Requested FY 82 Funds	-5% Funds	-10% Funds	-15% Funds	-20% Funds
Individual Creativity	Fellowships Building Arts/App Planning Grants Crafts Apprentiship.	\$3,116	\$2,840	\$2,630	\$2,375	\$2,375
		230	230	160	0	0
		90	0	0	0	0
	(Subtotal)	(3,436)	(3,070)	(2,790)	(2,375)	(2,375)
Institutional Creativity	Artists Organiz./ Artists Spaces Services	1,191	2,635	2,500	2,500	2,458
		1,050	0	0	0	0
	(Subtotal)	(2,241)	(2,635)	(2,500)	(2,500)	(2,458)
Living Heritage	---	0	0	0	0	0
Making Arts	Art in Pub. Places Forums; Residencies and Short Term Workshops	880	950	950	880	697
	Photo Exhib.	500	885	885	885	650
	Crafts Exhib.	280	0	0	0	0
	Photo Pub.	300	0	0	0	0
	Photo Surveys	130	0	0	0	0
	Interdisciplinary	100	0	0	0	0
		40	40	0	0	0
	(Subtotal)	(2,230)	(1,875)	(1,835)	(1,765)	(1,347)
Leadership	Interagency	100	100	100	100	100
Total		\$8,007	\$7,680	\$7,225	\$6,740	\$6,280

VISUAL ARTS

Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

Policy	Category	Requested FY 82		-5%		-10%		-15%		-20%	
		App	Grants	App	Grants	App	Grants	App	Grants	App	Grants
Individual Creativity	Fellowships	10,775	337	9,125	200	9,125	178	9,000	155	9,000	155
	Building Arts/App Planning Grants	550	48	550	48	550	33	0	0	0	0
	Crafts Apprentiship.	110	16	0	0	0	0	0	0	0	0
	(Subtotal)	(11,435)	(401)	(9,675)	(248)	(9,675)	(211)	(9,000)	(155)	(9,000)	(155)
Institutional Creativity	Artists Organiz./ Artists Spaces Services	200	120	300	210	300	202	300	202	300	198
	(Subtotal)	300	145	0	0	0	0	0	0	0	0
Living Heritage	---	0	0	0	0	0	0	0	0	0	0
Making Arts	Art in Pub. Places Forums; Residencies and Short Term Workshops	30	30	80	33	80	33	100	30	100	22
	Photo Exhib.	250	155	325	206	325	206	325	206	325	180
	Crafts Exhib.	110	42	0	0	0	0	0	0	0	0
	Photo Pub.	80	30	0	0	0	0	0	0	0	0
	Photo Surveys	45	14	0	0	0	0	0	0	0	0
	Interdisciplinary	80	12	0	0	0	0	0	0	0	0
	(Subtotal)	10	3	10	3	0	0	0	0	0	0
Leadership	Interagency	(655)	(286)	(415)	(242)	(405)	(239)	(425)	(236)	(425)	(202)
	(Subtotal)	0	0	0	0	0	0	0	0	0	0
Total		12,590	952	10,390	700	10,380	652	9,725	593	9,725	555

CHALLENGE
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

(Federally Appropriated Funds only)		(\$ in thousands)				
Policy	Category	FY82 Request	5% Reduction	10% Reduction	15% Reduction	20% Reduction
Individual Creativity	--	-0-	-0-	-0-	-0-	-0-
Institutional Creativity	Challenge	15,900	15,000	15,000	15,000	15,000
(Subtotal)	--	-0-	-0-	-0-	-0-	-0-
Living Heritage	--	-0-	-0-	-0-	-0-	-0-
Making Arts Available	--	-0-	-0-	-0-	-0-	-0-
(Subtotal)	--	-0-	-0-	-0-	-0-	-0-
Leadership	--	-0-	-0-	-0-	-0-	-0-
Total	--	15,900	15,000	15,000	15,000	15,000

CHALLENGE
Applications/Grant Relationship and Funding Impact
as Related to Agency Policies

Policy	Category	FY82 Request		5% Reduction		10% Reduction		15% Reduction		20% Reduction	
		Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants	Apps	Grants
Individual Creativity	- -	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Institutional Creativity	Challenge	275	50	350	45	350	45	350	45	350	45
(Subtotal)											
Living Heritage	- -	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Making Arts Available	- -	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
(Subtotal)											
Leadership	- -	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total		375	50	350	45	350	45	350	45	350	45

(\$ in thousands)

(Federally Appropriated Funds only)

Mr. YATES. That doesn't show, as your words show, what the impact would be. At 50 percent you say it would be devastating. At 20 percent just livable?

A MORE "LIVABLE" FIGURE

Mr. LADERMAN. It is hard for me to say it is even livable.

Mr. YATES. Where is it livable, at 15 percent?

Mr. BIKEL. I think that is about the point.

Mr. BIDDLE. Mr. Chairman.

Mr. YATES. Yes, Mr. Biddle.

Mr. BIDDLE. I just would like to insert at this point a resolution, an explanation that when the Council was considering what would be a livable figure, it settled on the 15 percent reduction figure.

Mr. YATES. Did it?

Mr. BIDDLE. As livable.

Mr. YATES. Did it take this formally?

Mr. BIDDLE. It considered it. There as a sense of the Council. But it was a 15 percent reduction.

Mr. YATES. From which Carter proposal, 1981 or 1982?

Mr. BIDDLE. \$175 million, 1982. The 1982 proposal in the blue book.

Mr. MURTHA. So you can live with a \$27 million cut from \$157.5?

Mr. YATES. Is there anything else you want to say about music, Ezra?

All right, I don't know how you put that gesture on the record.

Mr. BIKEL. I don't know if this point has been made already. It probably has. If so, forgive me. The national budget for military bands has always exceeded that of the entire Music Program of the Endowment, covering everything, orchestra, jazz, anything you wish to make. If this 50 percent cut goes through, the budget for military bands will exceed the entire budget for the Endowment, because that will remain inviolate.

Mr. YATES. It shows you where the priorities are.

Mr. LADERMAN. Mr. Chairman, there is one thing I would add. I think that it should not get lost but that the psychology, the philosophy of the Endowment, it is true we are dealing with money. But we are also dealing with applications that demand a rationale for that expenditure of money in that whether it is an orchestra or chamber music, we are asking for a project description of how that money is going to be used.

In that way, the Endowment acts not only as a dispenser of its largesse, but it acts as a force for whatever the discipline is as we perceive the good of that art form in this country. That is an incalculable strength of what the Endowment has to offer. The case in point, whatever orchestra it is, it is not that the orchestra comes to us and asks for "X" number of dollars. We ask them to describe how they are going to spend the money. We give them guideline reviews of the kinds of things that we are concerned about. The justification for however they are going to spend the money. Whether that money ends up actually as operational support or not, that is really what we are about.

It is what we are about whether it is the Cleveland Orchestra or the Chicago or the Philadelphia, the kinds of things we want to see

happen to that money. As a result, all kinds of things happen in the music world.

What we are concerned about is the future audiences in the next 20 years, of the intelligence of the audiences, the quality of the musicianship, the kinds of repertory being performed. All those things go into the application description. In that way, it is not just money we give, but we give guidance and act as the soul of the art form in this country. And I think that that is equally important to the kind of money we give.

Mr. BIDDLE. Mr. Chairman, could I take a moment and just introduce some members of the Council who have come in?

Mr. YATES. You may indeed.

Mr. BIDDLE. Mrs. Wyman you met yesterday, Mr. Champ, from Missouri; Dr. Boyd from the University of Iowa, and now about to become head of Field Museum in Chicago. Kurt Herbert Adler, of San Francisco. We have Josh "Casey" Dickinson, now the Head of both our Policy, Planning and Budget Committees.

Mr. YATES. I know Margo from way back. As a matter of fact, I saw her in "High Noon" last night.

Mr. BIDDLE. I saw Charlton Heston.

Mr. YATES. He came in for some money for AFI. Not recently.

Mr. BIDDLE. Mrs. Lida Rogers.

Mr. YATES. From Mississippi, yes. Bernie Lopez, from New Mexico, right?

Mr. BIDDLE. Have I overlooked anybody? Jessie Woods also is here.

EFFECT OF A 50-PERCENT CUT IN DANCE PROGRAM

Mr. YATES. From Chicago, fine.

Ezra, thank you very much. May we have dance?

Ms. Grauer, you heard all the questions I asked Ezra. I will ask you the same questions respecting dance. Do you want me to ask the questions?

Let's start with the 50 percent cut. What would be your assessment of what would happen to the dance in the states?

Ms. GRAUER. Could I precede that by a brief statement?

Mr. YATES. Of course you may.

Ms. GRAUER. Thank you. I wanted to second what Ezra said and say it in a slightly different way for dance. And that is that the importance of the Endowment is not just the grant, but it is really the way that grant is given. In thinking about the whole issue of corporate support and the suggestion that there are other sources that might support the dance community, dance as a nationally visible defined form in this country is very young.

I think that one of the extraordinary things that my predecessors at the Endowment did was to set up a mechanism to help dance artists communicate with each other and have these artists communicate with each other, really decide for themselves and inform the Endowment of what their needs are and how the money should be given.

I think in these proceedings the largest part of what we do and really the core of what we do is never really represented for financial and all kinds of reasons, but that is our panel, which is made up of artists who tell us as administrators how to design

programs. I think the importance of that is that even if Endowment dollars were replaced, the sensitivity and direction from which they are given would not be replaced.

Corporations have been fantastic. Programs like Dance in America at Lincoln Center would never, never have happened without Exxon and I think they deserve all the praise that is possible, but there is also the reality that they approach the arts to see where their interests and the interests of the arts coincide.

We approach the arts from the interest of the arts and the people of our country. There is really no place else where that is done except at the National Endowment and state arts agencies, which are an intricate network of communications. And I think even at the state level, the states might most intensely question whether more should go to the states or should more stay with the Endowment, and would never deny that the lengthy communication provided by this network is an umbrella under which we all develop what we do in collaboration.

I say always to people who apply to us, the Endowment is one part of a very large jigsaw puzzle, but I don't finish the picture without all the parts, when I say about dance in particular, we are at a very delicate stage. We have gained more visibility than we have financial and managerial substances. So there has been an assumption that it is here, and in fact we are now at a very crucial point where everything that has made that visibility possible has got to be solidified with tremendous sensitivity.

In relation to cuts, a Harris Poll that was recently done said some extraordinary things about the dance audience. That is the dance audience as a whole is one of the largest growing audiences, which I think we all have known for a number of years, but it is through the universities, where dance has grown largely through the support of dance.

Dance has a reasonably priced ticket. It has encouraged people who can go to a dance concert for less than going to a movie to get involved with an art form and make it part of their lives. The dance audience is now going to become the young professionals, then the older professionals, and our government an agent.

As time goes on if we lose the basic audience, the young person who comes in without basic notions about what is traditional and what is not traditional, if we lose those people we could really lose everything the Endowment has done for the last 15 years, which is in developing an overview, also developing a flow and continuum that will continue to keep the art in development as it goes along.

I think certain aspects of that development will also need support, even if dance—which is I think virtually impossible—were to become self-supporting by ticket sales or by the media. So no matter what the cut, the potential impact of the cut, not to mention the potential suggestion that dance is not important, as important as sports at the universities, say, or something else, could have an impact that will be felt not only next year with the reduction in grants, but in ten years when we cut something that has begun to flow.

Specifically, in relation to your question about the cuts, and I should thank you for letting me get a little emotional about dance, I think once we have gone beyond a 15 percent cut in the Dance

Program, we really get to the point where we change the nature of how our decisions are made. We have been very mindful in supporting the full range of dance. I think in the last three years, I have seen the program be brutal where necessary in cutting back certain organizations who have not maintained the level of excellence, to let new artists in and keep the flow of younger people and new ideas come to the discipline.

After we exceed 15 percent we have a very big decision to make. I think my panel might react slightly differently than what Ezra suggested the music panel might do, if I understood. I think that people who are finding themselves as artists and finding their place in their communities at the mid-level, not the youngest emerging artists and not the established, but the one starting to prove himself—and this sounds like a setup, but it is not—I have been in Chicago with a dance community that is on the verge of figuring out where they are and how they get to the next level. That is the major area I think that the cuts would affect if we are unable to support those who show promise.

Mr. YATES. Go ahead, Rhoda.

Ms. GRAUER. I think I need a question.

Mr. YATES. Oh, you need a question.

You drew the line at 15 percent. You didn't say what would happen at 50 percent. Did you say we have that budget submitted to us? What would happen if it were 50 percent?

50-PERCENT CUT IN DANCE

Ms. GRAUER. I think if the Dance Program had to sustain a 50 percent cut, I think it would practically be equivalent to saying that the program would lose its real position in the field as a place that can make this go forward. We would give up some grants. We would lose our viability with the field, which I think is essential.

Mr. YATES. Why would this happen?

Ms. GRAUER. If I understand the cuts properly, and this sounds minor but I would like to reinforce it isn't minor, the program staff would lose its ability to travel, the ability of our panelists to travel and not only see the work of artists, but meet with dance artists around the country. That would be greatly curtailed.

Mr. YATES. If your panel can't travel, how do you give grants? I can understand the visual arts being able to make grants on the basis of slides or actual payment or photographic works being submitted to them, mailed into Washington, if you will. But all the applicants for dance don't come to Washington to piroette, do they?

Ms. GRAUER. No, they don't. They would like to.

Mr. YATES. I know they would. But they don't. So if the Dance Program is of any meaning at all, your panel has to go to where the dancers are dancing, or where they are performing. That would be very much restricted at 50 percent, wouldn't it?

Ms. GRAUER. It would. There are two things we can do. Some we do already, but beyond a certain point I think they are inappropriate. One is applicants can send video tapes of their work. I think that is about as bad as a painter having a reproduction of his work by another painter sent in for evaluation. It is not a good way to evaluate a living, moving art.

The second is to limit our site visits to panelists who live in the city or region of the applicant. I also think that would be extremely less fair to our applicants because one of the positive aspects of the Endowment, I think the most positive, it has also been mentioned a number of times and I second it, and that is that an artist gets an opinion of their work from an artist in another part of the country.

An artist that, first of all, is not in competition locally with the person he is viewing, and second, an artist who maybe comes to Chicago or to Indiana or to Ohio from New York City, which happens to be the largest dance community in the world. And getting that kind of perspective and seeing where you fit as part of a national scene, as opposed to simply your local scene, is very, very important. I don't think it can be stressed enough.

Mr. YATES. Okay, go ahead.

Ms. GRAUER. In dance there has been an extraordinary change in the ratio of locations of dance artists. Dance artists no longer flock to New York the way they used to. We do have high quality professional companies throughout the country. A lot of the reason they do is that an artist can know he is good in Boulder, Colorado, because he knows what the rest of the scene is in the country. He doesn't have to come to New York to compete with New York.

Mr. YATES. What happens to dance companies? I had been given the impression several years ago that a company rated as high as Joffery, for example, was threatened with closing because of lack of funds. Is my memory correct?

Ms. GRAUER. Yes.

Mr. YATES. Is that same situation still present?

Ms. GRAUER. As a general answer, I could say yes, only because that has such a surprise of coming together of extraordinarily negative things all at once, that it could happen to anyone. I know if the Endowment had not been here the Joffrey would have closed its doors. That is a fact. It was not that it was poorly managed.

It is just that the arts rely, as I said, on a network of support. If three or four of those things go all at once—which I think will happen with a reduction in not only the money that the Endowment has, but the endorsement, the visibility, the pride of our government in the Endowment—then any organization can face that. Even large symphony orchestras with enormous endowments.

EFFECT OF CUTS ON CORPORATE GIVING

Mr. YATES. Let's go back to Exxon for a minute and commend Exxon for its participation in dance and the other programs. Suppose the Endowment's budget were reduced 50 percent. Would that be reflected at all in the amount of money that Exxon made available to dance?

Ms. GRAUER. I would hate to answer on behalf of Exxon.

Mr. YATES. I am not asking you to answer on behalf of Exxon. I am asking you to answer on behalf of the Endowment. Recognizing the hugeness of financial giants such as Exxon, that I have the impression the amount it makes available to the Endowment for dance is really a particle in its financial resources. But that it does depend upon the Endowment for guidance in the dance.

Let me finish my question, Brian, and then I will let you answer.

Dance in America was in great measure created by the Endowment in cooperation with Exxon and that Exxon didn't do it alone nor did the Endowment do it alone. There is the kind of partnership that will be injured in great measure if the reductions take place. Is my conclusion correct?

Ms. GRAUER. Could I ask Mr. O'Doherty?

Mr. YATES. Sure.

Mr. O'DOHERTY. There is no question but that Exxon and the Endowment keep a very affectionate and scrupulous eye on their mutual investment.

Mr. YATES. Now that you have said that, what does that mean?

Mr. O'DOHERTY. That means if we reduce our funds, that Exxon I think will have considerable second thoughts about investing or increasing their investment. No question about it.

Mr. YATES. Why are you so positive about that?

Mr. O'DOHERTY. Because I talk to them all the time and have for several years.

Mr. YATES. Come up and tell us about it.

Mr. O'DOHERTY. How much do you want to know?

Mr. YATES. I assume you are the major broker in a sense for all the arts and television, aren't you? You are the media?

Mr. O'DOHERTY. Yes sir.

Mr. YATES. Or individually, you are the media?

Tell us how it works. Give us the example.

Rhoda Grauer has this marvelous dance company and says they ought to be on television. Does she talk to you about this next, what happens? Give us the script.

Mr. O'DOHERTY. Well, I just feel that I have landed into a larger situation than I expected. I was simply giving an answer to a question that you had about Exxon investment vis-a-vis the Endowment's investment.

Mr. YATES. Well, let that be a lesson to you.

Mr. O'DOHERTY. It is. Altruism must be punished.

Mr. YATES. Right.

Tell us how it works. How did Dance in America get created? Were you a part of that?

HOW CORPORATE AND GOVERNMENT SUPPORT CONNECT

Mr. O'DOHERTY. It was before my time but it got created in a system that was unique and irreplaceable and that points up exactly what function the government, an enlightened government policy for bringing the arts to the public, is.

I will say in passing that there is absolutely no system in the private sector whereby this can occur naturally. The private sector has been there for decades. No Dance in America ever occurred until the government got into it and made it happen through a process that I will attempt to describe briefly. That is the reason there are arts councils in every Western democracy and the reason the government gets involved in the arts.

There are a variety of reasons. It is not able to command the attention, and it is a matter of paying attention to the fields in a way that enables direction, guidance and leadership to be established, not just by the Endowment, but by the fields themselves.

What happened when you want to start, when it is decided that says there is a gap in bringing dance or design and architecture, or music, theater, to television? There is a system which goes as follows:

A group, two groups of people are brought together that are never brought together. That is, people say in the architecture and design field, and producers in the media field. These are brought together, as they were in the beginning of this architecture and design program that is already in process. They survey the field. They say well, what is happening here? It is a representative group, obviously, from many quarters. They say the state of the field leads us to believe that there should be a series on architecture and design and it should concentrate on these matters, that it should educate the public in the art that they see most of any of the arts, and see it everyday.

The discussion then moves to the problem of bringing that art to television and how it can best be transmitted. There is always an interesting dialogue there because the assumption on the part of almost any art field is that it cannot be transferred through television since they have generally seen no evidence that would give them confidence that it can be. Out of this comes an invitation for proposals.

Mr. YATES. Invitation to the dance?

Mr. O'DOHERTY. So this goes out to independent production companies. It goes out to various architectural groups. It goes out to public television stations, and they then respond. Then a panel meets again and makes a decision as to which one is most likely to succeed. Now, that process has considerable virtue.

The government role in it is limited to two things. The government is in the position to gain the attention of the field, to transcend, what shall we call it, differences of opinion that make up the energy in any particular field. So the Endowment is in a position to preside quietly while that plays itself out, and the fields decide themselves how best this shall be approached.

That will not happen in any way in the private sector. It cannot. One funder, if they call such a meeting will say, "Well, that is not me. So, therefore, I will not be a part of that." So the field of funders are, I think, jealous of their prerogatives and field of leadership as any arts group in any field are.

Mr. YATES. Are you saying that if the Endowment did not exist, the business community for the arts, if it were serious, would have to set up an organization in the nature of the Endowment in order to know where to go?

MEDIA: PROGRAMING IN THE ARTS

Mr. O'DOHERTY. I don't see them doing that. That is my point. But it should be roundly said that this kind of thing will never happen without the government being a midwife or whatever you want to call it.

I feel we are being pushed into the defensive here in terms of the Endowment. There isn't the slightest doubt about it. Let's be realistic about it. All over the Western world, this is why government funds things—because they get the attention of the people in the fields in the way that it is not in the nature of private enterprise to

summon or direct. That, it seems to me, is one of the great successes of this Endowment.

Particularly in the Programming in the Arts area, where each of the program directors cooperate with the Media Arts program. We all get together. What is happening this year in Programming in the Arts is the strongest and most vigorous set of programs that will be brought to the National Council tomorrow for their approval, as a result of an increase in the budget in 1981, that has ever been brought to the public eventually.

But I am saying that the sets of programs, through a small increase in the budget, small in terms of any megabucks, is having a stunning effect and will maintain a presence on the air for the public for years to come, even with the radical cuts that may hamper us.

Mr. YATES. How does Rhoda's company get on television?

Mr. O'DOHERTY. I haven't heard from her.

Mr. YATES. No, I don't mean that. But you are the media?

Mr. O'DOHERTY. Are you talking about Dance in America, sir?

Mr. YATES. Not the Dance in America only. Suppose she thinks there is a beautiful performance by a company in Eugene, Oregon that deserves national attention. Does she then come to you and say, "Brian, how do I use the media in this?" You don't have enough money to put it on television obviously. Endowment budget doesn't provide for that. But how do you get to the business community?

The first question I asked to which there was a negative answer is that the business community will not make up the business that is represented by Endowment funds, first.

Secondly, if there is no Endowment guidance, that will cause the funding from the business community to wither and dry up as well, in great measure. Is that a correct conclusion?

Ms. GRAUER. I think it is certainly a reasonable assumption. The only reason I don't jump on it completely is that I think many of the corporations are tremendously enlightened and want to continue to support. However, the way in which that support is done—which has been certainly in Exxon an extraordinary collaboration—with an open minded attitude, because I think they come to trust the information they get from the Endowment, and the nature of the collaboration is an honest and open one. If they don't have that, their decisions will be made without the influence of people who represent the dance community.

RELATIONSHIP BETWEEN GOVERNMENT AND PRIVATE SECTOR

Mr. YATES. I am trying to find out the relationship between Exxon and the Endowment. How does Exxon know what you are doing and how do you tell Exxon what you are doing? Is there some kind of intermediary here?

Ms. GRAUER. It is larger than just the Endowment and Exxon. I think that should be clear, too.

Mr. YATES. Tell us how it works.

Ms. GRAUER. The people who get the money are a range of television stations, a range of individual companies. Our interest in the dance is a reflection of understanding the field's interest in dance. Understanding that, we perhaps find it is easier to make the

initial contact with the corporation and share our thoughts. But then it really becomes—

Mr. YATES. It is the applicant's job?

Mr. O'DOHERTY. Exactly. They come back each year with their forthcoming program for the next year, which is then reviewed by the dance panel from the point of view of quality. Is it maintaining the proper energy and quality.

Mr. YATES. What happens if there is a 50 percent reduction?

Ms. GRAUER. I think particularly in the area of television, again what we will find is that the dance artists who are the people next in line for shows like *Dance in America* and *Live from Lincoln Center*, will never get there, because the WGBH-TV Choreographers Lab, which puts the cameras in their hands, gives them a full range of technicians to give them what they need for the dance, and, therefore get their training, will no longer have access to that equipment or the mentality that the choreographer has, the right to direct his own work on television.

I think again, we may see some more grant productions for a while of the most visible and highly accepted forms. But we are not going to see the next generation of people coming along being given a chance.

I also want to say *Dance in America* gets the visibility it deserves but what it has done on a less visible level is extraordinary. It can only present a couple companies a year, but dance companies cross the country's ability to be heard at their local public television stations, and I might add, at their local commercial stations, has been heightened incredibly because of *Dance in America* and the fact it proved that dance worked on television.

So if Rhoda Grauer's dance company wanted to get on television, it probably might not be good enough for *Dance in America* this year, but it might get a hearing at the WNET Lab, or WGBH in Los Angeles or Boston.

Mr. YATES. I notice the dance film video, collaboration between Cunningham, choreographer, and Charles Atlas—I thought he was a body builder?

Ms. GRAUER. That is the other Charles Atlas.

Mr. YATES. I see.

Could you get by with a 15 or 20 percent cut?

Ms. GRAUER. I don't think we would lose too much ground.

Mr. YATES. You would survive?

Ms. GRAUER. Might I add one other thing?

Mr. YATES. Why, of course you may.

Ms. GRAUER. Again, I think this has been said over and over, but I think it is particularly true of dance. Even if corporations were to pick up the slack, even if they were, they would not get to the individual artists who they might have sympathy for, but have no mechanism for evaluating. I am told even by foundations I meet with, "What can we do for dance? There is all of this wealth going on in the community. I have no way of knowing what is good and bad."

In fact, corporations will often pick up to a large degree—the largest institution has an influence on our ability to spend money on the lesser known institutions, without having to support completely the larger. So it is a balance that exists.

EFFECT OF 50-PERCENT CUT ON MEDIA PROGRAM

Mr. YATES. Thank you, Rhoda.

Tell us about the media. What happens to you with the 50 percent cutback?

Mr. O'DOHERTY. It would obviously have its effect all across the board. The three main parts of the media are its program. That would be the Programming in the Arts area that we are just talking about. It would happen in the media arts constituency and section, proper. It would also happen in our national film institute—the American Film Institute.

In Programming in the Arts we would, at a 50 percent cut, drop or abandon plans for Dance in America, Live at the Met, Los Angeles Philharmonic; the arts magazine we have been trying to get started; children's programming; all shorts and specials. There would be no theater programming. The architecture and design project would be abandoned after one year.

Mr. YATES. What could you do?

Mr. O'DOHERTY. We would maintain the jazz and music theater series. We would be able to fund some films on our national treasures.

Mr. YATES. What does that mean? What is a national treasure?

Mr. O'DOHERTY. There is a certain consensus that emerges in the arts field about any artist, after a sufficient time has gone by. Where it is Horowitz or—

Mr. YATES. We had one yesterday. Itzhak Perlman came in.

Mr. O'DOHERTY. Yes, that would be a national treasure.

Mr. YATES. I know the Japanese have people they refer to as national treasures.

Mr. O'DOHERTY. There is a marvelous roster of figures who should be recorded. Many now gone.

Mr. YATES. I think that is fine. As a matter of fact, the Congress approved last year a bill which I filed to designate the home of Georgia O'Keefe as a national historic site.

Do you propose to do that with other individuals, preserving these national treasures for prosperity?

Mr. O'DOHERTY. Absolutely. Indeed, we have a major film on Georgia O'Keefe, which was funded.

Mr. YATES. You don't paint a very happy picture for a painter.

Mr. O'DOHERTY. No.

Mr. YATES. What can you live with. Brian?

Mr. O'DOHERTY. I suppose it is the nature to live with what one gets. I don't know if this is proper to say.

Mr. YATES. It is, up to now.

Mr. O'DOHERTY. This agency is in my view, if I were taking a pretty objective look at it, as one who for 12 years has his bags packed at any time, but it has been very interesting for 12 years. It is a place that has been worth staying at. It is a place that has been worth working at. Great things have happened. One has had a small part in those great things. I think the people, the program directors and my colleagues here are a remarkable bunch of people that you don't find in government.

I must say, speaking for myself, I wouldn't have the slightest interest in staying in government at the level of funding that is proposed. It is not worth my while. It is not of interest. It is not a

place where one can exercise any leadership anymore. Clearly, staying here for most of my colleagues here, involves certain sacrifices, as it does in government. One need not make any, you know, sad stories about the deaths of kings, et cetera, on this sort of thing. But it is a fact that you will find the good people going. Speaking for myself, at 50 percent, there is no reason to be here.

Mr. YATES. What is the quote from Shakespeare about this happyfield?

Mr. O'DOHERTY. This happy breed of men? Well, that is about Englishmen, sir.

THEATER PROGRAM

Mr. YATES. Okay, Brian. I think you make a very valid point. What about Theater?

Ms. TIGHE. We have two people. Sandy Schreiber, Acting Director of our—

Mr. YATES. What happened to Mr. Ballet?

Ms. TIGHE. Arthur has left us to go to the Guthrie. But he is acting as a consultant for us.

Mr. BIKEL. May I make a point? I made a point before that there must be funds for enterprises, artists, writers, and others, playwrights, who would not find corporate sponsorship because they could not. They are too bold, too experimental. Even in those areas where corporate sponsorship is readily forthcoming, that is a fragmented field.

The smaller endowments—the I. M. Kaplan, for example—have a grants officer. They proceed according to their own likes or dislikes, their own knowledge, which knowledge could not possibly encompass the arts as a field and could not even within one field of the arts encompass the kind of knowledge that is found within a panel that knows between them, the entire field. And they are guided by the Endowment, guided by the knowledge that there is an Endowment and that the Endowment has done their pre-chew the cud work.

Mr. YATES. Their spade work?

Mr. BIKEL. Exactly. I think it needs to be emphasized.

Mr. YATES. Ms. Schreiber, tell us how a 50 percent cut would help your organization.

Ms. SCHREIBER. From the way I see it, I don't know that it would help us an awful lot. What we have talked about is totally eliminating eight of our categories within the Theater Program.

Mr. YATES. How much do you have?

Ms. SCHREIBER. Eleven.

Mr. YATES. You would eliminate eight programs? Tell me how that would work.

Ms. SCHREIBER. The Theater Program has always felt our basic grants to the professional companies were the core of the Program and should remain the core of the Program. In order to leave those grants at a viable level we have to eliminate the other programs. There is no other way to do it.

Mr. YATES. Why can't you have an across-the-board cut and give each of them a few pence?

Ms. SCHREIBER. I just don't think that would do the theaters any good.

Mr. YATES. Tell us why?

Ms. SCHREIBER. Our institutions need their actors, their directors, they need their designers, their technicians. This is what we support in our basic grants. We support them as a totality.

Mr. YATES. Page 160 of the justification shows that there are an awful lot of zeroes there.

Ms. SCHREIBER. That is right.

Mr. YATES. No Touring, no Media Presentations, no Residences for Playwrights, no Interdisciplinary, no Dramaturge.

What is that?

Mr. BALLETT. That is what I am, sir. This is Arthur the dramaturge. It is a latin term for playwright. I am not a playwright, but it is the man who shows the director, artistic director, how to run it.

Mr. YATES. Services would have two grants of \$155,000. Professional Theater Companies would get \$6,210,000. Artistic Associates would get nothing. Zero. Playwrights Fellowships, \$95,000. Professional Training would get zero. That is a bleak picture.

EXPERIMENTAL THEATER

Mr. BALLETT. Remember that the professional nonprofit theater movement is at most 30 years old. The Arena Stage is one of the pioneers in town. Everything we have done to urge them to be experimental, everything goes. Because it is—I hope everyone would agree with me—an institutional art. You can take a violin and go on tour by yourself, but you can't take a play by yourself. I am talking across the board, from storefronts to the major companies.

Mr. YATES. Arthur?

Mr. BALLETT. What we did, over just the few years I was with the Endowment, we were able to push things. For example, nobody knows what a dramaturge is. Nobody. Yet that is a critical difference in Europe, why some go to London and go to Germany and you will see work you don't hear because someone is looking for that kind of literature to bring into the theater.

We only gave two last year. Of those two, one was able to turn around—I would rather not put it on the record—a rather musty operation in the Middle West. Good, solid company, but they would never have hired a dramaturge because they wouldn't know how to get one. But it really had turned the theater around, not 180 degrees, maybe 90.

In another case we sent a dramaturge to a gentleman from New York, and I think this is interesting because that dramaturge we put with that company was able to research and come up with a play that had not been done very well except perhaps in high schools, for years, put it on in a park with Endowment money. Now, that kind of excitement we simply cannot do. What we will be able to do—

Mr. YATES. It is ironic that, at the same time that is going on, D'Orly Carte is closing in England, isn't it? I was wondering why D'Orly Carte wasn't supported by the British Art Agency.

Mr. BALLETT. It is very heavily but it is a very expensive operation and Mrs. Thatcher is cutting back.

Mr. BIDDLE. The gentleman from the Arts Council who visited said they felt that D'Orly Carte had become too conservative.

Mr. YATES. Do you mean they closed it deliberately?

Mr. BIDDLE. They retired it I think was the word.

Mr. YATES. As opposed to the American version.

Mr. BIDDLE. The British Arts Council has increased its support slightly.

Mr. YATES. That is right.

Arthur, we interrupted you in mid-flight. We didn't mean to.

ASSISTANCE TO PLAYWRIGHTS

Mr. BALLETT. Obviously an error. I didn't know and appreciate it. The playwrights which I have spent a lot of my life with, trying to read five plays a day and getting them out into theaters, we took that over from the Literature program because we felt that theatrical sensibility prevailed in judging a play. And we will continue that obligation to playwrights, but again, we have to cut back. Instead of giving 20 playwrights a year in a nation this size, 25 a year, grants so they can live, and write plays—and they are the only artists in the theater who have to work outside the theater—that will be cut in half.

We won't have the money to do the important thing that happens when we have directors who have finished with college, had some experience in the theater, how on earth do they get into the mainstream of theater? They wander from place to place. It is a big country. What we have done in the last few years—and my predecessors started the program and it has worked enormously—where I am at now, one of the best people we have is an intern who comes to us through the Endowment. They pay the salary in effect. He is now one of the great people in our country, Richard Foreman, an extraordinary director, who is doing *Don Juan* by Moliere.

And this young man would never have this opportunity because, as Theo was saying, no private foundation has the wherewithall to know what Endowment knows. We have sent out auditors. We know every single theater. I think I can say that honestly. You ask me who it is and I will tell you. I have a bad memory, but I can tell you what they did last and who was in it.

We are the one place that foundations go to when they want to know about theaters. I really have thought in my years, and I know Sandy does the same thing, they are constantly calling us saying "Okay, we have this grant request in from this theater. What do we do with it?"

Well, I don't want the Endowment ever to be the grande dame of philanthropy, "this shall live and this shall die", but I want the panel to review them, peer panel, and say this is what it thinks. But when it is cut, we are left with the bottom line, which is theaters, large, small and intermediate.

Mr. YATES. What happens to the Guthrie Theater?

Mr. BALLETT. It will have to cut back. Everybody has said this. The Endowment imprimatur is more than money. It is saying you are of a class. You are one of these theaters. People put on their programs: "We are granted money from the National Endowment of the Arts." And sometimes all we are giving them is \$1500, and

we are given all this credit. "Presented through the courtesy of . . ."

It is a reflection of—if I can say one more thing—what a nation finally is, it seems to me, what we leave behind us. What are we going to leave behind except, I hope, a memory of a play, of a work of art of any kind. It seems so shortsighted in a time everything is being restricted, to restrict it. I know you have heard this.

Mr. YATES. I keep thinking of the last part of the final Camelot song. "Brief shining moment", or whatever it was.

Mr. BALLETT. That is right. Or Ozymandias. Who was he?

Mr. YATES. That reminds me of a story. Would you like to hear a story?

Mr. BALLETT. I would love to hear your story.

Mr. YATES. This is the story of a British Counselor who was posted to the Far East and had a young son. They went out every Saturday to the statue of Gordon, who was mounted on a beast, that was on its hind legs, an heroic statue. The father would say to the son, "Son, this is Gordon. You must remember this." They did that for the three years he was in the service. He was finally posted elsewhere.

He said, "You must remember to visit Gordon, son. You must remember."

Finally, as he started to leave, the son turned to the father and said, "Father, who is the man on Gordon?"

Mr. BALLETT. All I was going to say was the war was over and Berlin was just digging out from the rubble when one of the first things they did was build an opera house. It seems to me that no matter how hard our times are—and I am a taxpayer just as everyone else is—that artists have subsidized art for so long in this country that the Endowment was finally making an enormous difference. Now to cut back, it seems to me, if I may say so, so shortsighted.

Mr. BIKEL. When the German bombs were falling on London, that is the point at which the British Arts Council was created. At that point when they had, God knows, a much more dire outlook on life than we could ever have, the economy notwithstanding, they took time out to debate the merits of whether or not to create a mechanism to deliver art.

A QUASI-FEDERAL ORGANIZATION

Mr. YATES. Let's theorize for a moment. We have another organization in prospect, under the consideration of a task force in formation. I had the idea that the purpose of that is to create something that would be better than endowments, it is asserted, by providing an instrument through which there would be greater private donations to the arts, and therefore a lesser need for public contributions. An organization that, at least is proposed in the press, would take the form like the Public Broadcasting System. Would that work as well as the Endowment, in your mind?

Ms. TIGHE. Could I suggest two aspects of that?

First of all, I am fascinated that people who are proposing this idea have not looked at the present legislation thoroughly enough. Or they have and perhaps haven't realized there exists a mechanism for corporate donations to the Endowment under its present

structure. That is what the Treasury system is all about. That is why all the grants in the Council book say have "private" next to it. It is because money has come in from the private sector. I think it would be a worthy goal of any Administration to increase the use of that Treasury system if they desire to solicit support. But you don't need new legislation for that, number one.

Number two, if you look at the enormous—what is it, \$436 million corporate support today—the Business Committee for the Arts, also thoughtfully provides a breakdown for the expenditure of that fund.

It seems to me it would be worthwhile for anybody to study that because the greatest share of that money goes to television. Wonderful. A great deal of that money goes to buy British products to put on television.

Mr. YATES. Can we get specifics on this? Who has the breakdown?

Mr. PUTSCH. We can submit it for the record.

Mr. YATES. You are whispering and I can't hear you.

Mr. MOORE. We don't have it with us but we can certainly submit it for the record.

Mr. YATES. Submit it to us first so we can look at it.

[The information follows:]

BUSINESS COMMITTEE ON THE ARTS FUNDING BREAKDOWN

The latest available figures for corporate giving supplied by the Business Council on the Arts reveal corporate contributions of \$436 million in 1979.

Of this \$436 million, 19 percent went to museums; 12 percent to symphony orchestras; 11 percent to public radio and television; ten percent to art or cultural centers; seven percent to theaters; five percent to art exhibitions; seven percent to art funds or art councils; six percent for cultural programming on commercial stations; 23 percent for all other categories.

Ms. TIGHE. I think it is sort of an interesting document because it also underscores the point that of all that money, I think under three percent, goes to the individual artists. Maybe less than that as a rule.

Just as everyone has pointed out there is no mechanism. I would like to think that whatever that little three percent is, things are being done in collaboration. I think those are things that anybody rethinking the structure of the agency would have to take into account.

Mr. YATES. Apparently I struck a responsive note.

ACTIVITIES THAT THE CORPORATE SECTOR WILL NOT SUPPORT

Mr. BIDDLE. To second what Mary Ann has said about donations that can be received by the Endowment, that is always part of the statute. But it isn't just for Treasury purposes. It could be for any purposes. Or it could be an unrestricted gift. It could be restricted to a given area, or unrestricted. Unrestricted gifts are always difficult to come by. But in terms of a basic collaboration with the business world, fuller information and knowledge, I think the unrestricted gift might be solicited.

I made a little bit of a list up of projects that the Endowment does that I think business would find difficulty in funding. Certainly one is in the area of individual artists. How many businesses

would want to support small presses in literature? Or the way distributing works of the small presses with small audiences.

How many businesses would want to support such a mundane fundamental thing as rehearsals for dance companies or orchestras?

How many businesses would be interested in the beginning initial grant that triggers the design arts and a whole sequence of other events? Who would have the knowledge to go to a given community and say "that is the area where we think design can be developed?"

Who would go into the deteriorated sections of cities as the Expansion Arts Program does, and find the group that can revitalize that community? Who would take the risk to do that?

Who would be interested in the folk arts and individual folk artists? That is a non-commercial field.

Who would help presenting organizations?

We did a study that shows that last year, almost 50,000 performances were held across the whole country by presenting organizations, and they generated \$188 million in ticket sales. But they only generated that amount, and if they had had full houses, they could have generated another \$120 million in ticket sales.

We are helping, technically assisting those organizations on how they can better market their products. Who in the business world would find that an attractive project?

Who would fund a little choral group, or the jazz musician, or the solo artist going around the country, the chamber music?

Without an Endowment for the Arts as a source of review, source of citing quality, giving a small catalytic grant to attract a lot of money?

I could go on with a whole list of these.

Mr. YATES. Put them on the record.

Mr. BIDDLE. I think it would be difficult without the Endowment's involvement to find business support.

Mr. YATES. Mrs. Wyman.

Ms. WYMAN. Mr. Chairman, it seems on the point you raised with reference to the task force, and it seems to me—I spend a lot of time raising funds, and spend a lot of time with some of the foundations, the private sector, et cetera—and what we are finding already is that the demand on the private sector not only for the arts, but for social programs, have increased tremendously. They are being not only asked, let's say an Exxon or an ARCO, or some of the ones that have been most good to the arts, we are finding they are not only being asked for arts, they are now being asked for—it could be child care, all the other social programs now that are also in trouble. You find that that dollar has to be re-thought by the corporations, is what we are finding.

Let me give you a little example. I have a lot of pet projects, as they well know in California. But there is, in the middle of the state, a Shakespeare Festival called the Visalia Shakespeare Festival. I don't think Arthur even knows this yet. Here in the middle of the farm belt of California is the most incredible Shakespeare that has been put together. It is just fantastic.

They have come from all over—New York, and all over the country—to participate in this festival. They come for six weeks.

And the best designers have come, and some of the best actors have come. The reviews are fantastic.

Visalia was up to get some grants. They now cannot continue this year. They have had to cancel, because they are small and didn't have the pull or didn't have the wherewithals or whatever. But they cancelled this year.

The private institutions they were dealing with have explained to them that they had to rethink their thinking. What they thought was coming was not coming. Therefore, this season has been cancelled.

I think this is what is going to happen in the private sector. There are a couple other things. In the first place, you don't set out a task force when something is working well. In other words, a task force is put together to do something else. It seems to me we are not kidding anybody about the task force in a sense.

I would say this: I think the people who have been so far named are superior. Chuck Heston probably in our community and across the nation has given more of his time—speaks in Sacramento when we have to fight for the budget—I don't think there has been a better American in the sense of giving of his time.

But I don't think we are kidding anybody about that. I think there are a couple of things. They have gotten angry. There is some anger because we spend some money on some of the little people in the art world. We have spent some money in some minority communities. That is called political. And we have spent some money in the sense that the National Council at this point also could be of one political party more than another. Actually, this President gets a turn in 1982.

We saw a poll in California recently that showed the tremendous popularity of the President. Yet in that poll, it says one of the two things they feel should be supported with government funds are the arts. And supporters even of the President saying that is an area where money should be put.

So when you talk about the task force, that raised my interest a little bit because I don't think any of us are very naive. I think if any of us—you have the mechanism for it. How it comes about, I don't know. But we want to say, when you ask each member—and you weren't here yesterday when I said this—but I do think all the program people were under constraints. They were supposed to come up with a 50 percent budget. I think it is wrong.

I think elected public officials, when they know something is right—and you have been the greatest supporter that this institution can have—when you know it is right and I hope in the future whenever it is presented, that we will have public officials who say this works and this should continue, and we have the mechanism in this country. We have done an incredible job. Everything can be improved, but I think the heart on the arts has been stronger than they expected down the street. When an artist comes, they get national news coverage.

I think we are not fighting social programs versus the arts. But I think you are seeing a situation where there has been a lot of interest in the arts. Actually, the four guilds, of which the President was the President of one, and certainly Chuck Heston is also

President, the Writers and Producers Guild, have supported the arts and have resolutions in to you, supporting the Endowment.

They have supported the Carter budget, as I think, which is modest enough. But I do think the task force is in a sense a, shall we say, re-thinking protests too much.

Mr. BIKEL. I would like to—

Mr. BIDDLE. Before he speaks, I would like, Mr. Chairman, to introduce you to Arthur Jacobs, and also Jacob Lawrence.

PROPOSED TASK FORCE

Mr. BIKEL. I am going to be a little bit naive, in Roz's parlance. I think we must assume that the effort that leads to the formation of the task force is a genuine one, a genuine inquiry into whether or not what is the best there can be. We must assume along that basis, because to assume the other is both cynical and unproductive. We will find out soon enough if unproductive is the order of the day.

But let us assume that this is a genuine effort to arrive, by these very worthy people, at an evaluation of what there is, there was and what there might be. I think it behooves us, and I am expressing a personal opinion which I hope will be shared by members of the Council, to extend every opportunity and every possibility of this task force to inquire into the work of the Council, into the workings of the Endowment, to look at what there is.

I understand that some members of the task force have already expressed themselves in saying that they want all their options open, including the option to keep things in place as they are, which is something I welcome. If we find that there is a better mechanism, I want to assure you that at least from where I sit, I am not wedded to any situation. To the extent it benefit the arts and art forms, I am wholly in favor of it whatever it is. If anybody can show me it will be better, I will be in support of that.

I don't at this reading believe that we have done anything that anybody else can improve upon, in terms of government interaction with the arts. This is where we are. If anybody assumes we are not in the business of generating private support they simply don't know the history of what the Endowment did when it was created.

I think this calls for a memory of why we were put there in the first place. Why was this thing created to begin with? Because it was felt, and felt strongly by many legislators—you in the forefront, Mr. Chairman, I may say—that government has a legitimate business in the interaction of the arts and of the cultural good.

I pulled out the other day something that came out of the Eisenhower Administration, if you please. In the Eisenhower Administration, the Commission on National Goals stated:

In the eyes of posterity the success of the U.S. as a civilized society will be largely judged by the creative activities of its citizens in art, architecture, literature, theater, music and the sciences.

That came out of the Eisenhower Administration.

I think this Administration, being possibly a philosophical heir of that other Republican one, may do well to heed the statements such as this, and to look also at what the signal is we give to the world by trying to cut back on what there is. We are telling them of our evaluation of our own worth or lack of it.

If by cutting down more on the arts than we have cut down on, or propose to cut down on anything else, then we are giving the world—especially the world behind the Iron Curtain—a signal that we no longer think that is where our nation's pride lies. I don't think that is acceptable.

Ms. WOODS. The task force is searching for a better solution to the problem. The solutions must be viable and cannot be based on rhetoric. The statement that the contributions have reduced private sector contributions to the arts has proven to be erroneous. If the objective is to increase private support, then the premise on which this is based is really incomprehensible.

As Roz pointed out, corporations are being faced now with all of the areas of human needs, and the arts certainly among them. But as they make their evaluations and become more selective as to where their money goes; I think the statements that have been made tend to lessen the support because they feel the government has the best view and can establish the priorities. So it tends, not only are they not going to necessarily replace it, but they are going to be guided.

The talk of the safety net from my perspective, and some of what I have seen, is supposedly there for protecting basic human needs. The program, the arts program that I direct in Chicago began—now it serves the whole metropolitan area, but it began serving people in poverty. It is an arts and education program, for those who don't know. At a workshop for volunteers, it included both the parents of poverty area children and volunteers from the suburbs and other areas of the city.

Some of the poverty parents were asked how important the arts are to you? I agree you have problems of housing, health, hunger, how important are the arts to you? One woman got up and said, "We are very thankful. We live with all of this everyday. I live it, I sleep it, but thank God, someone knows we need something else in our lives if we are to be human."

I think it not only applies to people living in low income areas, I think it applies to our society at a time when we are facing many problems, that the arts are a basic human need.

Mr. YATES. Thank you, Jessie.

Mr. CHAMP. I would like to speak to something for the moment. Should the Congress in its wisdom go along with even a major portion of the tax cuts we are talking about, we are talking about increasing private support from people who will perhaps be giving away 50 or 60 cent dollars rather than 30 cent dollars at the present tax rate. I think it is going to get more difficult and make getting support from the private sector a lot more burdensome.

Mr. YATES. Thank you all.

Are we through with the theater, Arthur? Have you said what you wanted to say?

Ms. SCHREIBER. Unless you have more questions.

Mr. YATES. What can you live with? You have to have mass contributions don't you?

Mr. BALLETT. Yes, for the big theaters, biggest theaters. It is difficult to answer because we lose something everytime we cut. We will survive.

Mr. YATES. At 20 percent do you still lose six programs?

Mr. BALLET. At ten percent we could survive and hold everything together for the time being.

MUSEUM PROGRAM

Mr. YATES. Thank you.

Museums. Nice to see you, Mr. Freudenheim. I have heard all the stories told so far. How goes it with the museums in the future?

Mr. FREUDENHEIM. At what level?

Mr. YATES. Pick your level. Fifty percent has not been picked for you by the Administration.

Mr. FREUDENHEIM. Well, 50 percent, as for everybody else is disaster for museums, at least for our constituents. But we have had the good or bad fortune to have already met with our policy panel and discussed these issues. I can speak as a program director and also give some reflections of the field.

Our proposal is to drop only two funding categories, even at 50 percent. That is what we call Services to the Field which are field-wide activities, and Museum Purchase Plan.

I will start with Museum Purchase Plan. It has the noble history of buying a lot of wonderful works by contemporary artists for museums by and large that wouldn't have the opportunity to buy those works, although a lot of fancy shmancy museums have also been helped by that. But buying contemporary art has really been a difficult thing for many museums. Only the really large museums have purchase endowments.

The one I used to work at, which is a reasonably large museum in Baltimore, had something like \$30,000 a year available for purchase of works of art. For contemporary art, nothing. It would be a fairly typical example. So the Museum Purchase Plan really has been of great assistance.

There have been some collections, such as the museum in Salt Lake City, that have built their entire collection of modern art with our grants. But push come to shove, our panel has felt it is the kind of thing that can be dropped if something has to be dropped because there are other things supported in the museums, exhibitions, cataloging, those kinds of things simply have to take priority over purchase of art. Hopefully temporarily. So that would be dropped at the 50 percent level. Even at the 20 percent level it is just not supportable.

The other thing that would be dropped is what we call Services to the Field which is a funding category that has largely funded things that help the entire field in areas like education, mid-career education for people, specialized education again, getting people up to date on legal problems, on knowing how to deal with personnel, on upgrading knowledge of people that are working in the museums.

We have funded workshops both regional, local and national that have done a great deal for professionalizing the field. It is a field that a lot of people wander into because, unlike needing a degree, a very refined skill to play in an orchestra or to be an actor or something like that, you can have a degree in art history and maybe some ability, and you are looking for a job and happen into the museum field.

I am a good example of that, and a lot of my colleagues are. They work for a few years and find out they don't have a lot of skills, both in management specifically, but in a lot of problems that have come into the museum world literally such as the way the law has started impinging on everything everybody does in society, specifically in the museum field, it is a new problem. You have to learn about it. So we really have helped people. That whole area again, because our panel feels that direct support for museums has to be a priority at this time, if we are cutting 50 percent, that whole area will be dropped probably completely.

IMPACT OF ELIMINATION OF IMS

Mr. YATES. How does the proposed elimination of the Institute of Museums Services affect your program?

Mr. FREUDENHEIM. Well, we funded projects and the Institute has provided operating support, but our clients are just that much more hard up, if you will. So it certainly means whatever they lose from us is that much more difficult.

Let me give you an example of a telephone conversation of a couple of days ago. I guess I shouldn't use the name because I might be slightly inaccurate in the information. A major midwestern museum, a director calls me and says "I am doing my budget for 1982." This is about the fifth call I have gotten like that. "What can I expect from the Endowment?" I said, you have got seven or eight or nine grants from the various categories. Why don't you average out the last couple of years of grants and half it, because at the moment I don't think I can give you a better projection. You might do as well as you have at 50 percent of that level.

So he said,

Well, the problem is that we are losing all our state support because we are a line item in our state budget and we are losing that because the state is taking the clues from Washington. The city has its problems because of all this is going on in Washington. They are threatening to cut all the city support. So we are going to lose about—with IMS going and Humanities Endowment going down, we are going to lose a total of 15 or 20 percent of our support and might really have to close our doors.

This is a fairly major place. I said, "You can survive without closing your doors because you should have other kinds of bases of support." So he said,

Well, you have been telling us all the time that we should have a good combination of support, private, federal, local, county, state. But when a lot of those things are being withdrawn at the same time, we don't have a healthy balance.

So IMS is part of the whole system, but it is hard to say how it affects all our clients. At 50 percent only two categories would get dropped but everything else gets dramatically effected in a number of cases.

First, the categories that remain get funded at a lot less, approximately 50 percent, maybe 60 percent in some instances, of their present level. So we will fund four grantees. Those who are funded will be funded for less. Certain things go. It is quite clear. Museums and the schools.

We fund a lot of programs in which museums have educational networks with their schools to bring kids in in buses, a very conventional thing that has been done long before the Endowment

ever existed. Bus problems are very severe now. Schools don't have the money to supply buses. If they want kids to come in, they frequently have to decide they will pick up the bus charges the schools aren't going to do. Those are in big trouble.

The exhibitions—we might still be funding a wonderful exhibition, but the educational programs that used to go along with it, the handouts for people who can't afford the \$20 catalogue, the better labeling, the special educational programs, lectures, videotapes, and things that might go with it might start to go so the exhibition itself might stay intact. But all the extra stuff we funded with a larger grant would have to go.

So we are looking at everything being significantly reduced. But the things that get sacrificed, of course, are the things that are most interesting. The things that really enlighten people.

One of our best allies just walked in the door.

Mr. YATES. Yes.

Mr. FREUDENHEIM. So we are looking at some real casualties. This is a good time to be talking because we are reviewing exhibitions the week after next. Our applications are already in. I am reading them this weekend. I have been reading them this week. We are about 15 percent ahead in applications this round from last round. This round is our 1982 funds. I frankly expected them to drop. I figured people would say there was no more money in Washington and they wouldn't send in as many applications. We are 15 percent ahead. We are looking at more applications with less money.

Last year we could have funded twice what we funded even at what I would have said was a fairly generous level of funding. The quality is there. We are no longer going to be funding I would guess a lot of interesting small things. They are just not going to compete as well. When things get tough, it is going to be hard for the panel to decide not to fund a Picasso.

Mrs. Rockefeller can speak to that issue probably very eloquently. It is very hard to say, "Oh well, the Museum of Modern Art can get the money from any old place," which isn't true because I believe we showed that the Picasso show enabled other monies to come in, isn't that true? Would she dare say no?

Anyway, you can't really turn that kind of thing down in favor of some wonderful show of an obscure 19th century Iowa painter. Those things are going to fight with each other.

We have had a wonderful impact on the study of art. The shelf of catalogs is endless of material that would never be studied or seen by people.

Mr. YATES. Would the country have been less for not having had those catalogs?

Mr. FREUDENHEIM. I think it would have because the experience, enrichment of going to museums and seeing things, I still think and I know you do, it is a very important thing, part of the spiritual thing all the people are talking about. Yes, the country would certainly be less for that, and I will give you an example. You still have time to go and look at it because it is currently playing in New York.

The Drawing Center is a wonderful alternative kind of space in Soho. It started out as a place to show drawings because of the

feeling that a lot of wonderful loft galleries were showing far out things but the intimate experience of looking at contemporary drawings was missing. They have been funded by the arts program and occasionally for exhibitions by the Museum Program.

They came to us last year with a proposal to do a drawing, show of master drawings by sculptors from the Renaissance to modern times, with a guest curator, Colin Eisler, one of the great art historians in the country. It was going to change them from a nice space that did an alternative service to a pretty different level of institution, doing something that for some strange role in spite of all institutions in New York, nobody else has done or would appear to be interested in doing.

So our panel looked at it and said why are these people trying to be something they can't be? They are over-ambitious. It is just an alternative space in Soho. Why do they want to do a fancy drawing show that really ought to be done by the Morgan Library? So they looked at the possibilities of the establishment institutions doing that kind of drawing show and the fact that these people had their act together and had a quality curator and semi-commitments for loans.

So they got a \$60,000 grant which is a very large grant for our program for a small place. But our panel saw quality and commitment. With that \$60,000 grant they were able to get Exxon to put in a whole pile of money, I am not sure how much, but I think \$40,000 or \$50,000. That made the project fly. It is open. It has been well reviewed even by the Times reporter, who is not one of our great advocates. Notably didn't note it had been funded and that basically the impetus for the show had come from the Endowment.

It has been seen by a lot of people. It is changing the nature of this very fine institution. It will be up until June, and I recommend it to you highly. This wonderful little place has loans from the Queen's Collection and major museums all over the country and is an example of the kind of impact that we have, even in New York where everything seems terribly obvious and already done. And it will change the nature of that institution.

EFFECT OF 20 PERCENT CUT ON MUSEUMS

Mr. YATES. Tom, did you want to say anything else?

At 20 percent can you live?

Mr. FREUDENHEIM. Well, at 20 percent I think the museums will do not as well, but all right. But all the things we do for the field, the training programs, the conservation training, the view toward the future, the idea whether we care about whether there is anyone good in the field 10 or 20 years from now, those things will suffer.

The grants to the museums will be fewer and in smaller amounts, but by and large those programs we can hold fairly intact. But training, mid-career training, those kinds of things which have to do with providing right personnel for our field, where we have had inestimable impact. I mean, there have always been exhibitions in museums. If we went out of business, I have to admit there will still be exhibitions. They might not be as good, the catalogs won't be as good, but that is one of the things museums do.

There has always been training, concern for personnel, concern for getting people professionalized properly. That is really why the field is as good as it is today. That will change drastically even at 20 percent.

Mr. YATES. Thank you very much. I would propose we take a break here for how long, 15 minutes, half hour?

Mr. BIDDLE. Whatever you say.

Mr. YATES. Then we can finish in about another hour. Let's take a break for 15 minutes.

[A short recess was taken]

OPERA-MUSICAL THEATER

Mr. YATES. So far, we have gone through music, the media arts, museums and the dance.

How about opera and the musical theater now? There he comes.

Mr. MOORE. We call him "Pop" Corn.

Mr. YATES. Tell us, sir, about the state of the opera and musical theater, presently, and what it is likely to be if the Reagan budget is approved.

Mr. CORN. In terms of the Endowment's role, Mr. Yates, our position is somewhat different from the other programs you have heard in relation to timing.

Just now, we are beginning to serve the musical theater. We are now the newest program. We have served until now only effectively the opera field.

Just now, we have changed our guidelines to be able to serve the American contribution to the musical theater.

So the cuts to us will in some ways be even more devastating than to any other program, because it will nip in the bud our beginnings of support for musical theater.

In terms of an answer to your question of what level we could live with, psychologically, in terms of perception, in terms of starting programs, we really will not be able to live decently with any cut, to be quite frank.

Mr. YATES. I am more familiar with the opera program than I am the musical theater program. What is meant by that?

Mr. CORN. The differentiation between the two is a very gray one. That has been part of the problem from the time of the establishment of the program.

As Mr. Adler remembers, at the time it was created, there was great discussion simply about its name. It was simply going to be called Music Theater at one point, because the program serves a spectrum.

At one end, you have "Aida," obviously grand opera. At the other end, a show like "Sugar Babies," pure entertainment. There is a vast area in between.

Anything that involves some theater where emphasis is on the human voice in performance singing, and full theatrical production, we cover that entire end.

The musical theater end is much less institutionalized than opera. Musical theater for years has meant Broadway shows, commercial shows. Just now, thanks to a great extent to the Endowment's interest, is nonprofit musical theater beginning to develop more.

For example, in our new guidelines, we are finding that many of the resident professional theaters, regional theaters, occasionally want to do a musical.

We have changed our guidelines to make it possible for them to apply to us, if they are a grantee of the theater program.

We have started a new category to encourage the introduction, infusion of new works into the musical theater field.

Just now, frankly, is the nonprofit musical theater field beginning to develop.

Mr. YATES. I always have the feeling that the musical theater will survive just the way it has in the past, because Broadway is the ultimate test, isn't it?

Mr. CORN. I had a conversation the other day with Stewart Ostrow, who has the Stewart Ostrow Foundation to encourage development of new musical theater.

Mr. Ostrow had a show he was trying to do something with called—Minnie-Schipiro's Song Book was the name of the show.

It was a very experimental kind of musical. It did not last. It is already closed.

Mr. Ostrow is very concerned right now about the very question you raised. Will musical theater, other than a "Sugar Babies"-kind of show, really survive? On Broadway, it is not right now. He's very concerned at this time that the attitude of the country is to take only the tried and true, tested already, and accept that, purely as an entertainment form.

I am not sure we can assume the kind of musical theater our program is interested in and Endowment is interested in will necessarily survive.

TEST OF THE MARKETPLACE

Mr. YATES. There are some critics who have said the marketplace should be the test.

Mr. CORN. Yes.

Mr. YATES. Should that be the ultimate test of a musical theater?

Mr. CORN. If, indeed, we are talking about musical theater broadly. Certainly I don't think one would say that about the opera field.

If, indeed, we are talking about a kind of music theater that is, other than commercial Broadway shows, then, no, that cannot be the test because an institutional music theater can't survive without contributions any more than opera or theater or dance or anything else can survive without contributed income, whether from government or private sources.

Mr. YATES. Mr. Adler, I just want to ask one more question, then I will come to you.

As one who has made contributions to shows that have opened and closed in two days, why shouldn't that be an ongoing kind of testing place? Why are you needed?

Mr. CORN. I think the word you used is the answer. When you said "made contributions," they were contributions for you, but in point of fact, when you made them, you thought of them as investments.

Mr. YATES. I know better.

Mr. CORN. Exactly. But that is just the point. If you look at Broadway over the course of a year, actually Broadway, as a total-

ity, loses money every year. You have some hits and a great many losers.

Mr. YATES. Isn't Broadway better this year than it has been in a decade?

Mr. CORN. That is probably true. Quality is a subjective matter, in terms of attendance and things like that, certainly it is true.

There you have a hit-or-miss philosophy. There you have people investing with the idea of making money.

If you believe in the experimenting with things, of an institutional, not-for-profit basis, then Broadway is not the only place. It is fine for what it is.

We are saying there should be a different kind of approach to music theater as well. Our program is particularly interested in infusion of new works.

In operatic repertory, music theater repertory, and this in between. We have developed many things, try-out labs, for experimentation, for example, our new category.

We have two phases, one for the creation of work and, second, the trying out. We felt in music theater, if a work goes through those phases successfully, it is likely to have commercial possibilities so we would not put money into a third phase as we do in opera.

Mr. YATES. Where is the breaking-off point for you? Is 50 percent, that is obviously inadequate, isn't it?

Mr. CORN. Yes. As I said, for us, because of the psychology and timing, almost any cut will be devastating.

We have cut no categories. We have only six, including a new one started for, in essence, music theater development this year.

Because of that, it will be up to our panels, which have not yet met, to decide what they will do with whatever money is available to us.

Clearly, what will happen, since all the categories exist, they will emphasize, I think, from my conversations with panelists, support for the institutions that produce music theater, both opera and music theater, and support for the infusion of new works into the repertory.

What will suffer most will be services, special projects, activities of that kind. What will almost surely happen as the grants are cut, and we will have fewer grants made, we will have smaller grants made, what will surely happen is that everyone will stick with the safe.

Every one of the grantees will cut back on everything that is not safe. What will happen, I think, is we may not see the effects immediately this year. But the reduction of grants in size and in number will have its effect two, three, four years down the line.

That is where we are going to start hurting. I think that will be true of many Endowment programs. The effect may not be felt immediately, but it is going to have a disastrous effect on the future of the arts in this country.

Ms. TIGHE. May I make a comment about Broadway, because I think it highlights what we are really talking about here?

Mr. YATES. When we talk about the market being the testing place?

Ms. TIGHE. Every theater on Broadway right now is full. Not necessarily selling out, but occupied by a play that is doing well enough to pay the rent.

I don't think there isn't a play on Broadway today that originated in that place. The nonprofit regional theater has been the source of most of the serious plays, with the exception of Neil Simon. England has been the source for others.

In the case of musicals, either people who have been there for a long time, meaning "Annie," and "Chorus Line," or revivals, the expense of making a brand new musical today, risking on a brand new musical, is so immense that people are not making that gamble any more.

So what will happen is if there isn't a nonprofit context in which composers, designers, people who are going to work in that area, the economics of Broadway will no longer sustain the untested.

You have to either have a name like a "Prince" or whatever, or you have to be a revival.

Mr. CORN. Did you mention, even "Annie" and "Chorus Line" began, in nonprofit institutional theaters?

Mr. YATES. I wonder whether or not we are ever going to come back to the question I raised, last year or two years ago, as to when you fund an experimental play and it turns out to be a hit, why you shouldn't share in the benefits?

Ms. TIGHE. We have talked about it quite a bit since your question.

Mr. CORN. And continue to talk about it.

Mr. YATES. It is good that you talk about it.

DEVELOPMENT OF ART FORM WILL BE HAMPERED WITH CUTS

Mr. ADLER. I wanted to make a remark about the history of the art form, music theater, certainly, has a long, anxious history in this country. Opera, much less.

The opera program has made every effort to support and create contemporary opera and create operatic works throughout the land, and have them performed.

I think cutbacks will seriously hamper this development. It should perhaps also be mentioned that opera has grown more than any art form, statistically, in the recent years.

Unfortunately, opera is a losing proposition. Whatever you do, you lose money when you produce opera. But it is also true that the American opera companies cover up to 55 or more percent of their operating costs from box office receipts, while in Europe, where opera is heavily subsidized by the government, unfortunately, the percentage is an extremely low one. It goes down as much as to 6 or 8 percent of the total operating costs.

Mr. YATES. They want the people to see the operas.

Mr. ADLER. Exactly.

Mr. YATES. If I may interrupt, the price for a seat at the Metropolitan the other night, as I remember, was something like \$41.

Mr. CORN. \$41, and \$50 in New York.

Mr. ADLER. That's correct. However, in Europe, it is higher. In Munich or Vienna or Paris, the admission is higher.

In addition, I think that it is possible, and we mention San Francisco in this respect, has used Endowment money to bring

opera to the people, being able to perform for workers, employees, at lunchtime.

They did excerpts, 55 minutes, so they could be back to the offices with more or less only five or 10 minutes late.

That has done a great deal. You have done this outdoors on the steps of City Hall, or in halls, or at the airport, and so on.

We have done happy-hour opera, wherein the people came from their offices and had to have a libation and had to listen to opera.

Mr. YATES. Was it a happy opera you presented?

Mr. ADLER. It was always a happy opera.

Mr. YATES. When are you going to present "Martha" again?

Mr. ADLER. We did "Martha." Unfortunately, "Martha" was unsuccessful. As a matter of fact, there was a terrible flop on "Martha" in Germany where it should have been successful.

Mr. YATES. They used to sing M'Appari.

Mr. ADLER. They still do. But there is not enough M'Appari in "Martha." However, San Francisco has become an opera town.

You are exposed to opera at the airport. If you are picked up, the chauffeur will tell you about opera, and that he has a subscription.

Nationally, we have performed in schools. School children, the sooner you expose youngsters to opera, it will be better. I think it is possible to make opera go.

I think it is necessary because, after all, it is an art form that comprises all other art forms. Ballet dance, visual art form and so on.

I believe, obviously, having lived for more than a lifetime in opera, I believe in opera. I believe it gives extreme joy, satisfaction, and also pleasure to the public if you present it well. There is no doubt, cutbacks in the support of opera from the Endowment, you have to result in cutting back in school performances, in outdoor performances, in taking opera to the people and in bringing people to opera and the opera house, because naturally, we are bringing people into the halls.

I think the saga of opera being an elitist art form is wrong for our days. It is always wrong. But it may go back to this if we cannot bring people to the opera or opera to the people.

I do believe, after all, government represents the people. Therefore, if the people support an art form, government should be involved in the support of the arts and of the very art form I have been privileged to discuss here.

Mr. YATES. Thank you.

Mr. CORN. In addition to Mr. Adler and what he has done for the art form in this country, if there is a major company, and Mr. Pavarotti is going to perform with them, his colleagues in Italy asked him, "Why don't you do it here, Luciano? Why don't you do it in Italy, where you are from?"

His answer was, "No. Where opera is happening now is best exemplified in the United States of America. That is where opera is taking place. That is where the future is, and that is why I want to do it in the United States."

Mr. YATES. Mr. Adler.

DEVELOPMENT OF AMERICAN TALENT

Mr. ADLER. I neglected to mention the development of American talent. With the help of the Endowment, we have endeavored to develop the talent for opera wherever we could find it.

It is not only singers. It is the craft, it is administrators, it is musicians, players in the orchestra and so forth.

The talent is enormous. But we had to develop it. Certainly, Mr. Chairman, being so aware of opera, you know that previously singers, stage directors, conductors of opera had to go to Europe in order to find employment and to develop.

This is not the case any more. They are coming now to the point where the interest and opportunities for talent is such that we have to look for the talent in this country. It is not necessary to send them abroad.

At the same time, the American talent, which was not considered too promising abroad until a few years ago, is praised at this point by my colleagues in Europe.

They would rather engage American singers and conductors, if they can find good ones, than their own, because the standards have been raised considerably in the development of our own talent, which, I think, is an important sign of the development of the art form.

Mr. YATES. Why was "Martha" a flop?

Mr. ADLER. "Martha" is very pleasant. But a special enjoyment, and that may have been one of the reasons why we have to doctor our operas up to present-date interpretation, scenically and costume-wise and what not.

I think this production was probably a persiflage of what "Martha" was meant by the composer. But the music is also a little primitive.

Mr. YATES. It's too pleasant, isn't it?

Mr. ADLER. Yes, you can't sit two or three hours through pleasant music. Mr. Chairman, we have just produced, because it was only an hour and 10 minutes work of an American composer called "Cry on Caton Mesta." Especially the orchestra had problems adjusting their tunes to the composer.

You said one keeps the melody. Well, this man has an uncanny talent for melody. The public, which didn't think the orchestra was out of tune, but they heard the melody and the combination of the strange sound.

Mr. YATES. What is his name?

Mr. ADLER. Caton. Associated with the university. Well, they have a great music school. He came and had a standing ovation. It doesn't happen every day.

But we have an opera project which is funded by them where, in the last two years, with two other operas, free admission. And there was one time the fire marshall came in and wanted to throw the people out during the performance.

Mr. YATES. Have you noticed any of the singers singing a quarter tone off what they should be singing?

Mr. ADLER. I don't know. I am not sure. You see, my ears are fairly good. But this quarter tone business, we are so used to the singers singing off key—

Mr. YATES. Thank you very much.

Mr. CORN. Just a few remarks to complement what some of my colleagues have said about the Endowment in general.

It seems I agree with everything they have said. There are a couple of things I would like to add.

One of the things the Endowment does that I really think no one else can do is to deal with the fact that virtually all of the arts organizations in this country live from year to year.

Very few have any Endowment of any kind, very few have any security. The endowment, in its own way, because of its continuity, provides a kind of security to those organizations, especially when emergencies arise.

The other thing, it's been talked about before, the national perspective that can be gained only through an organization like the National Endowment for the Arts.

That national perception is important in several ways. For example, our panels, peer panels, the heart of the Endowment's activities, are made up of people who come from all over the United States, different geographical situations and different situations, really, of the budgets of the organizations.

They deal with different kinds of arts activities with each discipline. Therefore, they, by consensus, represent a way of judging what is the best in this country, that can't be developed any other way.

That simply can't be developed locally or even by States. What that does is to give a standard against which any organization can test itself.

One of the reasons to apply for the National Endowment for the Arts, as we have talked about, is the Good Housekeeping Seal of Approval.

That is the other side of the coin. By applying, an organization is testing itself against the best in its field through the NEA. That is the only way it can happen. It seems that is a very important function we provide as well.

Mr. YATES. It is.

CORPORATE SUPPORT

Mr. CORN. In terms of corporate support which you have asked about a number of times as a substitute for government support, one of the problems with corporate support, I think we must remember, is that of necessity, and this is not a cynical remark, a corporation must be interested in itself.

It must be interested in what good a donation it makes will do for its stockholders and itself.

Only again through the national perspective of the National Endowment for the Arts, can you have the vision of what the arts can be throughout the country. Not parochially for one donor. One donor can't know that, as several have said.

Also, it has to make its contribution in its own self-interest. By accumulating all of these and by the knowledge the National Endowment can provide, only that way can we have something truly in the interest of all the arts nationally.

Just one other thought, if I may make it. One of the roles of the NEA, as well, is to deal with the future.

None of us can really know what art work, what artist, is going to be considered great by posterity. So that our role in many ways is simply to allow that creative or interpretative artist to practice his trade a little longer before he has to give up and become a cab driver or waitress.

Even our panels, good as they are, can never be sure who will be judged great in the future. All we can do is allow them to try to do their work a little longer.

Mr. YATES. Thank you very much. Mr. Adler.

Mr. ADLER. One more remark, Mr. Chairman. We have a functioning development, that since it has become known or expected that the Endowment will cut back on the support of the arts for opera, the private sector has stated they cannot make up the loss.

As a matter of fact, due to the general situation, there are lots of donors who say now they are cutting back on their contributions.

Worse, the city is cutting back on their contribution. We are getting money from hotel tax. The hotel tax is up considerably. But the city says, no, we have to cut back.

The opera is seriously affected. The Challenge Grant did not only raise the dollars three-to-one, but the effect of the Challenge causes other contributors to give money, to fund drives and such things because a Challenge Grant was known.

Because of it, one was able to raise other funds.

Mr. YATES. Do you remember the opera of the 1920s? You are not old enough.

Mr. ADLER. That's correct.

Mr. YATES. One of the great benefactors at that time was a man named Otto Kahn, do you remember?

Mr. ADLER. Yes, of course.

Mr. YATES. Do you remember how enraged he was when he was traveling through the east side of New York and saw a sign up there that said, "Samuel Kahn, cousin of Otto Kahn?" He didn't like that so he told his lawyer to have that sign changed and taken down.

A week later, the lawyer reported to him, the change had taken place. He drove through there and the lawyer was right. It now said, "Samuel Kahn, former cousin of Otto Kahn."

Mr. ADLER. It's a very interesting point. It doesn't always help. We have general supporters in opera who do not want to be mentioned.

We have others who are well-known in the city who must be mentioned on the program.

Mr. YATES. Yes. Thank you very much. Now we go to folk arts.

FOLK ARTS

Ms. HAWES. Yes, sir.

Mr. YATES. Won't you take the stage? You have heard the questions. What are the answers? What will a 50 percent cut do for you and for your constituency?

Ms. HAWES. We are somewhat in the same position as the Opera Musical Theater. We are a very young program.

We are just beginning to learn how to do what we need to do. We are just, as a matter of fact, on the threshold of a forward movement, rather than sort of staying where we are, because we were

beginning to feel we might even get to be a little bit big-time in a small sort of way.

We have done a number of projects this last year that I think would stand up against any in terms of national attention, against any of the major program grants.

We have done initiative funding in producing a film which is now supported by the Media Arts Program and also by the Dance Program, "No Maps on my Taps," which is being done in theaters.

Folk Arts started that off and supported it for the first two years. We produced, again, seed money for an exhibit called "Quilts and Women's Lives," at the Oakland Museum, which my colleague, Tom Freudenheim, says is one of the best shows he ever saw on an individual art form, a distinguished performance.

Mr. YATES. How many has he seen?

Ms. HAWES. I can't tell you that.

Mr. YATES. I am sorry, I broke your train of thought.

Ms. HAWES. It's hard to learn how to do all of that, particularly in a field as complex and varied as ours.

It's hard to know how to bring the elements together which, as my colleagues have been telling you, the principal function, I believe, of the Endowment, is to make introductions across fields, across expertise, to bring the people with the needs together with the people who know how to fulfill those needs.

As everyone says, we can live with what we get.

We will have to make some very hard choices, I think.

Mr. YATES. What will happen if you get 50 percent?

Ms. HAWES. All right. We will have to decide, I think, quite possibly, to eliminate one of our major strategies. I have not been able to talk to my panel about this.

We will surely have to get out of our experimental work in education. I think we may have to cut back very, very severely, depending on negotiations that I will have to undertake with the States, on our State Folk Arts Programs.

Mr. Chairman, it seemed to me when I started this job four years ago, that we had very, very little chance of developing any corporate sex appeal of any stature, any significance.

We started to make allowances with the States, because Folk Arts should have more than one area for funding.

Mr. YATES. Folk Arts is all in the mountains, isn't it?

Ms. HAWES. Folk arts is in every State. And I am just back from visiting in Guam, where they are starting a Folk Arts Program because they have quite an extraordinary alignment of talent there.

Yesterday, I kept wishing that I could interrupt the proceedings for a word with Mr. Regula, because the history of the Folk Arts Program in Ohio is, I think, one of the most admirable, in fact, Ohio is a State I point to with the greatest pride.

A very small amount of seed money starting in 1976. What I call risk money. Money we put out there, and the State says, "That looks interesting. We will try it because you don't have to do much. We will just match it a little bit."

Then after a year, it works. Then they think, "Well, we will show the legislature." Then the legislature comes around.

First thing you know, the legislature has taken that on. Since 1976, we have started an extraordinarily diverse and interesting program in the Folk Arts in the State of Ohio, one which would never have developed, in my opinion, without the Federal partnership, the Federal money coming in there, saying, "Isn't this—wouldn't this be an interesting thing to try?"

You don't have to put much into it. Try it and see. Then if you like it, you can fund it. And we are now out of basic support in Ohio. They are doing their own thing. They have also, by the way, very successfully, mounted a joint humanities and arts program there in the field of folk arts.

Our funding, together with their own money, none of ours, but we helped build that.

LIBRARY OF CONGRESS AND SMITHSONIAN FOLK ARTS PROJECTS

Mr. YATES. Is there duplication between your program and those of the Library of Congress and Smithsonian, by any chance?

Ms. HAWES. We spent quite some time this last year coming up with a document that I believe should have reached you through the Coordinating Office, Federal Council.

Ms. HAWES. It is a statement of function and an attempt to comb each other out of each other's hair in a way that will allow for collaborative projects.

As a matter of fact, a collaborative project will be mounted on the mall this summer that I hope you will have a chance to come by and see.

The Smithsonian will be presenting in their folk arts, in their folk festival this summer, a portion of their program will be devoted to presenting the results of projects which we have funded across the country.

They, therefore, didn't have to do the field work involved. They simply looked down our list of funded projects and got in touch with the people, and have hired them to come in.

It was definitely a cost-saving maneuver. They certainly have access to looking at any of our records. I think it is a very successful way of indicating that we can collaborate without doing exactly the same thing.

Mr. YATES. It is interesting to look at your budget. Individual creativity has zeros across the board, and institutional creativity has zeros across the board.

Ms. HAWES. That is from the agency point of view. Since we are a rather small program, the agency tends to lump all of our projects together under Living Heritage.

Mr. YATES. I see.

Ms. HAWES. But we ourselves do fund individual creativity, institutional creativity and so on. But it amounts to small amounts of money.

Mr. YATES. Thank you.

Ms. HAWES. We have a heritage program, also.

Mr. YATES. Should you tell me anything else, or have you told me enough?

Ms. HAWES. I could tell you a little joke.

Mr. YATES. I would like to hear that. Why not?

Ms. HAWES. Maybe it is not so funny at that. While everybody else has been thinking about Ozymandias, and Shakespeare, I have been thinking about a British bar room song that came across to this country in the 17th century, called "The Young Trooper Cut Down in His Prime."

This song caught on in the United States and became a national hit almost immediately. People began parroting it. So you found people singing about the young cavalier cut down in his prime, and young lumberjack cut down in his prime, and young sailor, et cetera.

It traveled across the country, down into the South, picking up new versions, new tunes, new words, until it gave birth to two songs that are, I think would be, in the list of anybody's 10 best American folk songs.

One is the young cowboy cut down in his prime, the "Streets of Laredo." And the other is the young woman who died too soon, the "St. James Infirmary Blues."

I have been sitting here thinking about this and wonder why the American people worry so much about the young who get cut down in their prime.

I had to lecture on the history of this song the week after President Kennedy was shot and it was a devastating experience.

Mr. YATES. I am sure it would be.

Ms. HAWES. It led me to think about the kind of casual destructiveness of American society. We go after what we want so fast that we forget sometimes the things that are wasted by our wastefulness.

I think not only do I feel like a young program cut down in its prime, but I also feel this is a young agency cut down in its prime. Down, but not out. I hope it will not be out.

Mr. YATES. I would meet what you said with an ancient Scottish quatrain, which I recited after I'd lost a Senate race.

I am hurt, sir, and Drew Barton said, "I am hurt but I am not slain. I lie me down and bleed a while and then I will fight again."

Well, where do I get an audition?

Ms. HAWES. I know the tune.

VISUAL ARTS PROGRAM

Mr. YATES. Now we go to the Visual Arts Program, to Jim Melchert, wherever he is.

I notice in Mary Ann Tighe's contribution to your annual report, that you were trying blind judging. I assume you were called into it.

Oh, yes. It does provoke a certain number of problems for you. You say you don't know how it is going to come out. That we will just have to wait and see. Is it working out all right?

Mr. MELCHERT. Actually it is like a bar of soap. If you push it under the water here, it will pop up over there. We found, for example, that—let me explain.

If you are doing your best to make sure that you don't distinguish between a male applicant and female applicant, and you only go by surnames, you will find that everybody is very aware of the Hispanic applicants and the Asian applicants.

Then you suppress that. Before long you have confusion because you have been going by numbers. Finally, in the long run, it seems we didn't solve any problems with it.

Mr. YATES. Did you tell that to the Women's Art Caucus, rather than my telling it to them?

Mr. MELCHERT. We are in touch.

Mr. YATES. Has there been a diminution in the number of applications under your branch of the service?

Mr. MELCHERT. Hardly.

Mr. YATES. When last we spoke, you said you received something like 6,000 a year.

Mr. MELCHERT. Actually, we got up to well over 8,000 applications last year. This year, 10,000 in fellowships. There seems to be no end in sight. We are taking care of that in a number of ways.

We hope to discourage applications coming from individuals who are really not ready yet to engage in a national review. And we have pointed out in the guidelines some of the factors we would like applicants to consider before they really submit their work for the review.

We are also going to a two-year cycle rather than a one-year, so the various reviews for individual fellowships will take place over a 24-month period rather than 12.

That way, for example, this coming year, we will have reviews in painting, printmaking, drawing, artists' books, video and conceptual performance.

That will be followed, then, into the following year by photography, crafts, sculpture and one other area.

Mr. YATES. What happens if you have a 50 percent cut?

Mr. MELCHERT. Well, the funny thing is, we have already been cut to a certain extent, when we requested an increase of 2 million even for the Carter budget, and didn't get it.

Mr. YATES. Why didn't you get it?

Mr. MELCHERT. Well, there are reasons for that. The main thing was—

Mr. YATES. What was his answer? It went by so fast I didn't get it. I don't think the word "well" was sufficient.

Mr. MELCHERT. The Administration does have to consider the requests of all the programs.

Mr. YATES. What did you want the program for?

Mr. MELCHERT. Particularly for artists' organizations. It is amazing how in the last five or 10 years, artists have taken matters into their own hands in terms of their own exhibition programs, their own ongoing work shops.

We are very interested in facilities that artists have set up for themselves to use. This has to do with facilities for producing work, for example, if you are an individual artist, and you do not have access to editing equipment, in New York, it will cost you \$100 an hour to rent editing equipment.

Mr. YATES. That is Brian's worry, not yours, isn't it?

Mr. MELCHERT. Oh, there are visual artists who work in video and documentarians who work in video. There are many different kinds of uses of video.

To a certain extent, many of the artists who trained in painting or in sculpture have gone into other—working in other mediums.

Video is one of them. Just as conceptual art, performance art—

Mr. YATES. I don't understand. Do you mean TV? What does video mean?

Mr. MELCHERT. All right. It's work done, recorded for video. And then it is played on a TV set. But it is more related to, let's say, sound tape than it is to film, in my concept of the thing.

And it is interesting to see how our country has been a forerunner in terms of the development of this medium and its use by artists.

If you go to one of the major biennales in Europe, or something like the documentary setting, you will find the video section, which deals with some of the newest approaches to artmaking, tends to be dominated by American artists who have gotten into this.

There are places in New York City that show a great deal of work by these artists. The "Kitchen" is a good example. It's been doing this a long time. It's the sort of medium that isn't commercially viable, but artists find it to be a wonderful way of working with certain kinds of ideas and images.

Some of our artists work with video, too, and some have become extremely sophisticated with the results of careful editing.

It is not necessary to edit in video, but it is an option. It is very expensive to do this. I know an artist who flies from San Francisco to New York to do his editing because he can get it at a rate of \$100 a day.

It is cheaper for him to fly out there than it is to stay in New York. Nevertheless, it is still extremely expensive. Now, there are some spaces that allow artists access to their editing equipment without its costing the artist these outrageous fees. These are the kinds of organizations that we help, we give some assistance to, in our category of funding for artists' organizations.

For the exhibition of those tapes, we also fund spaces such as the "Kitchen" in New York, or PS-1, or here in Washington, WPA, which allows audiences to have access to the work by these artists.

So there is a lot of activity in that area, both in terms of the production of work through facilities we provide, and the exhibition of work.

So as something that has been mushrooming in a most extraordinary fashion in the last five or 10 years, we really wanted to increase support in that area.

Mr. YATES. Was that the \$2 million?

Mr. MELCHERT. That was the \$2 million.

Mr. YATES. What will happen if your funds are cut 50 percent?

Mr. MELCHERT. Well, certain of the—

Mr. YATES. That is a present reality that you have to consider, isn't it?

CONSOLIDATION OF CATEGORIES

Mr. MELCHERT. Oh, we did, indeed. In fact, working with that very real possibility, we made some rather drastic changes in our program.

Actually, we have been moving towards consolidation for a number of years, so that we were going to be regrouping our categories rather radically anyway.

But when it finally came down to having to face all of these cuts, we found that we were going to have to eliminate a number of categories of funding that were actually not major priorities, but nevertheless, activities that we hate seeing go down the drain.

You might be interested in knowing what our reaction was to having to cut back and face the possibility of many smaller, rather ad hoc organizations of artists having to forego programs of their own by our funding going primarily to larger organizations.

We realized that we were going to have to make a big distinction between the way in which we would give direct funding to artists, and the way in which we fund artists indirectly.

Our funding to art organizations we consider indirect funding. We fund artists in many different, indirect ways, such as regional fellowship programs, such as honoraria through Artists' Spaces, such as opportunity for commissions through Art in Public places, or workshops which an artist will conduct.

Through these indirect means, we can get a lot of money to a lot of different artists who work in very different ways and have a very different concept of art.

But in terms of the fellowships, which is our way of getting money to artists directly, we felt that with these severe cuts, we were going to have to drop projected aid entirely and concentrate on what we think is the real priority of the program.

That is to give the individual artist, to entrust an individual artist with an opportunity to engage in major work for an entire year.

Now, four years ago, when our policy panel first met and discussed fellowships, what we were aiming for, we said, "Gee, in 5 years' time, what should the fellowship amount be?"

Well, four years ago the amount of money that would buy an artist a year's time and materials to engage in a greater serious effort, we figured to be \$20,000. Well, being forced to consider our priorities in the event that we would be cut 50 percent, we decided, now is the time to put our money where our mouth is.

We have been talking all along about making this fellowship really a great opportunity for an artist. And instead of always having to react to these cuts, let's take the initiative and do what we have wanted to do all along, and make that year possible.

That is why we have doubled the amount of the funding in the fellowship.

Mr. YATES. You doubled the amount with a 50 percent cut?

Mr. MELCHERT. Yes.

Mr. YATES. What did you take it away from?

Mr. MELCHERT. Well, we have taken it away largely from project aid to individuals. We put all our direct aid to individuals into fellowships.

Mr. YATES. I thought Mary Ann and the Chairman had said that under the cuts, the ones who would lose would be the individual artists.

Mr. MELCHERT. Oh, yes.

Mr. YATES. I thought what you just said is that you are making twice as much money available.

Mr. BIDDLE. Twice as much money available to the individual.

Ms. TIGHE. But many fewer grants. A drastic reduction in grants. The decision was made to—

Mr. YATES. I see. To increase the amount of the individual grant, but not to make as many grants.

Mr. MELCHERT. This is for the fellowship. You see, what we are eliminating, though, is project support that we were also giving individuals directly.

That is where we have really taken the big cut.

Mr. YATES. What is a project, for project support?

Mr. MELCHERT. For example, we have an area, a category attached to Art in Public Places where an artist can apply for \$5000 to develop a plan for a work of art in a particular site that would not only represent a new approach to what public art can be, but that also would be a wonderful example of how a certain kind of site could be approached and developed.

As more and more opportunities seemed to be forth coming for public commissions, it seemed reasonable to help artists to become ready for opportunities.

One way to do that is to help them start thinking in terms of a specific outdoor place as opposed to keeping their thinking within the walls of their studios.

Also, we don't think that public art should be an object made somewhere and deposited on a lawn. But, rather, that public art work can be done in such a way that many factors, including social factors like the history of a community, can be taken into account, and affect what is done in the work.

All right. It takes some contact with all of these factors for a young artist—

Mr. YATES. That is a project. Okay.

Mr. MELCHERT. That is what we are cutting out.

Mr. YATES. That you are cutting out, too. To that extent, you are hurt.

What if it were 20 percent?

Mr. MELCHERT. Fifteen percent, I think, would be much more reasonable.

EFFECT OF A 20-PERCENT CUT

Mr. YATES. What would happen if it were 20 percent?

Mr. MELCHERT. If it were 20 percent, I still think, rather than restore project grants, we would make huge restoration in the area of fellowships, because that is still our first concern.

Mr. YATES. Your project notes don't indicate there is any difference between—what the individual fellowships would be at 15 percent or 20 percent.

Mr. MELCHERT. Yes, but you see what you have there, though, is considerably more money put into Art in Public Places, for example, opportunities for communities and artists.

And also in terms of that area of what we are calling Forums, which really has to do with dialogue, discourse, anything in that area, which includes publications which we feel are going to become increasingly more important to artists, particularly as travel costs go up.

Visiting artists programs, short-term workshops, seminars, that sort of thing.

Ms. TIGHE. May I point out something about the program in general? When you talk about Visual Arts, you are talking about the most competitive program the Endowment has.

So what we are talking about is a situation that was hideous. We start from the fact that at the present level, fiscal year 1981, we are talking about funding in the area of fellowships less than 3 percent of the people who apply.

Each progressive step backwards diminishes it to the point that, at a certain moment, it becomes questionable whether you want to even pursue this program any more.

That is why the \$25,000 grants, the fact that we felt there was going to be such ferocious competition. There were so few people that were going to rise to the surface that it became a matter that they should be rewarded, at least for their efforts, in a substantial way.

It was the panel's choice, I think, to go in that direction.

Mr. YATES. I don't know why you say it's competitive. Out of 10,000 applications, you gave 346.

Ms. TIGHE. That is true. We were lavish this year.

Mr. YATES. Anything else, Jim?

Mr. MELCHERT. No. Thank you.

Mr. YATES. Thank you very much.

DESIGN ARTS

Now we have design arts.

You heard the inquisitor on the others. Where does the prospective cut leave you?

Mr. PITTAS. I think basically we are going to water down the soup.

Mr. YATES. Is cooking soup part of your category?

Mr. PITTAS. Culinary arts. Some of the nutritious meat is going to be taken out of the program and we are going to have to replace it with potatoes.

Mr. YATES. Can we leave metaphors and get specific?

Mr. PITTAS. Okay, specifics, sir. I think it is generally recognized within the Endowment, but not understood completely outside the Endowment that the Design Arts Program, at least one of its very principal functions is to service all the other arts disciplines within the Endowment and outside the Endowment.

That is, our grants provide design and planning services to museums, to performing arts institutions, to alternate art spaces throughout the country.

Now, Chairman Biddle gave you some figures of the growth in the past 15 years in the arts in this country. Theaters from 15 to 145, symphonies from 25 to 150, et cetera.

In other words, there has been an extraordinary baby boom in the arts brought on by the catalytic effect of the arts Endowment's presence.

Along with that baby boom has come an enormous monster, insatiable housing shortage. That is what we are in the business of doing.

So when you ask what the effect of a 50 percent cut or 20 percent cut or 10 percent cut is on the Design Arts Program, what you are

really asking is, what the effect is on every arts program at the Endowment, because that is what we are about.

If you look at our annual report, you will see that over 80 percent of our grants last year went to arts organizations, Oberlin Dance Company, Carnegie Hall, the Santa Fe Museum, on and on of different kinds of organizations asking for different kinds of help.

That help does not exist, the early design help, the early planning schematic feasibility help does not exist in any other public entity in this country.

State arts programs do not have design programs. We are one of the few arts disciplines that is highly under-represented. There are two within the country. So that the States can't be turned to for those areas.

Department of Housing and Urban Development, Department of Interior, the Economic Development Administration, all provide capital funds, that is, the bricks and mortar for these kinds of facilities.

Those can't be provided without the initial plans and designs for those purposes. The needs of the Northwest are entirely different from the needs of the New England States where there are plenty of facilities to be reused in the New England areas and in the Northwest, there are no facilities at all.

Church basements and gymnasiums have to do for the art forms. This greatly affects touring and presenting throughout the country. The ability to bring geography to the community is also the ability of that community to have the proper shelter and place for presentation to take place.

I am disturbed because, as I see it, our function is an Endowment-wide function and should be seen that way. A cut for us is a cut for the entire Endowment.

Mr. YATES. A 50 percent cut leaves you with \$3,118,000, a 20 percent reduction leaves you with \$4,300,000, 15 at \$4,700,000. Thank you, Michael.

Literature.

LITERATURE PROGRAM

Mr. WILK. Could I start off by trying to talk a little of the differences we have in our field? I have the benefit of, by being near the end of the discussion, having heard my colleagues speak about their fields and effects of the cuts on their programs.

I think most of what they have to say is true for the field of literature, but it is also true that our field is very different from any of the other art forms.

It is based primarily on the individual artist. That we don't have major institutions for the most part.

It is not performed, but rather read in private by one person, a very nonpublic experience. The lack of visibility of creation of the art form and of the artifact itself contributes to making it difficult for literature to become as institutionalized and as concrete and visible as some of the other art forms.

So if you see a dance performance as it would be written about, they would write about the dance company as well, and all the dancers.

But when a book is written about, it is primarily the words on the page that are discussed. Once in a while the author, as relates to it, but primarily the publisher, all the work that went into getting that book from the mind of an individual creating out of nothing, as one of our fellowship people said one time, into the hands of an individual reader, and then into the mind of that person.

So the communicative aspect of literature takes place very differently and has a completely different dynamic than the performed art forms, all of which contribute to making it difficult for literary organizations and literary artists in the first place.

You are probably familiar with Dick Netzer's book, "The Subsidized Muse." There is one statement in there I take to be significant because it is not me saying it. I have said it too many times.

But that is that the available private resources for literature are either minimal or nonexistent. So everything we do now takes place in that context.

Most of the income for literary organizations or for literary artists is either earned, or they are privately given by the artists themselves.

And I think somebody else before me did say that what the artists give in patronage to their own art form is rarely accounted for. In addition to what they give the society in terms of the art that they create, they are also subsidizing the art form.

Far too many writers work at very demanding jobs for most of their lives, and create their art at those times at which they are able to purchase time free to do that work.

This is not a plea for the lonely, starving artist as much as it is a description of the dynamics of our field, so that when we look at a reduction of the magnitude that the 50 percent budget calls for, we look at serious effects on certain aspects of our program and try to minimize those effects on others.

FELLOWSHIP SUPPORT IMPORTANT

There is nothing we do that is not reduced, but we have reduced at a differential across the board. We believe almost as a tenant of the program that individual fellowship support is the most important thing we do.

The Literature Program is the single largest source of fellowship support for literary artists in the country, and we feel that that is of almost inestimable value to literature.

Not so much to the individual artists, although that is true in the short run, but to literature and to the country in the long run, almost as an investment in the culture of our country.

So we have taken a very minimal reduction there. The big reduction tends to be in the availability of literature to audiences, the accessibility of writers to the communicative experience day to day with their audiences, and in the kinds of services that some organizations have been able to provide writers that help them in their professional lives.

We have essentially followed the Endowments, I think to us, a good principle that direct support of the producers in the art form is of highest priority.

And that the services are something that, while of great benefit and value, if we have to take a reduction, it is going to be there. We don't know what the effects are going to be on a given, say, literary magazine.

We know we will support fewer literary magazines. We know over the course of time, that may reduce their ability to survive. Certainly, the earned income derived from publishing a literary magazine is not enough, often, to thrive.

LITERARY MAGAZINES

Mr. YATES. What is a literary magazine, David?

Mr. WILK. I guess it would be, in simplest terms, a magazine of variable periodicity. It could be any time from once a year to four times a year to eight times a year, that is a collection of current work, new work, written by any number of contemporary writers.

Some literary magazines take artistically eclectic positions. Others take extremely narrow positions. All serve as one of the primary means by which writers are able to get their work into print and by which audiences are able to find new works of literature as they are produced.

Poets may produce a half a dozen poems in a year, after a great deal of struggle with a number of versions of those poems. And the places that those poems will appear will be in literary magazines.

Short stories in this country, at this point are almost exclusively published in literary magazines. Some are published by universities, some are published by other kinds of tax-exempt organizations. Others are primarily set up and operated by one or two, sometimes three, artists themselves, who become editors of literary magazines in order to further their vision of what literature can and should be.

Mr. YATES. Thank you, David.

Mr. WILK. Sure. Do you want to know about what we would do at a lesser reduction?

Mr. YATES. Sure.

Mr. WILK. Since you asked everybody else that, I came prepared to answer it.

Mr. YATES. Please tell me.

EFFECT OF REDUCTION

Mr. WILK. At 20, rather than 50. Well, if you had asked me that question, I would have said, "Sir, there is no way we can accept any reduction."

And that is because——

Mr. YATES. I don't think I could tell that to my colleagues.

Mr. WILK. No, I don't think so either. But I think that it is necessary to state what I believe is the case and that is, what we do for literature cannot really afford any reduction in a number of different ways.

Obviously, one lives with reductions, as in budgets, and one makes do. I don't think literature is going to disappear at any level.

Mr. YATES. How many of your literary magazines will disappear? At 50 percent?

Mr. WILK. At 50 percent? I should also point out that we do not provide year-to-year ongoing support for any literary magazines.

I would say that few will disappear. Many will transform into something other than a regular, ongoing activity. Some will cease being quarterly. They may appear only twice a year.

Others may reduce themselves in size and scope. Others may stop doing any kind of advertising or promotion of themselves.

I think in the long run, there will be a downward spiral in the number of new magazines that are started. So it may be in the general realm of literary magazines, there will be fewer.

Mr. YATES. Do you provide any grants to magazines like Harper's?

Mr. WILK. No. Never have.

Mr. YATES. Tell us about the 20 percent.

Mr. WILK. Well, at the 20 percent reduction, essentially we would be able to provide assistance to the organizations which provide assistance to the struggling literary organizations.

Those are the ones we are most seriously concerned about. The literary organizations which don't have the level of professionalism that some of the organizations in other art forms do, because they haven't been around long enough, because they haven't been able to generate large amounts of private money, suffer from that.

It is a closed circle. If we can help them, as we have been able to do in recent years, in some areas that enable them to be more professional and to put on a better show, as it were, to put on readings of writers in a professional format and actually begin to attract audiences and begin the process of developing earned income and private support, that is a long-term investment that is very important to our field.

At a lesser level of reduction, we would still be able to support some of those services which we feel are very important.

Mr. YATES. Thank you.

Mr. WILK. Thank you.

EXPANSION ARTS PROGRAM

Mr. YATES. The Expansion Arts. I thought you had already testified.

Mr. SPELLMAN. I testified on advancement, sir.

Mr. YATES. Do you want me to question you, or are you ready?

Mr. SPELLMAN. I am ready. First of all, let me say by way of introducing the situation that we have reorganized our program for fiscal year 1982 and had grouped our major producing organizations into a category called "Expansion Arts Organizations."

That is where our priority is. That is where our major organizations are. Everything around that becomes somewhat ancillary, though quite valuable to us.

So, as we cut at any percentage level, we try to cut from around the Expansion Arts Organization Category and leave as much intact in that area as we can.

At the 10 percent level, we start losing. The categories we lose are special summer projects which go to fund organizations which do work in the summertime and avail the arts to people who ordinarily have great difficulty getting to them.

The great loss there is that a lot of our rural funding is in this area because many of the artists who can consolidate their efforts for new programming in the summertime are university-based. In some states like Montana, like Alabama, some States which do not have large arts organizations, these programs take place in the summertime largely, and a cut in that category does hurt.

But because they are short-term, they were deemed to be, by the panel, of less priority than some of the other programs. The other category that is lost is Regional Tour Events which is basically a festival category in which local festivals highlighting local organizations are funded by the Arts Endowment.

Piccolo Spoleto, which is the program that serves the broader community of Charleston and South Carolina—

Mr. YATES. How do you get into that?

Mr. SPELLMAN. There is a Spoleto, then there is a Piccolo Spoleto. Piccolo Spoleto is sort of the outreach program.

Mr. BIDDLE. Could I step in, Mr. Chairman, because—[inaudible]—which is a collection and demonstration of a fine theater dance, opera, so forth.

The Piccolo Spoleto is in the community that surrounds Charleston. They have a great many festival-oriented activities that go on at the same time.

And it really attracts the townspeople out into the festival atmosphere. I feel that Piccolo Spoleto, the smaller one, has a profound effect on the larger one, because of the community spirit that is brought together through the total involvement of the City of Charleston.

I don't think you have the same atmosphere at all, with these two being combined.

Mr. SPELLMAN. The third category loss even at the 10 or 15 percent level, is the category of Consortia. This category encourages small organizations to pool their administrative and physical resources.

You may have a number of small organizations, neither of which can afford a full-time fund developer or full-time administrative structure, but which can pool their resources to support such a staff to be shared by all the programs.

You may have a small number of, say, Hispanic theater companies, none of which has a long-enough season to keep a house light for the whole season.

But a few of them may be able to share a facility and thereby have a home for the season.

That category would be lost at that level. As we get further down, we cut into programs that surround the Expansion Arts Organization Category. At 50 percent, some major losses have occurred, one of which is the City Arts Program.

You may have some familiarity with that one because that is the program by which the City of Chicago got involved in funding the arts in the first place, by meeting the challenge offered by the Expansion Arts Program. With the budget that was available to the City, they focused on the expansion arts kind of clientele and thereby built a local base for the development of beginning organizations. This creates a relationship whereby organizations which

are too young or do not yet have a quality level to participate in national competition can be developed with local funds.

We fund the city, then, for three years. Then we pull out and they maintain the program. It has been quite successful for us.

It is the basic relationship of the Arts Endowment of block granting to local arts councils. As we go further, of course, we get through the meat and into the marrow of the bone and cutting into the Expansion Arts Organization Category.

Here we have the organizations which do produce art which is based upon the culture and traditions which are truly American.

We have something which is unique in the world in this category because we have people like the East-West Players, who are an organization of Asian Americans. They have developed a new theater based upon very ancient traditions in a vanguard format, developing new artistic expressions.

I would like to refer to the phenomenon of jazz.

Mr. YATES. Where are the East-West Players?

Mr. SPELLMAN. In California. We have dance companies in the Asian communities and, of course, a variety of organizations in the Afro-American and Hispanic community representing the cultural bases there.

I would like to refer to the phenomenon of jazz in America as something which came really from the grass roots created by the black working class at the turn of the century with virtually no resources at the same time the major institutions in America were developing. Jazz is as old as the Metropolitan Opera Company, for example, but no support structure developed which could enhance jazz and put it into some kind of rational situation in the country.

So America somehow has never really forgiven jazz for its origins.

Mr. YATES. I thought jazz was included in Ezra's program?

Mr. SPELLMAN. It is. I wanted to make the cultural point. I thought that was the clearest way I could make it because many people are more familiar with the phenomenon of jazz than they are with many of the smaller companies we fund.

I should point out two-thirds of our organizations are producing organizations. One-third are teaching organizations.

Maestro Adler was wondering where the minority string players are going to come from for the orchestras. Because there is great concern about integration in some of the art forms.

Right now, they are in the Settlement School of Music in Philadelphia. They are in the Detroit Community School of Music. They are in the Dixwell Avenue Community School in New Haven. They are earning scholarships to places like Juilliard.

So, in addition to the development of talent on the individual basis, there is also the production of innovative work in the group sense.

Our principal problems, as a program, are that the organizations that we do fund are established in communities that do not have a lot of resources. And also, whose internal workings do not have a lot of visibility except in the most negative sense.

They are seen as crime-ridden, poverty-ridden. But the cultural work that goes on does not have that kind of visibility. So we have

a lot of decision-makers in the arts who have adamant positions about our programs without having any knowledge of them at all.

It is a major problem for us, at this time especially. I would cite the New York Times, for example, which repudiated its own reviewers with an editorial. It digs out—

Mr. YATES. Really? I read the review but never got to the editorial.

Mr. SPELLMAN. The editorial was called Stop Funding Artistic Circuses. After reading it I dug out the Times reviews. They never called to ask us who we funded in New York. So I dug out the reviews of our grantees there.

The reviews all were favorable. Since they had never asked who we funded, they formed opinion on intuition. Well, it is this kind of problem we face right now. It is quite frustrating.

Mr. YATES. You don't qualify for the elitist group, do you?

VISIBILITY OF EXPANSION ARTS GRANTEES

Mr. SPELLMAN. I think we would if they knew us better. Anybody serious about contemporary American painting needs to go to the Studio Museum in Harlem. I am not talking about affirmative action in the sense of anybody reducing their standards to deal with our work.

It is just a problem of getting a curator from a major museum who may be putting together a show on new directions to go up and look and see what is actually going on in some areas of productivity that may not be on their track.

Mr. YATES. How do you get that curator to go up there and take a look?

Mr. SPELLMAN. You call him up, take him to lunch and say that you have put this show together. It's too late for this one. But how do I get you to take a look at us the next time?

There are structural and aesthetic problems here. One is the resources. To get a bit further into the question of private support for our clientele, all of our organizations have grown considerably in sophistication in the 10 years the program has existed.

But it is very difficult to attract significant private contributions to them because they don't have the visibility to offer in return. The Mobil grant for masterpiece Theater is often cited as an example of support from the private sector.

But I think of \$6 million of the \$10 million Mobil funded for that went to advertising. You don't get that kind of advertising back on an organization that is based on the south side of Chicago or in Whitesburg, Kentucky, or in Harlem.

So we don't have that to offer the private sector. We don't have that kind of large visibility.

I do think we have to offer some sense of giving back a return on money that is taken out of those communities. McDonald's and such corporations are really well-established in these communities and we want to try to present to them the need to return some support back. So we started researching the kinds of matched grants. We surveyed 50 organizations that we fund, not as being exemplary but as typical of our field.

We found they were matching somewhere in the area of three to one. But you start looking into the matches and you find \$500 from

this bank, \$1000 from this major corporation, \$1500 from Exxon and the like, to try to get up to a \$17,500 match.

It is very time-consuming and difficult. They don't get that kind of large investment into them. So turning our field over to the private sector for support would be very difficult and would lead us into a position of some kind of triage, judging who will live or die with the resources available to us.

That is a very difficult thing for us to face. The aesthetic problem that I mentioned before has to do with the fact that on the side of the various minority cultures that constitute our culture there is not the same kind of reciprocity on the part of representatives in the mainstream of research and familiarity into how an art form came to be what it is.

In other words, we minorities are expected to know the general literature of the American theater and are generally expected to know who is who on contemporary American painting of the history of opera, et cetera. Our artists being well-trained with and often without earned degrees from colleges, do know this.

You don't get back the same kind of an approach when a reviewer from newspaper or reviewer for a funder may go in to look at a contemporary work from a Hispanic artist and may want to see how this artist got to this conclusion.

What tradition does this artist rely on? Why are they basing their design on the Aztec calendar? Why are they so concerned with the family or why do they have so much commentary to make about the church?

Why is it important to their community, not in the sense that it is of lesser quality, but that the style in which it is done may not be as hip or as current or as chic or as much in vogue as the style that is being sold in the major mainstream organizations.

We feel really, as I cited jazz for what it has done for 20th century American art, the 21st century American art will be greatly affected by the fact that there are now structures in these communities which can house and accommodate aesthetically what the communities can express in the arts.

We feel the mainstream of American arts can only be broadened this way. And that there is an awful lot to be said about where the arts can go by the black, Hispanic, Asian American, Native American communities, all of which have very strong contemporary arts movements of solid disciplinarians and they are building structures around themselves which are quite good except again the problems with the structures is that they are artistically directed in general and don't benefit from great management systems to go along with them.

Mr. YATES. You paint a very eloquent picture, one I didn't have in my own mind as to the program.

Mr. SPELLMAN. I have been waiting for you to call on me for years, sir.

Mr. YATES. I didn't know you were waiting for me. I will blame Chairman Biddle for that.

Mr. SPELLMAN. I will send you a note next time.

Mr. YATES. You won't have to do that. I will remember the next time.

Is it as good as you have reported?

Mr. SPELLMAN. Most of it is.

Mr. YATES. Yes, I say the critics are showing the stuff that isn't the good stuff, apparently.

Mr. SPELLMAN. Have you ever seen real criticism, sir? I have never seen criticism. I have seen conclusions.

Mr. YATES. I have seen conclusions, a very cogent point. The critics of NEA point out that it isn't purely what Congress intended because of expansion arts.

This is what they say. This is not true art. What they look for, of course, is what the national legislation says as to what the role of the Endowment is.

NEW YORK TIMES ARTICLE

Mr. SPELLMAN. Have you seen any of the critics show any evidence of having been to see anything?

Mr. YATES. I have not. Have you met Hilton Kramer?

Mr. SPELLMAN. I never have. He never called me about it.

Ms. TIGHE. I should tell you A.B. did gather those reviews.

Mr. SPELLMAN. That's right. My assistant, Eunice Lockhart Moss, met with Grace Glueck last week.

Mr. YATES. What happened as a result of meeting Grace Glueck?

Mr. SPELLMAN. She was shocked to see her own reviews of some of our grantees. She said, "Are these our reviews?"

Eunice could report better.

Ms. Moss. The bottom line of our meeting was simply to provide information to her about the Expansion Arts Program, we met for almost two hours at two different times.

She was very interested in learning about the program. It appears as though there was no real connection between the grantees of Expansion Arts or National Endowment for the Arts.

Mr. SPELLMAN. The paper had reviewed our grantees for years but never associated them with the program.

Ms. Moss. Expansion Arts had been used as something or other, no one really knew what it was.

The fact it was a program of the National Endowment for the Arts, I think, for the first time, gave it the credibility that had not been related to it. She was favorably impressed.

Mr. BIDDLE. I think there is one point I would like to emphasize, Mr. Chairman. That is, in case after case in this particular program, because it is relatively new, and certainly not as old as the National Endowment, but I think it has uncovered, it has discovered, it has evolved many of these groups who would not be around had it not been for this history.

Mr. YATES. All right.

Ms. ALBERT. May I say something?

Mr. YATES. You may, indeed, Margo.

Ms. ALBERT. This is very interesting because it is another one of those puzzling areas where you can't understand where the misconception, from where they sprang.

For example, there is a man by the name of Arthur Mitchell, Arthur Mitchell Dance Theater of Harlem, one of the things of which we can be really proud.

If my information is correct, his ballet sprang from his school, which is an Expansion Arts baby. There is a theater in California

called Teatro Campesino, which has gotten international acclaim which is the biggest money-maker that ever was at the Music Center. Which was such a money-maker, it bought a theater for the big rich Music Center.

This was an experimental production, also the result of small catalytic seed money from the Endowment, and an Expansion Arts project, I believe.

I am involved with a place called Plaza de la Raza, which is in east Los Angeles in an almost 100-year-old park which was going to be torn down.

As a result of creating an arts center there and with support from NEA, and by the way, very small support, but very crucial, we had a children's program which was an Expansion Arts program from which has sprung a whole arts program for children.

There was nothing political about any of this. These were American artists. This is one of the things that has to be clarified. Somewhere, a terrible lack of information has happened, because Expansion Arts are just paying attention to American artists, gifted people who come from whatever communities.

The folk art, they have absolutely nothing to do with politics. Nothing I have ever known about was anything except paying attention to areas with immensely gifted people that might otherwise be neglected.

The Expansion Arts and Folk Arts programs are among the most touching, beautiful and wonderful programs I have ever known anything about.

We have to do something about getting information out to the people.

Mr. YATES. I am glad you spoke to us. I would hope Hilton Kramer gets an appointment, too.

Ms. MOSS. He was out of town, sir.

Mr. YATES. I think that is the way to do it. What does "raza" mean?

Ms. ALBERT. The word "raza" means "race." It doesn't really mean that. It means "our people."

In other words, "diaz de la raza" is "the day of the Spanish-speaking people", whether it is Argentina or whatever.

"Plaza," as you know, means "square." But in this case, it really means "place of our people."

INTER-ARTS PROGRAM

Mr. YATES. Program Coordination and Inter-Arts. You have talked about Inter-Arts. You have not? Esther, yes.

Ms. NOVAK. I direct the program. Inter-Arts is basically short for Interdisciplinary Arts. It consists of four separate and distinct fields. What they have in common is that they each fund organizations that either create, produce or present more than one art form.

If you look down our sub-categories, they each do that in a different way. As to your question of what the 50 percent cut is going to mean, unless you have some more specific questions—

Mr. YATES. No, that is a good place to start.

Ms. NOVAK. Because it is four separate fields, I have taken the same approach with the concurrence of my panels that Ezra Laderman has taken with the Music Program, et cetera.

That is, it just seemed inadvisable to eliminate any single field. What we did was cut by different proportions within each field according to what we felt that field could bear.

Sadly, with a 50 percent cut, and with some real touch of irony, the field most adversely affected is the one we call Services to the Field.

Within the 50 percent allocation, we have cut that field by 62 percent. To illustrate that, if I may, I would like to cite an article that was in the Washington Star last month. The headline was, "The Reports of My Death are Greatly Exaggerated."

That was a Mobil advertisement. It said that the corporate world was probably willing to pick up some of the cost that the Federal Government was no longer going to be able to pick up.

And the very example that they cite is the Arts and Business Council, which matches business volunteers with arts clients, and that similar programs are under way in Seattle, and planned in Houston, Los Angeles and Philadelphia.

What I think is particularly noteworthy is that we funded the Arts and Business Council to develop that program in New York, and we are currently funding them to get it started in Seattle, Houston, Los Angeles and Philadelphia.

Mr. YATES. Mobil says you don't have to any more. Mobil's going to do it.

CORPORATE SUPPORT OF THE ARTS

Mr. BIDDLE. I think the implication is that business is already doing that.

Mr. YATES. I know. I am familiar with the article. But I am just saying, Mobil is saying that there is no longer any need for the existence of NEA.

Isn't that the thrust of the article?

Ms. NOVAK. Yes. I think the Arts and Business Council would disagree with that. They went through the experience of having to raise the money and what it meant for them to have received a grant from the National Endowment for the Arts in order to be able to raise the money.

Mr. YATES. I received a letter from somebody at the Business Council. I wish he had been stronger. I think he tended to the view that the Business and the Arts Council was now very much alive.

The impression he received was that there really was no need for NEA anymore.

Ms. TIGHE. I think you are thinking of Business Committee for the Arts. That is different.

Mr. YATES. Oh, okay. I was thinking of the Business Committee for the Arts.

Ms. NOVAK. What the Arts and Business Council does is work with emerging organizations and link them up with expertise from the private corporate world.

Mr. YATES. I didn't see reference in here to Arts and Business Council. Yes, here it is. Sorry about that.

It also talks about the Business Committee for the Arts. So that is where the confusion came in.

Go ahead, Esther. So what will happen if you get a 50 percent cut?

Ms. NOVAK. In the services field, we would restrict ourselves to only national service organizations, and rather significant regional service organizations.

What our services panel would eliminate are the more local programs that have the more direct contact with the arts activities in the community.

One example is arts community in Houston recently got together to try to put together a voucher program for most of the performing arts companies in the Houston area.

And as is the policy of the services panel, they felt that it was appropriate to help them get that started. Then, indeed, we'd pull out, when after two years, they were able to continue that on their own, as they have done in other cities.

I think we would not be able to do that at all.

EFFECT OF A 20 PERCENT CUT

Mr. YATES. How badly will you be hurt with a 20 percent cut?

Ms. NOVAK. Very badly. The Inter-Arts Program because it is composed of many different fields, is in my opinion a very severely underfunded program.

The presenter's portion of it, for example, has only recently gained recognition as a field. The presenting field was about to get some funding alongside of that recognition.

That is not going to happen. With a 50 percent cut, with a 30 percent cut or even a 20 percent cut. So I would say clearly, we have to live with whatever we have.

But for us, it will be particularly difficult because the dollar amounts are very small.

Ms. TIGHE. There is an irony here. Esther spent a long time analyzing the whole question of presenters, that is, those organizations around the United States who essentially hire the dance companies, et cetera, then present them to the community.

We felt they were a link that had been neglected in the change of outreach in touring. Esther spent all this time studying it along with her colleagues only to have at the moment we reached a conclusion, to have the funding sharply curtailed, or at least the prospect of it.

Mr. YATES. But Mary Ann, according to the budget, at 20 percent, the presenting organizations are only \$100,000 below what they would have been under the Carter budget.

Ms. NOVAK. No. A million dollars. A million dollars under the Carter budget.

Mr. YATES. Take a look at those figures.

Ms. NOVAK. The Carter budget is \$2.25 million.

Mr. YATES. How accurate are your figures?

Mr. CHAMP. Was it not what you are proposing?

Mr. YATES. Is my interpretation correct?

Mr. CHAMP. This additional language—it was being proposed, wasn't it?

Ms. NOVAK. We need to get the figures clarified obviously. I would like to add to that. The reason the Inter-Arts programs decided to try to stay as close to the fiscal 1981 level as possible was that the presenting field was going to take a very disproportionate cut throughout the other program areas of the Endowment.

Mr. YATES. Now, in the budget that you submitted, it goes from \$2,250,000 down to \$1,450,000. So that is a 50 percent level. At 20 percent, apparently, you have a different conclusion.

Ms. TIGHE. You are right.

Mr. YATES. Do you want to say anything else, Esther?

Ms. NOVAK. Not unless you have any more questions. I don't want to take any more time. But I would like to submit some additional information in further explanation.

[The information follows.]

EFFECT OF 50% CUT

Presenting Organizations

Presenting Organizations or performing art centers play a central role in determining what live performing arts audiences across America will see. Presenters fulfill a major goal for the Endowment by bringing the best artists to people, regardless of where they live. In the 1979/80 performance season, professionally managed, non-profit presenters reached an audience of 40 million people and paid over \$188 million in fees to artists. A 50% reduction in federal support to this field will place in extreme jeopardy the nationwide network of presenting organizations that we have been working to stabilize. The reduction will result in a shift of touring patterns so that many parts of the country will have no access to visiting artists. As a result of our decreased support, there will be fewer performances, ticket prices will increase severely restricting audiences to those that can afford the higher prices, and presenters will be far less able to assume the financial risk inherent in giving emerging and contemporary artists opportunities to perform. We invest in projects designed to help strengthen the institution itself -- for example, to develop audiences and earned and contributed income -- every \$100,000 decrease in our budget reduces the potential audience by 80,000 and the potential income to these institutions from tickets and contributions by nearly \$1,000,000.

Artist Colonies

The first artist colony in the United States, the McDowell Colony, was founded in 1907 in recognition that many creative artists need a particular environment in which to flourish. From them have come a significant and diverse body of work that has enriched 20th century American culture. Bookstores and libraries are filled with books written by authors at the colonies; orchestras around the world play music composed at the colonies; and works of art completed at the colonies are in private collections and major museums here and abroad. The Inter-Arts Program's assistance to artist colonies has enabled twelve hundred composers, writers and visual artists the opportunity to work in residence this year. Most significant is that there are more than two and a half times the number of artists working at them now than there were five years ago. Much of the increase is due to support leveraged through Endowment funding. Because the colonies are funded through the Treasury Fund method, which requires a three to one match, a 50% decrease in Endowment support will have a multiplied impact on the institutions. This in turn impacts on artists. In the past such cuts would have kept from the colonies artists such as: Saul Bellow, Eudora Welty, James Baldwin, Sylvia Plath, Clifford Still, Aaron Copland and Roy Harris. In the future, cuts will hurt artists whose names are not yet household words.

Interdisciplinary Arts Projects

The Interdisciplinary Arts Projects category provides funds for creative experimentation in the arts. Much contemporary art crosses traditional artistic discipline lines and due to its experimental nature, has few funding opportunities in the country. Sadly Europe has provided a more fertile environment for experimental work which is critical to the vitality of the arts. With a 50% cut in funding for these projects, there will be a dramatic decrease in artistic experimentation, and much less experimental art will be presented to the American public. There is a danger that the American arts scene will become stagnant and that we will return to the situation as it was before the second world war, when many of our most important artists exiled themselves to Europe where the support system for experimental work remains more stable. America could again become an arts-importing nation.

Mr. YATES. Thank you very much. That takes care of Inter-Arts.

PROGRAM COORDINATION

Now we have Program Coordination on your list.

Ms. TIGHE. It is not a program, but there are some interesting points to be made.

Ms. STEELE. If I may, I have been with the Endowment since it was born, so I am a relic, not a person.

Mr. YATES. Not yet, I hope.

Ms. STEELE. I am enormously proud of what the agency has been doing over all these years. And I am enormously grieved at what I think may be happening.

I think part of my sense of that is to look at something that came into being because it was needed and it was important, to imagine the potential of its dismantling, and to think of its coming back, because I know it will come back, and to think of the enormous waste of time, energy and talent involved in seeing it dismantled, and then seeing it some day reassembled, which I am sure it will be.

But I cannot understand why, for a savings in pennies, anyone would think it wise to dismantle something, and then consider reinventing it in the future, when what could be done would be to hold on to what we have.

Mr. YATES. That is program coordination?

Ms. TIGHE. I should say among the many responsibilities Ana has is dealing with future guideline projections, for example. Therefore, the prospect of a cut has really had an incredible impact on our relationship with the people who apply to us, because we can no longer assure them of anything.

And I think the changes in our guidelines—

Ms. STEELE. Yes, I think that is part of it.

Mr. YATES. That is a valid point. What changes have there been in your guidelines?

Ms. STEELE. Extraordinary changes. And because I have the coordinating function, I think that rest more heavily in my office, because I don't just see it happening in museums, or just in visual arts, or just in theater.

I see it happening in all of them. So I think it weighs a little more heavily here because it is not a question of this, or this. It is a question of all of them. We are seeing funding categories just going and seeing our touring being cut back and seeing eligibility requirements being made higher, not lower.

People have complained for years that the Endowment was elitist or restrictive or exclusionary. And only because of this subcommittee and of all the wonderful people here have we gotten to the place that we could begin to open up and make things more available.

Now, to see that begin to close down again, all throughout the agency, and that will mean all throughout the arts, all throughout the country, and my guideline job in the last few months, has been to help that happen.

It's been an unhappy time.

Ms. TIGHE. We had to inform people that they should have no expectation of this category even existing.

Mr. YATES. She is making a very good argument for the 50 percent cut, then, because if it were only 20 percent, she would have to change her guidelines again.

Ms. STEELE. I'd love to.

Mr. YATES. Thank you. Anything else?

All right, thank you for a very eloquent statement. I think you deserve applause on that statement.

ARTISTS-IN-EDUCATION PROGRAM

Mr. YATES. I thought we covered Artists-in-Education. Apparently we hadn't. I know Mr. Putsch wants to talk about it.

Mr. PUTSCH. This is Joe Prince.

Mr. PRINCE. Thank you.

Mr. YATES. I know how important the Artists-in-Education Program is. It takes up more pages in your justification any other program, doesn't it?

Mr. PRINCE. We are coming into 1982 with a program called Artists-in-Education, designed after a careful planning process across the nation with arts administrators, teachers, and citizens.

Essentially, this program is clearly the program which enables artists, individual artists, to make art, to help others make art so that by doing art, they learn to understand, appreciate and use art in their individual lives and, therefore, strengthen the whole future in which the arts can flourish.

The program addresses both individual creativity and excellence for the artists and individual creativity and art for the students and those experiencing the art.

It is one of the most successful programs in making arts accessible to a wide population of people across the nation. The cuts in an \$88 million budget, to use a phrase that has been used a great deal by my colleagues, is devastating.

I think it would be a signal to the nation. It is important in this vital aspect of dealing with young people and future audiences.

I think it would undoubtedly have a lessened priority on this kind of programming from the States, from private donors.

We have some preliminary cursory indication from the States, all States would be severely damaged, perhaps as much as 20 percent of the States would be eliminated with this kind of programming.

Mr. YATES. Those on the other side would say that this is an education program. Why shouldn't it come out of the Department of Education?

Mr. PRINCE. Because it is as I indicated, an artists' program, working not in the educational sense of teaching, materials, curricula, and so on, but actually undergoing and doing and experiencing arts for the artist and for the recipient.

This was a question we addressed in the whole planning process in which we had a regional commission, 39-member advisory committee of artists and educators.

There was a clear indication that this was clearly an arts program which complements the educational process.

Education is more broadly designed. It does not just take place in school. It can occur in other kinds of settings. This kind of education is not for the Department of Education. It is truly an arts

experience and, therefore, has an appropriate home within the Endowment and within the State arts agencies.

That was agreed upon thoroughly by both artists and educators across the country.

Mr. YATES. Okay.

Mr. PRINCE. A cut at some degree from \$175 million would mean we could continue this well-planned program with careful artist and site selection, and with appropriate preparation and orientation involved which has historically marked the success of the program.

It would mean we could continue this broad geographic and cultural outreach in which artists grow and new audiences are developed for both now and the future.

If you look at the figures, at the 15 percent level, we essentially aren't able to provide the same amount of residencies for 1982 as we were for the previous year.

Mr. YATES. You are really cut back according to these figures. You are killed.

Mr. PRINCE. Reduction from—

Mr. YATES. Yes, in 1982, a reduction from \$5,900,000 to \$235,000. Now there is a question of forward funding. But you are killed in the future, then, aren't you?

Mr. PRINCE. There has been an indication on the part of the Endowment and committees of the council that there was a deep and abiding interest in the program and that it would be restored in 1983.

We are concerned at this point about 1982. I am comforted by that fact. I think all of us knew this was a difficult and painful decision in the face of an \$88 million budget. It seems to be one alternative open to us.

The restoration down from \$175 million indicates we can continue, if that is a possibility.

Mr. YATES. What would happen if it were 20 percent? Would you still only receive \$235,000?

Mr. PRINCE. 20 percent? No.

Mr. YATES. We know what you would receive if it were a 50 percent reduction. Suppose it were a 20 percent reduction?

Mr. PRINCE. 20 percent, \$4,465,000.

Mr. YATES. So it is somewhat significant?

Mr. PRINCE. Yes, it is.

Mr. YATES. Really significant in your case, isn't it? Thank you very much.

Mr. PRINCE. Thank you very much.

STATE PROGRAMS

Mr. YATES. State programs.

Mr. PUTSCH. Anthony Turney, director of State Programs.

Mr. BIDDLE. Lida Rogers, Mr. Chairman, would like to join.

Mr. YATES. Ms. Rogers.

Mr. TURNAY. Would you rather hear from Lida Rogers, who is Executive Director of the Mississippi Arts Commission and also a member of the National Council?

Mr. YATES. I know Ms. Rogers. She has testified in the past, and very well, too.

Ms. ROGERS. Thank you, Mr. Chairman.

I feel today is a wonderful day for the Endowment because I think the statements that have been made around this table, in all the years that I have been coming to these hearings, have been the fullest and has explained the best what a wonderful organization the Endowment is.

Recently on CBS, Ms. Welty, in her remarks said, "Why, it is wicked, absolutely to even think about cutting the Endowment." I, too, feel the same way.

Coming from a state that has grown in the last ten years in a remarkable way, and it lies at the feet of the Endowment, being the catalyst to do it. It is not only an Expansion type program for us, but it is discovering the arts in our area. I don't know what we would do without the Endowment. I just have been with it since the days of Mr. Stevens. I moved up with it, as the Director, and it is just too good to do away with.

Mr. YATES. I thought Mr. Kuralt's program was a very excellent statement. The whole ambience of the program was first rate.

Okay, Anthony, what will 50 percent help you with?

Mr. TURNEY. The first thing that has to be said I think is that the states and regions, which are the two constituent groups served by state programs, are forward-funded for the year of 1982.

Mr. YATES. Right.

Mr. TURNEY. But let's assume for the moment that a level of funding were to continue, quite soon thereafter, the impact would be felt. It is ironic that because the funds available to State Programs are dispersed by formula, a 50 percent cut arrives at just the point where that formula would have the effect of virtually eliminating funding for eight of the regional organizations in this country.

These organizations which have come into being primarily in the last five years are integral to the work of the Endowment, particularly to the performing arts discipline programs—theater, music, and so on, because they provide one of the most vital networking functions of getting the arts across this land—as Mr. Regula was talking about yesterday—that we have. There would be virtually no funding for these organizations at all if 50 percent were the level.

To turn to the states for a moment. As you know, each state gets a proportionate amount through the 20 percent because of a variety of formulations, population being one. Each of the 50 states, six jurisdictions and territories would be reduced to the minimal amount of \$200,000. In New York's case that would mean a drop of some \$680,000. But its state budget is some \$33 million. That is obviously not going to have a great deal of impact.

IMPACT OF CUTS ON VARIOUS STATES

Mr. YATES. Where does New York get the rest of the money from? It gets something like \$29 million.

Mr. TURNEY. That is from the other programs within the Endowment. I am only talking about its block grant that is mandated in the legislation under the 20 percent.

If you take states like Wyoming, Idaho, Nevada, Montana, the Dakotas and Vermont—I choose those particularly because those

states are very low tax base states. The state legislature doesn't have the money to appropriate to the arts or is very reluctant to do so.

In Nevada, the legislature only appropriates funds to administer the Arts Council. In Nevada our grant to them is approximately \$300,000. That means the people in Nevada are going to lose one-third of their arts programming funds if the reduction in its grant goes down to the basic \$200,000. It is in those areas that the reduction for state programs, ironically those have areas that need it most, will have the greatest impact.

It will not be felt in the large states like New York, Pennsylvania, Ohio, Illinois even, because they have substantial state appropriations. It is in the rural low tax base states that will really feel the great brunt of this cut.

If you were to ask me the effect of a 20 percent reduction, the irony would be reversed. The way the formula works, if you added but a few million dollars to the \$88 million, the regions would, in my view, unquestionably survive and be able to continue to complement the work of the Endowment. Particularly in touring and to do a lot of things which they are beginning to do independently.

And, of course, in the same way as it would work in the reverse, those rural states would again benefit very quickly from a few extra dollars coming in above our present level. And at 20 percent, the states and regions would be able to continue, of course at practically a level rate, but they would be able to continue very well. But at this level, at 50 percent, the cut is disproportionately felt, and in some places, it will be absolutely devastating.

I would, if I may, just mention one other factor that is often forgotten in this. I will take again New York as an example. New York, I believe last year, received about \$40 million from the total area of programming within the Endowment. If, for instance, we did receive a 50 percent cut, the concern that the New York State Council on the Arts has is where are its arts organizations going to get \$20 million of funding? They are certainly not going to get it from the state, because the state for a number of years has been reluctant to move very much above the \$30 million, where they are.

In speaking with the Director of the New York State Arts Council, it is clear that a good many of those organizations which have been funded over a number of years within New York simply will not be able to function because they will not be able to replace that enormous amount of funding—some \$20 million. That is already two-thirds of what the state is appropriating for the arts in New York.

So there is the beginning of a formidable domino effect that will, I believe, go throughout the land because it will impact on every state in the Union in that kind of way. Maybe not in millions of dollars, but certainly proportionally.

Mr. BIDDLE. While it is a large sum, Mr. Chairman, I just want to correct Anthony on one figure, because he said something around \$40 million to New York. It is \$31 million.

Mr. YATES. I thought \$29 million.

Mr. MOORE. \$31 million, including \$5 and a half million in national grants.

Ms. ROGERS. Mr. Chairman, if I might say a few things about the regions, because I was head of the Southern Region. That has had a wonderful effect in the United States of pulling states together, to do things that otherwise they couldn't do, through touring, through programs the poorer states could not do on their own. It would be a bad mistake, a terrible mistake, if we were to have to do without this.

Mr. YATES. What about the question of block grants? Mr. Regula was asking yesterday about block grants to the states, just putting everything into a block grant. It wouldn't work? Why are you shaking your head?

Ms. ROGERS. We need the leadership of the Endowment very much in all areas. I just don't think that this would be a good idea myself.

Mr. YATES. Thank you, Anthony.

Mr. TURNEY. Thank you, sir.

FEDERAL COUNCIL ON THE ARTS AND HUMANITIES

Mr. YATES. We have reviewed in some detail the work of the National Endowment for the Arts. What about the Federal Council on the Arts? Have we received testimony on that?

Ms. SALE. First I will talk about the—

Mr. YATES. You were coming forward for renewal of that, weren't you?

Ms. SALE. We were just renewed in the last reauthorizing legislation. The Art and Artifacts Panel met on May 6th and discussed the 12 applications. The total value dollar of those applications are \$142,568,416. This is art work that will come from other countries to our country so our people can see this art work. The total savings to museums this represents in insurance costs is about \$360,000. We have covered well over a billion dollars worth of art work in the last four years.

Mr. YATES. How do you know that?

Ms. SALE. Well, they give us, they submit the total number.

Mr. YATES. How do you value the Chinese exhibit at a billion dollars, for example?

Ms. SALE. Actually they give us evaluations. We have a panel made up of museum experts, curators, people who really know the values. I was just saying to Mary Ann yesterday and one of the members of the panel, that we literally have in our applications, evaluations of each piece listed. Our panel will go through and say, this value is too high. On the market currently it is something that is very similar to this piece for a \$100,000 less. So we will say, we will not indemnify this for this value but we will indemnify it for less than this value. We will tell the museum that has applied for it to work it out.

Basically, we feel our responsibility is not to expose the Federal Government to undue risk, so that in certain instances we have said the values on all these works are too high. We have gone back and readjusted the values.

Mr. YATES. Have you ever had any losses?

Ms. SALE. We have never really had loss. We are currently investigating a case in which there is a damage to one of the pieces in the Picasso exhibit. That is still under negotiation. We do not

know if we really have a claim. A claim has been filed. We do not know the final outcome.

Mr. YATES. How much of a claim?

ROLE OF FEDERAL COUNCIL

Ms. SALE. The owner is claiming a ten percent depreciation at this time for damage caused to one of the paintings. The process is that the owner makes a claim. We then send someone to evaluate that claim. If our evaluator agrees, then we pay the ten percent. If our evaluator does not agree, then there is an arbitration process. We are in the midst of that process at this time. We have indemnified Picasso, Tut—such exhibitions which are large—as the Bronze Age of China.

We also indemnify very small, exhibitions, things that have gone to the the Brooks Art Gallery in Memphis. This has been a great savings to museums and brought us immeasurable cultural value. This program, we assume, will continue.

As for the Federal Council itself, we have evolved in the last four years from a collection of agencies which were primarily arts and humanities institutions, to a group of 18 agencies within the federal structure. We have added seven in the last three years, which regard artists and humanists as members of their constituency.

We have primarily three roles. Our first role is the supportive agency in the Federal Government. You have asked us to look at the museum programs which we did, and drew up a memorandum of understanding between the museum programs where there were jurisdictional problems, so that we could basically make sure that people were not double funding, that there was no co-funding without awareness on both sides.

We had done the same with Folk Life and a number of other areas. We have also been a catalyst for more effective programs of support within the federal structure. In that regard, we have added these seven agencies. These are agencies which also are being cut.

Frankly, one of the things that I would like to talk to you about today is the overall cut in the government's commitment to these people. Not only is the Arts Endowment and Humanities Endowment being cut—and they have obviously been the key agencies really providing leadership. In the last few years we recognized there was need for leadership at the highest levels of government.

Not only were we funded as we have been in many years past and maintained to do the functions in which we had continued to provide, but we also were brought into the White House, because there was a feeling that that sort of leadership should come from the White House. Leadership in these fields should come from the White House. The agencies we added have spent tremendous amounts of money.

The Housing and Urban Development has spent in UDAG alone in the first three years over \$60 million for renovation and construction of facilities as part of larger economic facilities and housing projects, cultural facilities.

EDA has spent around \$34 million. Those two programs are both scheduled at this time for elimination. There seems to be some question whether or not UDAG will be eliminated. This is money lost to the arts and humanities. The Design Arts Program of the

Endowment has worked very closely with these two agencies, and they in fact provided the seed money that pushed these projects forward.

We are looking not only at losing that seed money, we are also looking at losing the construction money, so that these projects will not be able to go forward.

We are losing CETA, the largest government manpower contributor to our arts institutions that we have. It will mean a tremendous cut to many museums in our country. They will have to take up that cut somewhere else.

So we are talking about private money coming in to replace the money cut from the Endowment. We are not just talking about it replacing the Endowment funds, we have much larger cuts than that.

You were talking about the Department of Education. Last year we set aside \$2.5 million for arts projects. That money will not be forthcoming, we expect, next year.

The SBA has started a small program of which now the future is uncertain. That program gave artists basic management skills which made them self-sufficient. We do not know if those sorts of programs will be forthcoming in the future.

We also don't know if the International Communications Agency will continue to feel that the presentation of American culture abroad, its freedom, its liveliness and its diversity, is the best way to strengthen the image of America abroad. We still feel that is the way to best show what America is to the world, through its art. But we do not know if that will continue.

These are real problems. These are cuts across the board to our dedication to cultural values, our dedication to what America is about. We have no indication, frankly, at this point that there is any desire to do anything but continue the Federal Council. We hope that will mean a commitment toward these cultural programs and these cultural areas.

The Federal Council has served as the policy voice within the government for the arts and humanities, and we hope we shall continue to serve in the future.

FUTURE OF THE FEDERAL COUNCIL

Mr. YATES. That was a very good report.

What will you do next year?

Ms. SALE. We are a little uncertain, frankly.

Mr. YATES. The 50 percent cut leaves you no problem, does it?

Ms. SALE. We discussed this. There is no clear indication from the White House how they would see the shape of the federal cuts in the future, what the staff commitment would be. As you know, the Endowments provided money for staff in the past. The White House itself has picked up all that beyond the staff. We at this point do not know what that commitment will be, although, as I say, we have no indication there is any desire to eliminate us. Therefore, the Endowments felt—

Mr. YATES. I would have guessed that a zero budget would have indicated some desire.

Ms. SALE. We have discussed this actually, because we had some discussions about whether or not the Endowments should show us

in their budgets. Their preference was not to, since they did not know if they would be funding six positions, as they have in the past, or fewer than six.

Mr. YATES. Don't you feel lost?

Ms. SALE. I feel a little lost but it is their budget. My feeling was that if they chose not to break it out, then you know, I certainly was going to abide by what they chose to do. They do not indicate to me that that means they don't want to fund it now.

Mr. YATES. What does that mean to you?

Ms. SALE. My understanding is that it is a wait and see attitude.

Mr. MOORE. Mr. Chairman, we can continue to fund the Federal Council within the Arts Endowment or Humanities Endowment, housed with us rather than housed within the Executive Office of the President. It might imply a certain diminishment of the function, but we have a commitment.

Mr. YATES. I would have thought under the language of the statute that she occupied a very important place. As I remember the statute, it tells her to coordinate your activities with the Humanities.

Mr. MOORE. It says to promote coordination I believe. It is a little more delicate than that.

Mr. YATES. Based on his reply to my question, I would think you are in a bad way.

Mr. MOORE. It is partially a matter, sir, we can control the bodies, but we don't control the space.

Ms. SALE. I don't think that is really an answer. They do control the bodies. You and I have talked about this in the past.

Mr. YATES. Yes.

Ms. SALE. In fact—

Mr. YATES. Are they giving you anybody to work? For the balance of the year there is no problem?

Ms. SALE. There is no problem.

Mr. YATES. Just from October 1st?

Ms. SALE. The problem is from October 1st. Basically, we are in something of a wait and see attitude because the question is what form will we take? That question is also, not whether or not we will exist, because we have to exist. We exist by law.

Mr. YATES. That is right.

Ms. SALE. But what form we will take seems to be still up in the air. The Endowments do not wish to determine that.

Mr. YATES. The Congress has already interpreted that for you.

Ms. SALE. Yes, that is true.

Mr. YATES. So has the White House.

Mr. BIDDLE. May I say, Mr. Chairman, I am a believer, as you know, in the value of the Federal Council and its work. We have discussed this in past times. You permitted us to detail three of our people to the Federal Council and three from the Humanities. The total budget was \$104,000.

Mr. YATES. \$95,000.

Mr. BIDDLE. There is no question about Debbie's salary or the other detailees. It is just a question of what this Administration wants the Federal Council to do and fulfill. Hopefully, they will see it the way previous Administrations saw it, as a valuable resource.

Mr. YATES. I think the Congress would have something to say about that, too.

Mr. BIDDLE. As you remember, the Federal Council was pretty much dormant for many years.

Mr. YATES. Yes, then we brought life to it. The question is whether we continue that life, or even make it livelier.

Thank you, Debbie.

What haven't we covered?

CHALLENGE GRANT PROGRAM

Mr. MOORE. The Challenge Grant Program.

Mr. YATES. I thought we covered that.

Mr. MOORE. I don't know if you wanted further discussion about the expenditure or what we would do if we had funds returned.

Mr. YATES. How much money have you had returned? Who is this?

Mr. MOORE. Liz Weil.

Mr. BIDDLE. Challenge under 20 percent would go back to \$15 million.

Mr. YATES. \$15 million under 5, 10, 15 or 20 percent?

Mr. BIDDLE. It would be restored essentially to \$15 million.

Mr. YATES. What would it be under a 50 percent reduction?

Mr. BIDDLE. \$2.5 million.

Ms. WEIL. I would like to make a few comments.

Mr. YATES. Tell us. Elizabeth Weil.

Ms. WEIL. I find that an 80 or 83 percent cut in the Challenge Program both very ironic and terribly sad. I find it very ironic because I think it is possible to say that today and for the next couple of years, the Challenge Grants would be more important to arts institutions than they were even back in 1976.

Mr. YATES. I would think so.

Ms. WEIL. I refer to Ms. Wyman's comments earlier today.

I find it terribly sad because our Chairman and his Council have been forced to choose and really break up an unbeatable winning package. I call that unbeatable winning package the combination of project support and institutional support through the Challenge Program.

Why is it unbeatable and winning? They have responded to the institutions that have been nurtured through the very important and basic project support and then capped off with a Challenge Grant, of a total of \$555 million, which we show today as a match.

I would like to comment on some conversations that I had with the Executive Director of the San Francisco Foundation about Challenge Grants. In the second year of Challenge, back in 1977, the Arts Endowment, with its courage and foresight, awarded five concurrent Challenge Grants in the City of San Francisco.

The Executive Director of the San Francisco Foundation, Martin Paley, telephoned and said, "How dare you."

We said, "We believe in these institutions and believe each deserves the opportunity to contribute. They have all matched their Challenge Grants."

Mr. Paley has said to me "Challenge is a great thing." He said, "The corporations need that. Let them come again."

Mr. Wilson, of the Atlantic-Richfield Foundation, is very proud of the fact that the foundation doubled its budget in 1980 from \$13 to \$27 million. He has said it would be impossible over the next couple of years to allow any additional increase.

I go back to something Congress said about the Challenge Program in 1976. It applauded the National Endowment for the Arts and said, "Good. Come across with a program that is going to help our institutions become more businesslike." You all said more businesslike because we were asking for five year financial plans, five year program plans.

Corporations do more than five year financial plans, they are into complex—I think you call it strategic—planning. Personally and professionally, I don't see how they can change those plans and respond immediately to fill the gap.

I would like to make one last comment about our Advancement Program, which I think proves the value and the fact that our funding is a true incentive for others to give. I have worked with A.B. Spellman for the last year and a half. We have 15 grantees. The federal investment is \$750,000. Not very much money.

One of our grantees is a dance company in Philadelphia. For the last nine years annually it made application to one corporate foundation in Philadelphia. And annually it was turned down. With never an explanation. We awarded an Advancement Grant to the dance company and for the first time, this Philadelphia foundation has awarded \$25,000.

They called and spoke to us and said "The five year plan that you assisted that organization in working out really clinched it and really did it. We don't see it as a great a risk as we saw it before. We are pleased to join with the Arts Endowment in this \$25,000 grant."

Mr. YATES. They don't see it as great a risk. What do they mean by that?

Mr. PUTSCH. Absence of the five year plan didn't give them any comfort.

Mr. YATES. They are giving it on income. There is no risk to them?

Ms. WEIL. Mr. Chairman, I think many times corporations view the possible grants they make, or decisions they are arriving at—

Mr. YATES. Do you mean just a throwaway? They would bet on a winner? I will accept that.

Those are very good comments. I know the committee feels very strongly about the Challenge Grant Program and the good work that has been done under that. It agrees with you, it is unfortunate it is reduced to \$2 and a half million.

Ms. WEIL. I hope you see it as ironic as I do.

Mr. YATES. I see it as very ironic. We are commiserating with each other.

What else should I know? Is there anything wrong with the Endowment? We have heard the good points. What about the bad points? I want you to be objective and dispassionate at this point. Is there nothing bad about it? Does the Endowment have any troubles, other than money? Are there any scandals that I should know about? Certainly you wouldn't tell me those.

Mr. BIDDLE. No, Mr. Chairman.

Mr. YATES. You are given two minutes to wind up, then, Mr. Biddle.

ART IN THE MARKETPLACE

Mr. BIDDLE. Thank you, Mr. Chairman.

I wanted to make a little comment about the marketplace. I think we all know about favorite artists of ours who are not giants in their own day, but who have become giants in the field of the arts. I can think of Mozart, Michelangelo, Van Gogh, even a John Singleton Copley, whose work has such a high reputation today and is pretty conventional according to our standards today, but who was not well considered in his own time.

And so I think the marketplace can be a very fallible place for proper judgments about the values of the arts. And that new horizons are what the arts are constantly seeking and the Endowment has, I believe over its history, been constantly seeking those new horizons with the artists we have supported.

There has been an emphasis on American creativity, and contemporary work, and certainly we have supported what is deeply cherished today. And we have supported what may be cherished tomorrow. We have also supported I think, what will be cherished tomorrow. We have a good track record, so that we can, with a considerable degree of certainty, say that the quality of art that is supported by the Endowment today will be recognized even more importantly as the years go by. It historically has thrust greatness, therefore, upon many artists that were not recognized in their own time.

I think what we have presented to you in these two fine comprehensive days of hearings has been a mosaic of programs. It has to me enormous complexities that don't lend themselves to easy solutions. Each program has within it components that balance each other, that complement each other, that are complex in themselves. It all relates to a basic kind of overall balance of trying to support the arts in all their diversity, all their plurality, all across the country.

The program has been evolving from 1965 to today. And I would just like to make the point in conclusion that this evolving, this evolution has taken place not through a federal bureaucracy, but through the guidance of the artists themselves, the private citizens, the panelists and the National Council on the Arts.

Then very personally, I would like to say that understanding this, and helping with the evolution, requires patience and leadership. I think all of us on this side of the table, the National Council on the Arts, all who work for the Endowment, are tremendously grateful to you for that leadership.

Mr. YATES. Thank you very much.

Mr. BIDDLE. That is to you, Mr. Chairman, and those who work with you.

Mr. YATES. Thank you very much. I appreciate your statement.

Let me say in return, it has been a pleasure to work with you and with your staff. As I have often said in speeches on the outside, and to the Congress, there are few agencies in government in which there is a greater insight and understanding of the responsibilities and the challenges which the agency faces in terms of national interest, than the National Endowment for the Arts.

You have assembled a magnificent group of people. I refuse to say team, a magnificent group of people who are dedicated and devoted, and people of exceptional talent. Because I consider the arts to be of high importance, the most fearful prospect is that this group of people should be faced with the prospect of being broken up. And I hope it doesn't happen.

One is tempted to paraphrase Shakespeare by expressing the hope that the quality of the Endowment be not strained by the appropriations. At any rate, I think it has been a good hearing. I think that we have covered it fairly thoroughly, and as Tiny Tim said, "God bless us all."

Thank you.

MONDAY, MAY 11, 1981.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

WITNESSES

EUGENE J. KEOGH, CHAIRMAN, FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION
HAMILTON FISH, REPRESENTATIVE FROM THE STATE OF NEW YORK
EUGENE J. McCARTHY, FORMER SENATOR FROM THE STATE OF WISCONSIN

OPENING REMARKS

Mr. YATES. This is a hearing on the appropriations for the FDR Memorial Commission for fiscal year 1982. Appearing in support of that appropriation is its distinguished Chairman, a former Member of the House for so many years, Mr. Eugene J. Keogh. He is accompanied by Congressman Fish of New York. We are delighted to have you, Mr. Chairman.

Your statement may be made a part of the record. Your justification, in which you seek \$40,000, may be made a part of the record as well, and we will be glad to hear what you have to say.

[The statement follows:]

STATEMENT OF EUGENE J. KEOGH, CHAIRMAN
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION
BEFORE THE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES
OF THE COMMITTEE ON APPROPRIATIONS

May 11, 1981

Mr. Chairman:

The Franklin Delano Roosevelt Memorial Commission appreciates the opportunity to appear before you once more in the Commission's efforts to accomplish the Congressional intent expressed in the original Joint Resolution approved August 11, 1955 (69 Stat. 694).

Understandably, since its inception, the Memorial Commission has been confronted with many vicissitudes and obstacles. Since June 30, 1972, by authorization of the Congress, the Secretary of the Interior was invited to participate with the Memorial Commission and has been acting through the National Park Service as the Memorial Commission's agent. The proposed memorial submitted by Lawrence Halprin of San Francisco, California, was to be a landscaped garden and has received the approval of the Memorial Commission, the Commission of Fine Arts and the National Capital Planning Commission. The proposal consists of a series of gardens linked by granite walls bearing quotations and sculpture depicting some of the facets that made up the components of the late great president. Because water played such an important role in his life, there were to be water falls and pools among these gardens and walls.

A modification of the original design which adhered to the objectives of the original has been submitted and approved. It is smaller and the estimated cost has been reduced to \$23.5 million.

There is pending before the present Congress a Joint Resolution, H. J. Res. 196, introduced on March 3, 1981, by Representatives Fish and Green of New York, and I understand has been joined in by Representative Howard of New Jersey, another member of the Memorial Commission. The objective of H. J. Res. 196 is to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Memorial Commission, to proceed with the construction and authorize such sums as may be necessary to accomplish that purpose. We are here today to ask the Subcommittee to appropriate \$40,000 to defray the necessary administrative work of the Memorial Commission.

It is interesting for us to report to your distinguished Subcommittee that the Council on International Nontheatrical Events in viewing the film of the proposed design had selected it for its excellence to represent the United States of America in international motion picture events and awarded it the Council's Golden Eagle.

The Memorial Commission hopes that the present Congress will give favorable consideration to the Joint Resolution to approve the design and to authorize its construction and it is hoped, therefore, that your Subcommittee will provide the necessary housekeeping funds requested.

FDR MEMORIAL FILM

Mr. KEOGH. When you say my statement will be made a part of the record, do you mean the statement that I prepared a thousand copies of and sent over to the committee in advance?

Mr. YATES. In a nutshell, yes.

Mr. KEOGH. I appreciate that.

Mr. Chairman, I would also like the record to show, if it meets with your approval, that the Memorial Commission recently received from the Council on International Nontheatrical Events a certificate indicating that the Franklin Delano Roosevelt memorial moving picture which we had made was selected for its excellence to represent the United States of America in international motion picture events abroad, and awarded to the Memorial Commission the highest award the council gives, its "Golden Eagle".

May I just exhibit that for you and take it back?

Mr. YATES. Yes. It is exhibited, and you may take it back. I am duly impressed with it. As far as I know, to date this is the only tangible memorial we have to the beloved President.

Mr. KEOGH. In Washington, D.C., yes.

Mr. YATES. Okay.

PROPOSED MEMORIAL SITES

Mr. KEOGH. We do have a number of contestants for sites for a memorial for the late, great President. We have an organization that I never knew existed, and that is the Alumni Association of the Civilian Conservation Corps Camps. Their thought is that there should be erected in a national park—anywhere, they do not care—a replica of the old CCC camp which was enacted before the Congress was fortunate to have you as a member.

Mr. YATES. Oh, that goes back many years, then, doesn't it?

Mr. KEOGH. It does. It goes back almost 50 years.

Mr. YATES. Yes, sir.

Mr. KEOGH. They want to have a replica of a Civilian Conservation Corps camp, and in the camp have a small section set aside as a memorial to the late, great President.

We also have an effort made to site the memorial to the late, great President on Roosevelt Island in the East River in New York City. Now I am sure you know New York City and you know the Queensborough Bridge goes over what is now called Roosevelt Island. Historically it was known as Blackwell's Island because that was the site of the city prison for years.

They would like to establish a memorial down at the southern end of that island, which is thoroughly inaccessible, not at all representative of the scope of the administrations of the late, great President, but they would like to have it there.

I have forgotten the name of the man who donated a number of fountains, geysers, actually. There is one at the south end of that island that shoots the water up a few hundred feet when they turn it on. They do not turn it on now because they do not want to waste the water.

We have an effort made by Warm Springs to locate the memorial there. Well, Warm Springs itself has been taken over by the State of Georgia. It would seem to me that if the people down there want

to erect a memorial to the late President, the State of Georgia is the one that should undertake to do it.

NEED FOR AUTHORIZING LEGISLATION

Now we have had a long and interesting, somewhat circuitous and somewhat circumferential, route to bring us to the point where we are. All we need now is the adoption by the Congress of a joint resolution that is pending in the House, introduced by the distinguished Representative, Hamilton Fish, and co-sponsored by Representative S. William Green of New York, to approve the modified design of Lawrence Halprin and to authorize its construction.

Now the modified design for the West Potomac Park, the site that has been set aside by Act of Congress, is where we propose to put this memorial. It has received the approval of the Commission of Fine Arts; it has received the approval of the National Capital Planning Commission.

Unfortunately, during the 96th Congress the Subcommittee on Libraries and Memorials of the House Administration Committee was too preoccupied with what other agenda they might have had. They did not have the opportunity to consider and move on the resolution but that resolution has been reintroduced during this Congress.

It is hoped that a companion resolution will be introduced in the other body, the name of which has escaped me. If that is done and if that is passed then this memorial is on its way to realization.

We do not have to go through any swapping of land which is contemplated in the Georgetown waterfront development. If those nice, dedicated, public-spirited citizens of Georgetown want to develop that waterfront, God bless them. We would be of all possible help but we do not want them to develop that on our backs.

The commission continues its penurious manner of administration. We unfortunately lost by death the sole employee we had, Mrs. Hoskins, whom you may recall. She passed to her reward last September, and we have been fortunate to acquire the dedicated and talented and experienced services of Mrs. Dorothy S. Martin, who is somewhere around here and who is doing a fine job.

Mr. Chairman, we have the one employee. We have the four public members of the Memorial Commission: former Governor Brown of California, Mrs. Anna Rosenberg Hoffman of New York, James H. Rowe of Washington, and I am the fourth public member.

EXPRESSIONS OF SUPPORT FROM MR. FISH AND MR. M'CARTHY

Mr. YATES. Did you want Mr. Fish to say something?

Mr. KEOGH. I always want him to say something because, like his father, it is always better to have Representative Fish on your side than against you.

Mr. YATES. Is he on your side here?

Mr. KEOGH. I hope so. We'll see in a minute if you will invite him to respond.

Mr. YATES. I would be very glad to hear your statement, Mr. Fish.

Mr. FISH. I am just trying to think of an Emerson quote that deals with the situation that I am in, when you are following a person like our revered chairman here. I think it had to do with, when you are crossing thin ice you better move as fast as possible. That is a bad version of Emerson but I am just here, Mr. Chairman, in support of Mr. Keogh.

Mr. YATES. Emerson must have had a quote for this occasion.

Mr. FISH. I am just very supportive of the presentation by our chairman.

Mr. YATES. Thank you very much.

Senator McCarthy, did you want to say something, too?

Mr. McCARTHY. I was not sure whether I was cleared by the chairman. I would be glad to.

Mr. YATES. We are delighted to have him here.

Mr. KEOGH. He has been helpful, Mr. Chairman.

Mr. YATES. If there is anything he cares to say in supplementing your statement, I would be very glad to hear it.

Mr. McCARTHY. I remember the limitations of time in the House of Representatives.

Mr. YATES. Let the record show that the statement is by former Senator Eugene J. McCarthy.

Mr. McCARTHY. And former Member of the House.

Mr. YATES. I was just going to say, he is very distinguished for his service in the House and in the Senate, and subsequently too as a candidate for President from the Democratic Party.

Mr. McCARTHY. Thank you, Mr. Chairman, for all those notes.

I would support Mr. Keogh's request that you keep the committee going, at least for another year. I think we have been through three experiences in which proposals have been made: one in 1960 which I thought was a good design, which was rejected for a number of reasons; a better design which was proposed when I was chairman of the commission, by Marcel Breuer; and the third design which I am not very familiar with.

We let Congress pass on architecture when it is outside of Washington but inside Washington, various commissions get in the way. If you remember the great debate we had on architecture and religion at the time of the Air Force Academy—

Mr. YATES. At the Air Force Academy.

Mr. McCARTHY [continuing]. That was finally settled, I think, when they built the church with 17 arches. It was explained that they stood for the 12 Apostles and the 5 members of the subcommittee that approved it. Therefore, on that profound theological note the Congress passed it. The building leaked for a while but it is still standing.

Mr. YATES. I remember the controversy that ensued as to the position of the chapels for the various religions. The Protestants took umbrage at the fact that their chapel was on the first floor and the Catholic chapel was above them, closer to heaven.

Mr. McCARTHY. No, it was actually the other way. I objected. They had the Jewish facility on the ground floor, which was where it belonged, the basic, original. The Catholics were a side group on the same floor, and the Protestants had the main floor.

Mr. YATES. They had the main floor.

Mr. McCARTHY. But we did not object very seriously. Once they explained the origin of the 17 arches I thought a compelling argument had been made, and we backed off from the historical position we had been taking and let the architecture prevail.

THE BREUER DESIGN

Mr. YATES. Does the commission have the proposals of the 1960 memorial and that Breuer memorial, along with the Halprin memorial?

Mr. McCARTHY. They must have them in the records somewhere.

Mr. KEOGH. No. The Breuer design was submitted to the Commission of Fine Arts for its approval and failed to get it.

Mr. YATES. Well, is the design itself still in the records of the Commission of Fine Arts?

Mr. KEOGH. Yes, I imagine so.

Mr. YATES. You do not have it any more?

Mr. KEOGH. No, we do not have it.

Mr. YATES. Do you mean they did not return it to you?

Mr. KEOGH. I imagine they did.

Mr. McCARTHY. I think they burned it to make sure we would not revive it.

Mr. YATES. They shredded it.

Mr. McCARTHY. I think that the original was the 1961 plan, and then there was a modified plan, the Breuer, and what you have now. I hesitate to say you ought to go back and look at all of these.

I think in the case of Roosevelt, Mr. Chairman, that the nature of the memorial is almost secondary as long as it is Roosevelt. If it were a memorial to you or me as congressmen it would have to be more than we are. In the case of Roosevelt, no memorial will be more than he is and therefore it can be considered less. I do not think we have to argue too much about the design.

I was traveling between airports—

Mr. KEOGH. Excuse me. Let me interrupt you by telling you that with respect to the modified Halprin design there need be no argument because it has received the approval of everybody except the Congress.

Mr. YATES. Has it received the approval of the Commission of Fine Arts?

Mr. KEOGH. Yes.

Mr. YATES. What is its cost going to be?

Mr. KEOGH. About twenty-three.

Mr. YATES. Thousand dollars?

Mr. KEOGH. Twenty-three million dollars.

Mr. YATES. That is half the price that it had before.

Mr. KEOGH. That is right, and without losing the theme of the memorial—

Mr. YATES. Or the beauty of it.

Mr. KEOGH [continuing]. Or the beauty of it, the architecture, the designs.

Mr. McCARTHY. I am not sure. The modification may not be as good as the original, but in the case of Roosevelt, the important thing is an identification.

Mr. KEOGH. Mr. Chairman, you know as well as anybody else does that on matters of beauty and art, there are variances of opinion and divergence of reactions to them.

Mr. YATES. It is in the eyes of the beholder, isn't it?

Mr. KEOGH. Precisely. The modified Halprin design, in my opinion, has received less if any critical comment, which is more than can be said of the other designs that were submitted.

Mr. YATES. Mr. Keogh, would you furnish for the record the approvals of the various groups that have approved the design?

Mr. KEOGH. Oh, yes, sir.

Mr. YATES. We do not have them for the record now.

Mr. KEOGH. I will be glad to do it.

Mr. YATES. You made reference to it and I would like to see the letter.

[The letter follows:]

OCT 1 1979

THE COMMISSION OF FINE ARTS

ESTABLISHED BY CONGRESS MAY 17, 1910

J. CARTER BROWN, Chairman

PHILIP W. BUCHEN

FREDERICK D. NICHOLS

VICTORINE DU PONT HOMESLY

KEVIN ROCHE

ELI S. JACOBS

EDWARD D. STONE, JR.

CHARLES H. ATHERTON, Secretary

708 JACKSON PLACE, N.W.
WASHINGTON, D.C. 20006
202-565-1056

October 10, 1979

Dear Mr. Keogh:

This is to confirm that the Commission of Fine Arts reviewed and approved modified designs for the Franklin Delano Roosevelt Memorial at its meeting on September 20, 1979. Though considerably reduced in size in comparison with the scheme originally approved by the Commission, the essential character of the public memorial area has been retained. The Members appreciated your assurances that the highest quality materials and sculptural work would be maintained.

In the event Congress authorizes the Memorial Commission to proceed with present plans, we would appreciate the opportunity to review the detailed working drawings prior to commencing with construction. As previously indicated, we also request that when more specific sculptural models have been chosen, they also be submitted for further review by the Commission.

Sincerely yours,



J. Carter Brown
Chairman

Mr. Eugene J. Keogh
Chairman
Franklin Delano Roosevelt Memorial
Commission
521 Fifth Avenue
New York, New York 10017

NEED FOR A MEMORIAL

Mr. McCARTHY. On the airport ride, we passed a memorial to another President and the cab driver said, "You know, it is ridiculous that we do not have one for Franklin Roosevelt." He was not particular about what it was. He just thought there ought to be one.

Mr. YATES. Of course, there is one by his friends at 8th Street and Pennsylvania Avenue. It is that huge block of granite that is there.

Mr. KEOGH. Mr. Chairman, it annoys me to have anybody say that the late President said that was what he wanted for a memorial. In the first place, the one who asked him the question was really impolite in posing the question to the late President.

I can almost imagine the late President in his gracious and magnificent manner dismissing that question the way he did by saying, "Why, all I would want is a piece of granite the size of this desk on Pennsylvania Avenue." In my opinion, it is not the judgment of the person for whom the memorial is designed to select the form of it.

Mr. YATES. I would think that his opinion would be appreciated.

Mr. KEOGH. It might be helpful but it certainly should not be decisive.

Mr. McCARTHY. Mr. Chairman, I think we should note that in the original 1960 plan, they had a competition and the artist explained what it meant. In the case of Breuer, we had him explain what his monument was going to mean before he had done it. So far as Members of Congress—

Mr. YATES. That is where he got into trouble.

Mr. McCARTHY. Well, he did very well with the Members of Congress. He said he was going to do it and he did it, but the Fine Arts Commission and others were prepared to make a subjective judgment on it and that was—

Mr. KEOGH. Excuse me. I do not mean to get into an argument with you, Senator.

Mr. YATES. This is no longer the Committee on Ways and Means.

Mr. KEOGH. I would lose to begin with.

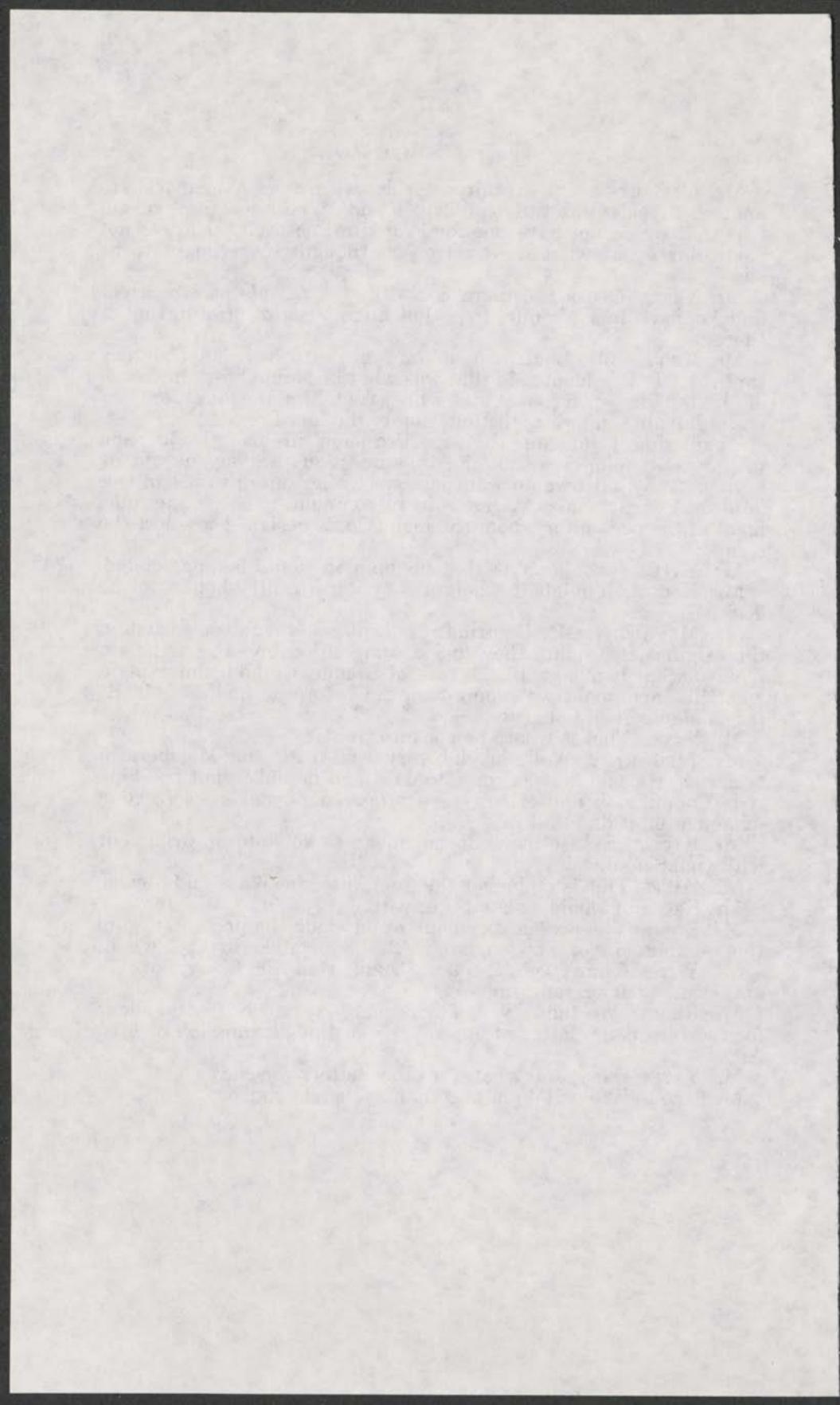
Mr. Breuer was present personally and made the presentation to the Commission of Fine Arts, which later failed to approve it.

Mr. YATES. Thank you, Senator. Thank you, Mr. Chairman. We appreciate your presentation.

Mr. KEOGH. We thank you. Thank you very much. I will submit for the record the letter of approval from the Commission of Fine Arts.

Mr. YATES. Okay, and whatever other letters you have.

Mr. KEOGH. We will do it, and thank you very much.



MONDAY, MAY 11, 1981.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

WITNESSES

MARK TALISMAN, VICE CHAIRMAN, UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HAROLD H. MILLER, CHIEF, DIVISION OF PROGRAMING AND BUDGET, NATIONAL PARK SERVICE, U.S. DEPARTMENT OF THE INTERIOR

Mr. YATES. This is the hearing on the fiscal year 1982 appropriations for the United States Holocaust Memorial Council. Appearing before us is its distinguished Vice Chairman, Mr. Mark Talisman, a longtime friend.

Mr. TALISMAN. This is Mr. Hal Miller, Mr. Chairman, who is Chief of the Division of Programing and Budget at Interior.

Mr. YATES. At Interior?

Mr. TALISMAN. National Park Service at Interior.

Mr. YATES. I understand that Mr. Freedman, who is the Director of the Council, is ill and cannot be with us today. Nevertheless, his statement may be put into the record at this point, as may the biographical sketches of Mr. Talisman and Mr. Miller and Mr. Freedman.

[The statement and biographies follow.]

- (399)

United States Holocaust Memorial Council

Corrected

GENERAL STATEMENT

MR. CHAIRMAN, AND MEMBERS OF THE COMMITTEE:

I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TO PRESENT FOR YOUR CONSIDERATION THE FUND REQUIREMENTS FOR THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL FOR THE FISCAL YEAR 1982.

THE APPROPRIATION FOR THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL FOR FISCAL YEAR 1981 WAS \$722,000. WE ARE REQUESTING A NET INCREASE OF \$78,000 FOR FISCAL YEAR 1982. THE FOLLOWING INCREASES ARE REQUESTED: \$64,600 TO COVER THE COST OF TWO ADDITIONAL EMPLOYEES, A FULL-TIME DEPUTY DIRECTOR TO BE RESPONSIBLE FOR SPECIAL PROJECTS, AND A PART-TIME CLERK TYPIST. \$96,300 IS REQUESTED FOR STAFFING ADJUSTMENTS, AND \$2,200 FOR OTHER PERSONNEL COSTS. VARIOUS PROGRAM COSTS WHICH WERE HIGHER DURING OUR ACTIVATION HAVE BEEN REDUCED BY \$85,100 TO ASSIST IN OFFSETTING PERSONNEL SERVICES INCREASES. ONE ADDITIONAL PERMANENT POSITION IS REQUESTED.

THE FUNDS REQUESTED WILL PROVIDE FOR ACCOMPLISHING THE FOLLOWING OBJECTIVES IN FISCAL YEAR 1982:

Suite 832, 425 13th Street, NW Washington, DC 20004
202-724-0779

Days of Remembrance. Pursuant to enabling legislation, the Council has established an annual, national, civic commemoration of the victims of the Holocaust. Appropriate ceremonies have been held in 29 states and several cities, with the principal observance in Washington, D.C. The first national Days of Remembrance ceremony, sponsored by the United States Holocaust Memorial Council, took place on Thursday, April 30, 1981, in the East Room of the White House with the President participating. Members of Congress, the Diplomatic Corps, government officials, and distinguished guests attended.

The program for Fiscal Year 1982 will consist of even more extensive observances, including a commemorative program in the Kennedy Center.

Establishment of Permanent Living Memorial/Museum. Planning is still in the early stages. By Fiscal Year 1982, we hope to have selected a site for the memorial/museum.

At the same time, we are in the process of developing the themes to be presented in a memorial/museum. We hope that this work will be completed by Fiscal Year 1982, which means by then we should be developing considerable detail regarding the appropriate presentation of the themes.

Committee on Conscience. By Fiscal Year 1982, we hope to name prominent Americans to the Committee on Conscience. This Committee will serve as an early warning system against threats of genocide against any

people, any place in the world. The Council is currently developing plans regarding the appropriate functions that the Committee on Conscience would undertake.

MR. CHAIRMAN,

I SHALL BE PLEASED TO ATTEMPT TO ANSWER ANY QUESTIONS YOU AND OTHER MEMBERS OF THE COMMITTEE MAY HAVE ABOUT THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL AND THE 1982 BUDGET ESTIMATE BEFORE YOU.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL
Justification Statement For Fiscal 1982

Activity: Holocaust Memorial Council

(Dollar Amounts in Thousands)

	1981 Approp- riation Enacted To Date	FY 1982 Base	FY 1982 Estimate	Inc (+) or Dec. (-)
Holocaust Memorial Council	722	722	800	+78
(FTP)	7	7	8	+1

Authorization: Public Law 96-388, dated October 7, 1980 created the U.S. Holocaust Memorial Council and authorized to be appropriated to carry out the purposes of this Act \$722,000 for the Fiscal Year 1981, \$800,000 for the Fiscal Year 1982, and \$850,000 for the Fiscal Year 1983.

Objectives:

The United States Holocaust Memorial Council has been established by the Congress (Public Law 96-388) for the following principal purposes:

(1) To "provide for appropriate ways for the Nation to commemorate the Days of Remembrance, as an annual, national, civic commemoration of the holocaust, and shall encourage and sponsor appropriate observances of such Days of Remembrance throughout the United States."

(2) To "plan, construct, and oversee the operations of a permanent living memorial museum to the victims of the holocaust, in cooperation with the Secretary of the Interior and other Federal agencies. . . ."

(3) To "develop and plan for carrying out the recommendations of the President's Commission on the Holocaust in its report to the President of September 27, 1979, to the extent such recommendations are not otherwise provided for in this Act."

Program:

The Council hasd already made substantial progress in establishing an annual, national, civic commemoration of the holocaust in April of each year. Appropriate ceremonies have been held in 29 states and several cities, with the principal observance in Washington, D.C. The first national Days of Remembrance ceremony, sponsored by the United States Holocaust Council, took place on Thursday, April 30, 1981, in the East Room of the White House with the President participating. Members of Congress, the Diplomatic Corps, government officials, and distinguished guests attended.

The program for Fiscal Year 1982 will consist of even more extensive observances, including a commemorative program in the Kennedy Center.

Planning is still in the early stages to establish a permanent living memorial/museum. By fiscal 1982, it is anticipated that a site will be selected.

Themes to be presented in a memorial/museum are being developed. This work is scheduled for completion in fiscal 1982.

By fiscal 1982, it is anticipated that prominent Americans will be named to the Committee on Conscience. This Committee will serve as an early warning system against threats of genocide against any people, any place in the world. The Council is currently developing plans regarding the appropriate functions that the Committee on Conscience will undertake.

Decrease:

(Dollars in Thousands)

Staffing adjustment (grade reduction)	-9.4
Non-recurring equipment and supplies	-27.7
Days of Remembrance	-45.0
Printing of final report	<u>- 3.0</u>
- subtotal - decreases	-85.1

Increases:

Staffing adjustments:	96.3
Annualization of salary of personnel hired during fiscal 1981	(69.5)
Annualization of benefits	(6.6)
Difference in Director's salary from part-time to full-time	(20.2)
Additional employees	64.6
Deputy Director for Special Projects	(49.2)
Clerk-typist (part-time)	(9.8)
Personnel Benefits	(5.6)
Other personnel costs (overtime)	<u> 2.2</u>
subtotal - increases	<u>+163.1</u>
Total - increase	+78.0

Multi-year Planning Estimates
(\$ in thousands)

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Budget Authority	950	1,000	1,050	1,100
Outlays	950	1,000	1,050	1,100

Details concerning the derivation of these totals can be provided by staff of this office.

<u>Employment Ceilings</u>	<u>Sept. 1981 (End-of-year positions)</u>	<u>1982 (Full-time equivalents (workyears))</u>
Total employment, excluding dis- advantaged youth and personnel participating in the Worker- Trainee Opportunity Program (WTOP)	10	12
Full-time permanent employment, excluding personnel participating in WTOP	7	7

These ceilings represent, for your agency:

- a. For September 30, 1981, upper limits on the number of employees, and
- b. For FY 1982, the maximum number of full-time equivalents (workyears) allowed.

These ceilings cover all employment in your agency except for disadvantaged youth and personnel participating in the Worker-Trainee Opportunity Program.

United States Holocaust Memorial Council

MARK TALISMAN
VICE-CHAIRMAN

Mr. Mark Talisman of Washington, D.C., has been appointed by President Jimmy Carter to serve on the United States Holocaust Memorial Council, which will hold its first meeting on Wednesday, May 28, 1980, in Washington, D.C.

The Holocaust Memorial Council will carry out the recommendations of its predecessor, the President's Commission on the Holocaust, by establishing a memorial/museum in Washington, D.C., an educational and research foundation, and a Citizens' Committee on Conscience. Funding will be principally from private contributions. The Council will submit its report to the President in December of this year.

Chairman of the 60-member Council appointed by the President is Elie Wiesel, noted author and Andrew Mellon Professor of Humanities at Boston University. Mr. Wiesel is a Survivor of the Nazi concentration camps, and the leading spokesman for the victims of the Holocaust.

Mr. Talisman is the Vice Chairman of the United States Holocaust Memorial Council. The Council Director is Monroe H. Freedman, former Dean at Hofstra University Law School. Among the Council members are distinguished scholars, civic and religious leaders, and Survivors of the Holocaust.

Mr. Talisman, a native of Cleveland and an honors graduate of Harvard College, is currently the Director of the Washington Action Office of the Council of Jewish Federations. He has been a fellow at the John F. Kennedy Institute of Politics and was a founder and instructor of the Institute's program for new congressmen. He served for 13 years as Administrative Assistant to Congressman Charles Vanik of Ohio.

He is a member of: the National Jewish Welfare Board; the Overseers of Case Western Reserve University Board; and of the John F. Kennedy Institute of Politics, Harvard University.

Suite 832, 425 13th Street, NW Washington, DC 20004
202-724-0779

Biographical SketchHarold H. Miller

Mr. Miller is the Chief, Division of Programming and Budget, National Park Service, National Capital Region, and has been in this position for 6 years. He previously was in the Budget Division of the Washington Office of the National Park Service.

Mr. Miller's career with the National Park Service began in 1964 after he completed three years as an Administrative Officer in the Air Force. He is from the State of New York, and received a degree in Agricultural Economics from Cornell University.

He is age 41 and resides in Washington, D.C.

United States Holocaust Memorial Council

MONROE H. FREEDMAN
DIRECTOR

Described in the Harvard Law Bulletin as "a lawyer's lawyer," Mr. Freedman has distinguished himself as a law school dean, professor, scholar, and practicing attorney.

He has served on the Board of Governors of the District of Columbia Bar, and as Chairman of the Legal Ethics Committee of the D.C. Bar, Chairman of the Committee on Professional Responsibility of the Society of American Law Teachers, and Chairman of the Committee on Professional Disciplinary Standards and Procedures of the Federal Bar Association. He is also a member of the National Board of Directors of the American Civil Liberties Union, and was a member of the Board of Governors and the Executive Committee of the Society of American Law Teachers.

As Dean of Hofstra Law School from 1973 to 1977, Mr. Freedman was credited by the New York Times with having achieved for the law school "unprecedented national prominence and high standards." His book, Lawyers' Ethics in an Adversary System, received the ABA's Gavel Award Certificate of Merit, and has been described in reviews as "brilliant," "indispensable," and "undoubtedly the best book in the field."

Mr. Freedman has practiced with law firms in New York, Philadelphia, and the District of Columbia, was a Professor of Law at George Washington University, and established and directed a six-lawyer public interest law firm in the District of Columbia. He has also been a consultant to the Association of the Bar of the City of New York, to the National Legal Services Corporation, to the United States Commission on Civil Rights, and to Senator John L. McClellan.

²² Mr. Freedman received his A.B., LL.B., and LL.M. at Harvard, and is listed in Who's Who in America, Who's Who in American Law, and Who's Who in the World.

Suite 832, 425 13th Street, NW Washington, DC 20004
202-724-0779

Mr. YATES. Mr. Talisman, it is nice to see you.

Mr. TALISMAN. I wonder, first, Mr. Chairman, if I could ask permission to insert in the record the letter to Elie Wiesel from David Stockman in regard to approvals on this subject.

Mr. YATES. May I see it?

Mr. TALISMAN. And also a statement that you are aware of by the President of the United States in the East Room two Thursdays ago on this subject, and Mr. Wiesel's statement.

Mr. YATES. These may go into the record at this point, as well as Mr. Freedman's letter to Mr. Stockman.

Mr. TALISMAN. Thank you, Mr. Chairman.

[The information follows:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAR 16 1981

Honorable Elie Wiesel
Chairman, United States Holocaust
Memorial Council
Suite 832
425 13th Street, N.W.
Washington, D.C. 20004

Dear Mr. Chairman:

Now that the 1982 Budget reflecting President Reagan's economic recovery program has been transmitted to the Congress, I wish to advise you formally of the budget allowances and significant policy determinations for your agency. The President has approved for your agency budget authority for 1981 and 1982 as shown on the enclosed page of the budget accounts listing supporting the 1982 Budget Revisions.

Enclosure A shows estimates of budget authority and outlays for 1983-1986 which are based on the decisions reached thus far by the President. However, you should recognize in your planning that the President is committed to substantial new reductions in outlays for 1983 through 1986. In fact, he is committed to a 1983 outlay total that is approximately \$30 billion below the amounts that were specifically identified in agency totals in his revised 1982 Budget. This means that many agencies will have to plan on further program reductions beginning in 1983 which will bring budget authority and outlays substantially below the numbers shown.

As President Reagan has stated, the review process through which the new allowances were developed was, of necessity, much more compressed than would normally be desirable and was not as comprehensive as will be our future budget reviews. The results of the review do achieve this Administration's initial goal to reduce the growth in the size of Government; however, as indicated above, major new reductions will be required in FY 1983 and future years. Now that the budget revisions have been transmitted to the Congress, I ask that you take all of the actions necessary to ensure that the operations of your agency are based on the President's decisions and his commitment to bring Government spending under control.

Ceilings on civilian employment for your agency are set forth in enclosure B. The President has assigned these ceilings in keeping with his commitment to reduce the size of the Federal work force and to increase its efficiency. We expect that the ceilings provided will accomplish the objectives stated in the President's memorandum of January 20, 1981, placing a hiring freeze on the Executive Branch of the Government. Therefore, the President has decided that you may lift or moderate the hiring freeze for your agency, provided the revised lower employment ceilings in enclosure B are not exceeded. (Note that employment ceilings for 1981 are for the end-of-year and ceilings for 1982 are for full-time equivalent (FTE) or workyears.)

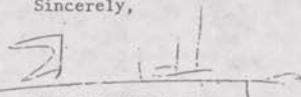
Pending "hardship" exceptions to the hiring freeze should now be resolved at the agency level according to the criteria contained in my January 29, 1981, memorandum on the Federal Civilian Hiring Freeze.

I ask that your agency continue to identify major policy and program changes that will provide additional support to the President's comprehensive economic program to reduce spending, reduce taxes, and to remove unnecessary regulatory burdens.

Each official in your agency is expected to support actively the proposals set forth in the revised budget and summarized in this letter and its enclosures, subject only to such changes as may be authorized by Presidential action. This support should be given in testimony before congressional committees and their staffs, and in speeches and meetings with outside groups.

Many thanks to you and your staff for your efforts and cooperation in preparing the revised 1982 Budget.

Sincerely,



David A. Stockman
Director

Enclosures



United States Holocaust Memorial Council

April 14, 1981

Office of the
Director

Dear Mr. Stockman:

Elie Wiesel has asked me to express his appreciation for your letter of March 16, 1981, approving our budget authority, providing estimates for the future, and lifting the hiring freeze for the Holocaust Memorial Council.

We would like to request one modification in our employment ceilings. Originally, we had planned for seven full-time permanent employees in fiscal year 1981 and fiscal year 1982, plus three less-than-full-time employees in fiscal year 1981 and five less-than-full-time employees in fiscal year 1982. Experience has demonstrated, however, that one of the deputy positions, which we had intended to be part-time, should be a full-time position. Accordingly, we request approval for fiscal year 1981 for eight full-time permanent employees and two less-than-full-time employees, and, in fiscal year 1982, for eight full-time employees and four less-than-full-time employees.

The total number of employees would remain constant in each fiscal year. In addition, because of savings we have otherwise been able to effect, we would not exceed our overall budget. Indeed, because of delays in the hiring process, it is entirely likely that we will not be able actually to employ the eight full-time permanent employees during any significant part of fiscal year 1981. Consequently, the effect on our budget in fiscal year 1981 would be insignificant, and the effect in fiscal year 1982 would be relatively small.

If there is any other information I can give you, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Monroe H. Freedman", with a long horizontal flourish extending to the right.

Monroe H. Freedman

Mr. David Stockman
Director - OMB
Room 252
Old Executive Office Building
17th & H Sts., N.W.
Washington, D.C. 20503

Suite 832, 425 13th Street, NW Washington, DC 20004
202-724-0779

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 30, 1981

REMARKS OF ELIE WIESEL,
CHAIRMAN OF U.S. HOLOCAUST MEMORIAL COUNCIL

The East Room

10:09 A.M. EST

CHAIRMAN WIESEL: Mr. President, distinguished members of the Senate and the House, of the diplomatic corps, honored guests, friends: about sadness later. First some words of gratitude. We thank you, Mr. President, for joining us and for participating in this solemn assembly of remembrance. Your presence here today, Mr. President, so soon after the senseless attack upon your person is a tribute to your understanding and concern for human values and is especially meaningful to us. We all know that you being here, Mr. President, is not a ceremonial gesture, but an expression of your sense of history and your dream of a future with hope and dignity for the American nation and for all mankind.

So, we thank you, Mr. President, and we thank our Father in heaven for having spared you. (Applause.) And now with your permission, Mr. President, I would like to read to you or rather to share with you some lines written first by an old Jewish poet and then by a young Jewish poet. The old Jewish poet was named Leivich(?) and he wrote in Yiddish which was the language of the martyrs--the language of those who were killed in those days.

It reads: (Read in Yiddish). The other poem was written by a young boy in Theresienstadt named Mottele and he wrote in that ghetto in those days of awe and fear and sadness, he wrote a poem that reflects more than his own moods, more than his own fate, and I quote, "From tomorrow on I shall be sad. From tomorrow on, not today. What is the use of sadness, tell me? Because these evil winds begin to blow? Why should I grieve for tomorrow today? Tomorrow may be good. Tomorrow the sun may shine for us again. We shall no longer need to be sad. From tomorrow on I shall be sad. From tomorrow on, not today. No, today I will be glad. And every day, no matter how bitter it may be, I will say from tomorrow on I shall be sad, not today."

Mr. President, how does one commemorate the million Mottelles and Shloimeles and Leahles and Soreles? How does one commemorate six million victims all descendants of Abraham and Isaac and Jacob? What words does one use? What metaphors does one invoke to describe the brutal and unprecedented extinctions of a world-- thousands and thousands of flourishing Jewish communities survive the fury of the crusades, the hatred of Pogrom, the afflictions of wars and the misery, the shame, the despair of religious and social oppressions only to be swept away by the Holocaust? In all their chronicles and testaments, memoirs and prayers, litanies and poems, the victims stressed one single theme over and over again -- remember, remember the horror, remember. Bear witness. And that is their legacy to us, the living.

Of course, there may be some who'll be asked, "Why remember at all? Why not allow the dead to bury the dead? Is it not in man's nature to push aside memories that hurt and disturb?" The more cruel the wound, the greater the effort to cover it. The more horrifying the nightmare, the more powerful the desire to exorcise it. Why then would anyone choose to cling to unbearable recollections

of emaciated corpses or violations of every human law? Maybe we have not yet learned to cope with the events, intellectually, socially, philosophically, theologically. Perhaps we never will. The more we know, the less we understand. All we can do is remember. But how does one remember? How does one remember and communicate an event filled with so much fear and darkness and mystery that it negates language and imagination? Auschwitz, Mr. President, and since history marks it with the burning seal. Our century, Mr. President, may well be remembered not only for the monuments it erected, or for the astonishing technological advances it made, but most of all for Treblinka and Majdanek, Belsin and Ponar, Auschwitz and Buchenwald. How is one to explain what happened? It could have been stopped or at least slowed down at various stages. One word, one statement, one move -- it was not stopped. Why not?

I'm a teacher, Mr. President. And my students, young, fervent, compassionate American students, often express their puzzlement in my classroom -- why the complacency? Why the tacit acquiescence? Why weren't the Hungarian Jews, for example, warned about their fate? When they arrived in Auschwitz at midnight they mistook it for a peaceful village. Why weren't the railways to Birkenau bombed by either the allies or the Russians? And the Russians were so close.

The calculated viciousness of the executioner, the helplessness of the doomed, the passivity of the bystander -- all these lie beyond our comprehension-- the killers' fascination with death, the victims with hope, the survivors' testimony. A new vocabulary needs to be invented to describe the event. Can you imagine the silence preceeding a selection in a death count? The feel of a man who suddenly understands that he is the last of his family -- the last of the line? Imagine? No, no one can imagine that kingdom. Only those who were there know what it meant to be there -- theirs was the kingdom that will forever remain forbidden and forbidding.

And yet, and yet, we must tell the tale, we must bear witness. Not to do so would mean to render meaningless the years and the lives that we, those of us who survived, received as a gift, as an offering to be shared and redeemed.

We must tell the tale, Mr. President, and we want to tell it not to divide people but, on the contrary, to bring them together, not to inflict more suffering but, on the contrary, to diminish it, not to humiliate anyone but, on the contrary, to teach others to humiliate no one. This is why we bear witness, Mr. President and friends, not for the sake of the dead. It is too late for the dead. Not even for our own sake. It may be too late for us as well.

We speak for mankind. The universality of the Jewish tragedy lies in its uniqueness. Only the memory of what was done to the Jewish people and through it to others can save the world from indifference to the ultimate dangers that threaten its very existence.

Mr. President, that the survivors have not lost their sanity, their faith in God, or in man, that they decided to build on ruins in Israel or in the United States of America, that they decided to choose generosity instead of anger, hope instead of despair, is a mystery even to us. They had every reason to give up on life and its promise. They did not. Still at times, Mr. President, they are overcome by doubt and fear. The world has not learned its lesson. Anti-Semitic groups spring up more and more and some shamelessly, viciously, deny that the Holocaust ever occurred. In our lifetime fascist groups increase their membership and parade in the streets. Intolerance, bigotry, fanaticism, mass executions in some places, mass starvation in others, religious wars, quasi-medieval upheavals, and of course, ultimately, the nuclear menace and our indifference to it. What is to be done?

Though Jewish, profoundly Jewish in nature, the Holocaust has universal implications, and I believe, we believe, that the memory of what was done may shield us in the future.

Naturally, other nations were persecuted and even decimated by the Nazis and their allies and their collaborators, and we honor their memory. But the Jewish people represented a different target. For the first time in history being became a crime. Jews were destined for annihilation not because of what they said or proclaimed or did or possessed or created or destroyed, but because of who they were.

Is that why we survivors, we Jews, we human beings, are so concerned? And is that why we are so attached to a land where so many survivors have found a haven, pride and refuge and hope? Please understand us, Mr. President. We believe that the subject of the Holocaust must remain separate from politics, but if we plead so passionately for Israel's right not only to be secure but also to feel secure, it is because of Israel's nightmares which are also our nightmares.

Israel is threatened by a holy war, which means total war, which means total annihilation. Mr. President, some may say that these are words, words -- yes, words. But we are a generation traumatized by experience. We take words seriously. The very idea of another Jewish catastrophe anywhere in our lifetime is quite

simply unbearable to us.

Israel must never feel abandoned. Israel must never feel alone. Israel must never feel expendable, Mr. President. We plead with you because it is the dream of our dreams. It is perhaps the pain of our pain but the hope of our hopes. It's an ancient nation of 4,000 years that should not be judged in categories of one day or one incident. Only in its totality can we understand and perceive and love Israel.

We must believe so because there were times, 40 years ago, when Jewish communities felt abandoned and betrayed. In 1943 on April 16th the gallant, young commander in chief of the Warsaw ghetto uprising, Mordechai Anielewits wrote to a friend, and I quote, "We are fighting. We shall not surrender. But as our last days are approaching remember that we have been betrayed." That is what he felt. That is what we all felt. They were betrayed then. To forget them now would mean to betray them again and we must not allow this to happen.

In the Jewish tradition, Mr. President, when a person dies we appoint him or her as our emissary in heaven to intercede in our behalf. Could it be that they, the 6 million Jews, were messengers? But then, then Mr. President and Friends, whose messengers are we?

Thank you. (Applause.)

END

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 30, 1981

REMARKS OF THE PRESIDENT
AT THE HOLOCAUST CEREMONY

The East Room

10:22 A.M. EDT

THE PRESIDENT: I feel a little unnecessary because I don't know that anyone could say anything that would add to those words that we just heard. It is a particular pleasure for me to be here with you today. This meeting, this ceremony has meaning not only for people of the Jewish faith, those who have been persecuted, but for all who want to prevent another Holocaust.

Jeremiah wrote of the days when the Jews were carried off to Babylon and Jerusalem was destroyed. He said, "Jerusalem weeps in the night and tears run down her cheeks." Today, yes, we remember the suffering and the death of Jews and of all those others who were persecuted in World War II. We try to recapture the horror of millions sent to gas chambers and crematoria. And we commemorate the days of April in 1945 when American and Allied troops liberated the Nazi death camps. The tragedy that ended 36 years ago was still raw in our memories because it took place, as we've been told, in our life time. We share the wounds of the survivors. We recall the pain only because we must never permit it to come again. And, yet, today, in spite of that experience, as an entire generation has grown to adulthood, who never knew the days of World War II, and we remember ourselves, when we were younger, how distant history seemed, anything that came before our time -- and so the signs do exist, the ugly graffiti, the act of violence, the act of terrorism here and there, scattered throughout the world and not quite large enough in dimension for us to rally as we once did in that war.

I'm horrified today when I know that in here, that there are actually people now trying to say that the Holocaust was invented, that it never happened, that there weren't six million people whose lives were taken cruelly and needlessly in that event, that all of this is propaganda. Well, the old cliché that a picture is worth a thousand words. In World War II, not only do we have the survivors today to tell us first-hand, but in World War II, I was in the military and assigned to a post where every week, we obtained from every branch of the service all over the world the combat film that was taken by every branch. And we edited this into a secret report for the general staff. We had access to and saw that secret report. And I

remember April '45. I remember seeing the first film that came in when the war was still on, but our troops had come upon the first camps and had entered those camps. And you saw, unretouched -- and no way that it could have ever been rehearsed -- what they saw -- the horror they saw. I felt the pride when, in one of those camps, there was a nearby town, and the people were ordered to come and look at what had been going on, and to see them. And the reaction of horror on their faces was the greatest proof that they had not been conscious of what was happening so near to them.

And that film still, I know, must exist in the military, and there it is, living motion pictures, for anyone to see, and I won't go into the horrible scenes that we saw. But, it remains with me as confirmation of our right to rekindle these memories, because we need always guard against that kind of tyranny and inhumanity. Our spirit is strengthened by remembering and our hope is in our strength. There is an American poem that says humanity, with all its fears and all its hopes, depends on us.

As a matter of fact, it was the Pope at the end of World War II when the world was so devastated, and yet, we alone remained so strong, who said, "America has a genius for great and unselfish deeds, and into the hands of America, God has placed an afflicted mankind." I think that that was a trust given to us that we should never betray. It is this responsibility as free people that we face today. It's this commitment among free people that we celebrate.

The hope of a ceremony such as this is that even a tortured past holds promise if we learn its lessons. According to Isaiah, there will be a new heaven and a new earth and the voice of weeping will be heard no more. Together, with the help of God, we can bear the burden of our nightmare. It is up to us to ensure that we never live it again.

Theodore Roosevelt said that the presidency was a bully pulpit. Well, I, for one, intend that this bully pulpit shall be used on every occasion, where it is appropriate, to point a finger of shame at even the ugliness of graffiti, and certainly wherever it takes place in the world, the act of violence or terrorism, and that even at the negotiating table, never shall it be forgotten for a moment that wherever it is taking place in the world, the persecution of people, for whatever reason -- persecution of people for their religious belief -- that is a matter to be on that negotiating table or the United States does not belong at that table. (Applause.)

10:30 A.M. EST

Mr. TALISMAN. I am sorry. I wish the distinguished Executive Director could be here. I myself just came from a dentist's chair in an emergency so I am a little woozy.

I am delighted to be here to testify before you, Mr. Chairman, on the fiscal year 1982 Holocaust Memorial—

Mr. YATES. There was a very famous story when John Hay was Secretary of State. Did you hear it?

Mr. TALISMAN. I did indeed.

Mr. YATES. John Hay was Secretary of State and he was visited by Foreign Secretary Wu of China and they had a conference. When they came out Hay was asked about the conference. He said, "Well, I was hazy and he was woozy."

Mr. TALISMAN. I only speak for myself, Mr. Chairman.

Mr. YATES. Go ahead.

Mr. TALISMAN. The appropriation for the United States Holocaust Memorial Council for fiscal year 1981 was \$722,000. We are requesting a net increase of \$78,000 for fiscal year 1982. The following increases are requested: \$64,000 to cover the cost of two additional employees, a full-time deputy director to be responsible for special projects.

Mr. YATES. Two additional employees?

Mr. TALISMAN. Yes, because of something I will explain in a minute: a full-time deputy director to be responsible for special projects and a part-time clerk-typist. \$96,300 represents the first full year of the life of the council after it has been legislated, for fiscal year 1982, and is requested for staffing adjustments, and \$2,200 for other personnel costs. Various program costs which were higher during our activation have been reduced by \$85,100 to assist in offsetting personnel service increases. That represents one additional permanent position, according to the 1982 as compared to the 1981 fiscal year request.

The funds requested will provide for accomplishing the following objectives in fiscal year 1982: The things I will discuss are representative of what has been legislated by the Congress and signed by the President.

Mr. YATES. Are they already in the record?

Mr. TALISMAN. Yes.

Mr. YATES. I would like to have you talk about them.

Mr. TALISMAN. I would like to outline just the sentence description: the Days of Remembrance; establishment of a permanent living museum and memorial complex; the Committee on Conscience. Those are the three areas under which we are legislated and those are the three areas explained in detail in the testimony.

Mr. YATES. If your statement does not contain it, I think it ought to show the members of the Memorial Council.

Mr. TALISMAN. I would be delighted to. I will submit that for the record, yes.

[The information follows:]

THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL MEMBERS

- Mr. Elie Wiesel, Chairman.
Survivor, distinguished author and scholar; served as Chairman of the President's Commission on the Holocaust; New York City.
- Mr. Mark Talisman, Vice Chairman.
Director of the Washington Action Program for the Council of Jewish Federations, and a founder and instructor at the John F. Kennedy Institute of Politics at Harvard University; Washington, D.C.
- Rabbi Joseph Asher, National Vice President of the American Jewish Congress; San Francisco, California.
- Mr. Tibor Baranski, Social Services Department, Catholic Charities, Buffalo, New York; honored by Yad Vashem for his actions saving Hungarian Jews during the Holocaust.
- Mr. Irving Bernstein, National Executive Vice President of the United Jewish Appeal; New York City.
- Dr. Marver Bernstein, President of Brandeis University; Waltham, Massachusetts.
- Mr. Hyman Bookbinder, Washington Representative of the American Jewish Committee, who has also served as Washington Chairman of the Ad Hoc Coalition for Ratification of Genocide and Human Rights Treaties; Washington, D.C.
- Mr. Victor Borge, the actor, long active in Tribute to the Danes, a foundation designed to honor the Danes for their efforts in World War II; Greenwich, Connecticut.
- Dr. Robert McAfee Brown, Professor of Theology and Ethics, Pacific School of Religion; Berkeley, California.
- Professor Harry James Cargas, Chairman of the Department of Literature, Webster College, and author of books on the Holocaust; St. Louis, Missouri.
- Ms. Esther Cohen, Chair of the Simon Wiesenthal Center for Holocaust Studies, member of the Golda Meir Club, a trustee of Yeshiva University; Los Angeles, California.
- Professor Gerson D. Cohen, Chancellor and Jacob H. Schiff Professor of History at the Jewish Theological Seminary of America; New York City.
- Honorable Mario Cuomo, Lieutenant Governor of New York, former attorney and law professor, and a member of the Legal Committee for Soviet Jewry; Albany, New York.

- A. Arthur Davis, Esquire, a Des Moines, Iowa, attorney active in civic and humanitarian affairs.
- Professor Terrence DesPres, Professor of English at Colgate University and author of The Survivor, a study of how people survived the Holocaust; Hamilton, New York.
- Pastor Constantine N. Dombalis, Theologian and Dean of the Greek Orthodox Cathedral, active in the National Conference of Christians and Jews Brotherhood; Richmond, Virginia.
- Mr. Jaroslav Drabek, a survivor, former member of the Underground Czechoslovakia Against Nazi War Criminals, and an attorney who prosecuted Nazi war criminals in Czechoslovakia; Washington, D.C.
- Ms. Kitty Dukakis, President of the National Center for the Study of the Holocaust and Armenian Genocide who was chairman of the Holocaust Subcommittee on Education; Brookline, Massachusetts.
- Professor Willard Fletcher, former Chairman of the History Department at the University of Delaware, and who assisted the Office of the Public Prosecutor in West Germany in gathering evidence against Nazi war criminals; Newark, Delaware.
- Mr. Irvin Frank, Chairman of the Board of Zochrim, Zachor: The Holocaust Resource Center, New York City, and past president of the Tulsa (Oklahoma) Jewish Community Council; Tulsa, Oklahoma.
- Mr. Sol Goldstein, a survivor, a businessman and Chairman of the Chicago Committee for Holocaust Commemoration; Skokie, Illinois.
- Cantor Isaac Goodfriend, a survivor, Cantor of Ahavath Achim Congregation in Atlanta, Georgia.
- Professor Alfred Gottschalk, President of the Hebrew Union College - Jewish Institute of Religion; Cincinnati, Ohio.
- Dr. Irving Greenberg, a rabbi, author, Holocaust scholar, and Director of the National Jewish Resource Center; New York City.
- Professor Raul Hilberg, McCullough Professor of Political Science at the University of Vermont, author of The Destruction of the European Jews; Burlington, Vermont.

- Julian E. Kulas, Esquire, a Chicago, Illinois, attorney and banker, Chairman of the Helsinki Monitoring Committee of Chicago, and of the Interfaith Group of the Jewish Federation of Chicago.
- Professor Norman Lamm, President of Yeshiva University in New York City, an author, lecturer, and rabbi, Director for the Union of Orthodox Jewish Congress of America.
- Mr. Frank R. Lautenberg, President of the United Jewish Appeal, a businessman and philanthropist; Clifton, New Jersey.
- Mr. Miles Lerman, a survivor, businessman, and Vice Chairman of the National State of Israel Bonds; Vineland, New Jersey.
- Professor Franklin Littell, Chairman of the Board of the National Institute on the Holocaust, a professor of religion at Temple University; Philadelphia, Pennsylvania.
- Steven A. Ludsin, Esquire, attorney and investment banker, President of Remembrance of the Holocaust Foundation, on the board of directors of American Friends of Haifa University New York City.
- Mr. Aloysius A. Mazewski, President of the Polish American Congress of Chicago and the Polish National Alliance; Chicago, Illinois.
- Mr. Benjamin Meed, a survivor, businessman, President of the Warsaw Ghetto Resistance Organization; New York City.
- Professor Ingeborg G. Muksch, distinguished professor of nursing at Vanderbilt University, active in community affairs and human rights causes; Nashville, Tennessee.
- Mr. Set Momjian, a human rights activist who was a U.S. representative to the U.N. General Assembly in 1978-79 and White House representative to the Human Rights Commission in Geneva in 1979; Huntingdon Valley, Pennsylvania.
- Father John T. Pawlikowski, Professor of Social Ethics at Catholic Theological Union, a member of the National Conference of Catholic Bishops and the Secretariat for Catholic-Jewish Relations; Chicago, Illinois.
- Rabbi Bernard S. Raskas, Rabbi of Temple of Aaron Congregation in St. Paul, Minnesota, an author on Jewish affairs.

- Mrs. Hadassah Rosensaft, a survivor, lecturer and author on the Holocaust; New York City.
- Mr. Bayard Rustin, President of the A. Philip Randolph Educational Institute; New York City.
- Dr. Abraham Sachar, Chancellor and former President of Brandeis University; Waltham, Massachusetts.
- Edward Sanders, Esquire, attorney and former Senior Advisor to President Carter; Los Angeles, California
- Mr. Julius Schatz, Director of the National Commission on Jewish Life and Culture of the American Jewish Congress, active in various Holocaust organizations; New York City.
- Richard Schifter, Esquire, an attorney and former President of the Maryland State Board of Education; Washington, D.C.
- Mr. Sigmund Strochlitz, a survivor, President of American Friends of Haifa University, where he endowed a chair in Holocaust Studies; New London, Connecticut.
- Mr. Kalman Sultanic, a survivor, Vice President of the World Jewish Congress, Executive Co-President of the World Conference of General Zionists; New York City.
- Mr. Glenn E. Watts, President of the Communications Workers of America; Washington, D.C.
- Mr. Siggie B. Wilzig, a survivor, businessman and a national lecturer on the Holocaust; Jersey City, New Jersey.
- Mr. Eli Zborowski, a survivor, businessman, Honorary President of the American Federation of Jewish Fighters, Camp Inmates and Nazi Victims, and member of the executive committee of Yad Vashem; New York City.

CONGRESSIONAL MEMBERSHouse of Representatives

The Honorable Sidney Yates
The Honorable William Lehman
The Honorable James Blanchard
The Honorable Stephen Solarz
The Honorable S. William Green

United States Senate

The Honorable Henry Jackson
The Honorable Clairborne Pell
The Honorable Robert Dole
The Honorable John C. Danforth
The Honorable Rudy Boschwitz

EX OFFICIO MEMBERS

Department of Education

Department of the Interior

Mr. Russell Dickenson
Director
National Park Service

Department of State

MEMORIAL/MUSEUM

Mr. YATES. You ought to describe also the efforts of the Council to obtain a permanent location.

Mr. TALISMAN. Yes.

Mr. YATES. Can you describe that for the record, please?

Mr. TALISMAN. Yes. Before I do that I think it is terribly important to note that there is another important event that is going on from the standpoint—of this hearing itself: We are the only Western nation, to our knowledge, that has not provided an appropriate memorial and/or museum complex for the victims of the Holocaust nearly 40 years after the tragedies occurred.

Mr. YATES. Do you mean government-sponsored?

Mr. TALISMAN. Exactly. That is why this hearing is terribly important to us and, I think, to the Congress itself. Witness the fact that the Congress legislated on this subject for the first time last year.

The focus of the Days of Remembrance is also important. You, Mr. Chairman, participated in the Day of Remembrance at the White House. It was an historic event, for the first time ever in the White House. Last year it was held in the Capitol under the Rotunda in a joint meeting of both bodies.

Days of Remembrance has been legislated on a permanent basis. The U.S. Holocaust Memorial Council's main function is to acquire an appropriate memorial/museum site in which can go a living museum memorial to those who died in the Holocaust. We have come upon a site which we believe is useful from our standpoint under the aegis of our legislation and is useful for the Government as well.

It is a building that is not now under acquisition nor does any Federal Government agency express its interest in the building, which makes it unique in that respect. It is centrally located to what would normally be the tourist traffic, which is terribly important for the purposes of this function, since we hope that the major result of what we do is to help people understand the meaning of the Holocaust so that it is never to be repeated again. To do that, it must be accessible to the public at large.

Do you want me to detail anything more than that at this point?

Mr. YATES. I do not think so. You have located the building and you have detailed the efforts that you are making in order to try to acquire the building for the memorial.

As I understand it, the building is not in the best of condition.

Mr. TALISMAN. No, it is not.

Mr. YATES. It is being used as a storage space for the General Services Administration at the present time.

Mr. TALISMAN. Correct.

Mr. YATES. And it would require extensive renovation.

Mr. TALISMAN. Correct.

Mr. YATES. I understand that the rehabilitation of the building will be the subject of a fundraising drive through the country and it is expected that the funds that are raised will be used for rehabilitation of the building.

Mr. TALISMAN. Correct, and it is done through a mechanism already established, a private foundation that is not-for-profit, that will be for the purpose of the renovation of the structure. We feel

very strongly about that, as you know, Mr. Chairman, from having guided the original legislation to final passage. Such statements were made on the floors of the House and Senate for good reason. We intend to see that the taxpayer does not bear the burden of the renovation.

Mr. YATES. I have no further questions. Is there an annual report that has been prepared?

Mr. TALISMAN. Yes.

Mr. YATES. Was it by the Commission or by the Council?

Mr. TALISMAN. There was one by the Commission.

Mr. YATES. I think it ought to be furnished to the committee.

Mr. TALISMAN. Sure. I would be delighted to.

I want you to know that what we have tried desperately to do—and I do want to put this on the record—is that we have a very large Council membership, and as a result, since we have subcommittees that are working very actively in the areas that I have designated already, we have tried very much where it is feasible to have those Council members bear their own expenses in the meetings that are held and other costs related to those meetings.

It is a terrific problem, though, and we have reduced costs sufficiently. The problem that we have had which I wanted to explain is that we have been in several transitions, as you know, one from the Presidential commission that was the origin of this council, then waiting for the legislation to go through before any funds were expended, then phasing in staff and having all sorts of problems with regard to the phase-in just because of dates.

I would say that the Interior Department, the Park Service, have been absolutely magnificent in their support of this activity. Because of all of these kinds of technical problems which none of us are expert in, they have handled the transition with a great deal of elegance and a great deal of assistance and sensitivity. I do not want the Congress in any way to feel that we are intentionally doing anything that would make it look slovenly. It has been dates that we have had to meet that are intra-fiscal year problems and we are trying in any way feasible to cut back the public expenditure of funds.

Mr. YATES. The report on site selection by Mr. Talisman, as well as Mr. Freedman's memorandum on the Liberators Conference may be made part of the record. Thank you very much for a very fine statement.

Mr. TALISMAN. Thank you, Mr. Chairman.

[The information follows.]

REPORT FROM SUBCOMMITTEE ON SITE SELECTION

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

by

The Honorable Mark Talisman*

* From meeting transcript of the United States Holocaust Memorial Council, Thursday, April 30, 1981.

The Auditors Building is a rather extraordinary scope of a building, which is a late last-quarter 19th century Dutch design. It is part of a larger complex, the largest part of which is retained by the Department of Agriculture, and is located between 14th and 15th Streets on the approaches to the 14th Street Bridge next to the United States Bureau of Printing and Engraving. There are no claims on the building. It is owned by the Federal Government and is on the same steam system. The part of the complex in which we are interested is utilized solely for storage now, except for one small piece that is used by the Food and Nutrition Service as temporary offices.

There is a total of 40,000 square feet, plus or minus, in which we are interested, with an open area that is appropriate for a memorial outside, in addition to usable space that flows very well on two floors in two separate buildings that lie side by side.

The Mint (the Bureau of Printing and Engraving) is on 14th Street and, as a result, since they have enormous tourist traffic, all of the buses allow passengers, that run in the millions during the summer, to get off for the tours in indentations in the road which continue right up to this building.

The most extraordinary part of this idea is that the buildings are within view of the Washington Monument and the Jefferson Memorial as well as the full landscape of the south lawn of the White House. There is a major subway stop nearby, and around part of the Washington Monument is bus parking. There is parking around the buildings, too, in a limited way, but public access, which is the most important thing in Washington, is fully available to this complex.

There is no claim on the building within the Federal Government. In 1976, the whole structure, including the Agriculture Department's main building, had been tendered to the Congress as a renovation project. The cost, in 1976, of renovating the total structure was \$11 million. Since 60 percent of the total complex is not required by the Council, you can add the cost of inflation and get a potential cost of a renovated structure in dollars for the 1980's. It is a rather extraordinary opportunity.

What we have found, at least from the committees involved on the Hill, is that the building can be transferred. The only interest expressed these buildings, other than the Agriculture Department, which has now ceased, is the Smithsonian. That organization has strongly indicated their support for our activity in that structure and will so state in writing to the Congress and to the General Services Administration which currently retains possession of the building.

Again, this is an extraordinary antique brick original. It is a historical monument in the National Trust, so the exterior must be preserved as it is, which is to the benefit of all of us. The vistas are incredible inside and out for the museum, memorial, archives and library as well as public meeting space.



United States Holocaust Memorial Council

Office of the
Director

May 15, 1981

MEMORANDUM FOR MEMBERS OF THE COUNCIL

FROM : MONROE H. FREEDMAN
 SUBJECT : Director's Report

It is only six months since the Congress enacted our enabling legislation and appropriated our budget for the current fiscal year. Nevertheless, the Council is already in a position at its meeting to decide the two most important issues relating to our highest priority, the establishment of a Memorial/Museum. Those two issues are, first, the identification of the themes to be presented in the Museum, and, second, the selection of a site.

We have also had important and seminal meetings of the Committees on Archives, Development and Budget, and Days of Remembrance, the Subcommittee on Secondary and Elementary Education, and of the Holocaust Remembrance Foundation. In addition, we have succeeded in sponsoring observance of Days of Remembrance throughout the country, with official ceremonies in 29 states and 6 cities. On April 30, 1981, the Council sponsored the first annual Days of Remembrance commemoration in the East Room of the White House with a major address by the President of the United States and Elie Wiesel, Chairman of the Council. The White House ceremony was followed by a commemoration observance in the Foreign Relations Room of the Rayburn House Office Building. These two ceremonies exemplify the support of both the Executive and Legislative Branches of government for the Council's mandate.

Further, we have made considerable progress in planning and arranging for the Liberators Conference, which will be held in the fall of this year at the Department of State (see enclosed memorandum from Susan Medalie). The Liberators Conference will take place in the Diplomatic Rooms, Conference Rooms, and the Auditorium.

Suite 832, 425 13th Street, NW Washington, DC 20004
 202-724-0775

United States Holocaust Memorial Council

April 22, 1981

MEMORANDUM TO MONROE FREEDMAN

FROM: Susan Medalie

SUBJECT: Information Update -- Liberators Conference

Embassies

All nine embassies have been contacted (Australia, Canada, Czechoslovakia, France, Great Britain, New Zealand, Poland, U.S.S.R., and Yugoslavia), appointments made with all except France; and meetings held with seven. The U.S.S.R. will call today to give date for meeting.

Publications

Notices were placed in over 60 magazines, i.e., American Legion, Jewish War Veterans, etc.

Press Releases -- sent out December 12, 1979.

Jewish Press
Regular Press
Newspaper editors
T.V. and radio stations

Responses from publications/press releases

Have received total of 511 pieces of correspondence as of to date -- (i.e., several generals, doctors/nurses, photographers and chaplains).

Facility

Conference will be held October 26 through 28, at the Department of State. Reception will be held in the Diplomatic Rooms. We also have available to us four conference rooms and the auditorium.

Suite 832, 425 13th Street, NW Washington, DC 20004
202-724-0779

THURSDAY, MAY 14, 1981.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

WITNESSES

ROBERT R. GARVEY, JR., EXECUTIVE DIRECTOR, ADVISORY COUNCIL
ON HISTORIC PRESERVATION

JOHN M. FOWLER, GENERAL COUNSEL

THOMAS F. KING, DIRECTOR, OFFICE OF CULTURAL RESOURCE PRES-
ERVATION

JOHN D. McDERMOTT, ASSISTANT FOR POLICY AND PROGRAM DEVEL-
OPMENT

FRANK L. SUMAN, ADMINISTRATIVE OFFICER

Mr. MURTHA. Mr. Garvey?

Mr. GARVEY. Yes sir.

Mr. MURTHA. Is the Chairman with us today?

Mr. GARVEY. Mr. Murtha, Mr. Jenrette is ill in bed and regrets very much that he can't be here, but he has been confined to his bed for two weeks. He started with the flu.

Mr. MURTHA. Do you suppose these hearings do this? He was ill last year, I understand. Do you think these hearings have some effect on his health?

Mr. GARVEY. No sir. They have something to do with mine, but—

Mr. MURTHA. Okay.

Mr. GARVEY. His recent annual report shows that the firm that he heads, DLJ, is responsible for managing \$20 billion worth of assets. If that doesn't make him sick, I don't think this budget will.

Mr. MURTHA. Yes, I can imagine.

The hearing will come to order. Do you have any associates you would like to introduce, Mr. Garvey?

Mr. GARVEY. Mr. Chairman, I have with me four associates whose names appear on our list.

Mr. MURTHA. Identify them for the record so our reporter will know who is where.

Mr. GARVEY. I have Dr. King.

Mr. MURTHA. Dr. King.

Mr. GARVEY. John Fowler, Frank Suman and Jack McDermott. If, as the hearing moves along, we need one of them for some special information, they will join me at the table.

Mr. MURTHA. I would be glad to have them join us right now. It might save a little shuffling round. Why don't you come up here? We have a small audience today.

We have a statement from you, Mr. Garvey. That will be made a part of our record, without objection.

[The information follows:]

STATEMENT OF ROBERT R. GARVEY, JR.
EXECUTIVE DIRECTOR, ADVISORY COUNCIL ON HISTORIC PRESERVATION
BEFORE THE COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON INTERIOR
HOUSE OF REPRESENTATIVES

May 14, 1981

Mr. Chairman and Members of the Committee, I am Robert R. Garvey, Jr., Executive Director of the Advisory Council on Historic Preservation. It is a pleasure to appear before you again in support of the Council's appropriation request for the coming fiscal year.

The Council's fiscal year 1982 budget request of \$1,865,000 represents an increase of \$275,000 above the current year's appropriation. The new level will provide funding for programs required to implement the major revisions to the Federal historic preservation program.

As you know, the Council is an independent Federal agency created by the National Historic Preservation Act of 1966. Our traditional mission has been twofold: to advise the President and the Congress on matters relating to the national historic preservation program, and to oversee the process the Congress devised in 1966 to protect historic properties from needless harm by Federal activities. However, the new legislation expands our role.

It is always a pleasure to be in on the beginning of something big. When I first came before you a few short years ago, preservation activity was beginning to sweep the Nation. There were good reasons for it, perhaps the most important being that the economic advantages of rehabilitation and adaptive reuse were becoming widely known through studies conducted by the Council and others, and this knowledge was being acted upon in cities in many parts of the country. Shift from concern of the few to concern of the many is now complete. Preservation literally has arrived. It is an increasingly important force in American life, as we continue to move from a consumptive society to one that must conserve.

As part of this process, preservation itself has changed. Perhaps Mayor Joseph P. Riley of Charleston, South Carolina, put it best when he said: "Too often preservation has been used to mask a fear of any change. A positive approach employs the preservation ethic as a tool to deal with the city's economic, housing, employment, and esthetic problems." And there is no doubt that preservation is a way of dealing with these issues. For example, a recent report prepared by the Department of Housing and Urban Development concludes that "rehabilitating our cities instead of building new suburbs may consume 45 percent less energy, 50 percent less capital, and create 45 percent less air pollution." Other studies show that preservation in urban areas sharply reduces crime rates. What better arguments could there possibly be for preservation in an energy-short, capital-short, crime-ridden environment?

On December 12, 1980, the Federal program that fosters this activity took another step forward with enactment of new legislation by the Congress. We have an important role to play in implementing it, and we are already restructuring our program to begin to meet the challenge. Our FY 1982

budget request embodies the modest increases that will support new required duties.

I shall let the language of our budget document and our annual report (Report to the President and the Congress 1980) stand as a record of our accomplishments and will not recount in detail what I believe has been a very successful year. Instead I will focus on the need for the Council to implement the major amendments to our enabling legislation and explain how we expect to meet those needs within the limits of the funds requested for FY 1982.

Carefully crafted after several years of study and discussion, the National Historic Preservation Act Amendments of 1980 move preservation in significant directions. They provide greater flexibility in encouraging and assisting in the preservation of historic properties. They give Federal agencies and State and local governments more responsibility in carrying out national preservation goals and objectives. Finally, they provide the Council with new tools in helping these parties to assume their responsibilities and to measure their yearly progress. The thrust of the legislation, then, is toward increased preservation activity nationwide, more decentralization in carrying out the program, and a greater voice in the administration of the program by non-Federal participants. The Council's role is to become teacher, advisor, and catalyst in making this happen.

In our budget justification, we briefly identify and describe 14 significant changes in our law that require new or additional work. With a small budget such as ours, we do not have the capacity to assume many new duties without help. However, we expect to absorb most of them into our base programs. We expect to do this, over time, because the new authorities provide opportunities to reduce our present workload. Much of it involves consulting with agencies under the authority of Section 106 of the 1966 Act when their projects threaten properties included in or eligible for the National Register of Historic Places. Several new authorities provided by the Amendments, if we can exercise them vigorously and creatively, should reduce the number of projects requiring consultation. For example, among our responsibilities is that set forth in Section 202(a)(6) of the Act--to review and make recommendations on Federal, State, and local preservation programs. As noted in our budget justification, although we are seeking additional funds to enable us to review and make recommendations about State and local efforts, we are absorbing the responsibility to deal with Federal programs.

We plan to reorient much of our staff activity toward consultation with agencies to help them improve their methods of handling historic properties. Doing this should make it possible for us to spend less time reviewing individual projects. This programmatic consultation becomes increasingly important as we face the likelihood of a reduced program of preservation grants to the States. As an example, if we spend more time working with the Corps of Engineers to establish general methods by which the Corps will deal with historic properties to be flooded by reservoirs, we should have to spend less time consulting with the Corps about particular undertakings. In carrying out this program we will consult with the Secretary of the Interior in the issuance of agency guidelines, as required by Section 101(f), and consult with pertinent agencies regarding leases and exchanges

of historic properties, and regarding management contracts, as required by Section 111(a) and (c). In the same context, we will absorb costs of developing and implementing procedures for exempting agencies from appropriate parts of the 1966 Act, as directed by Section 214.

The Amendments also direct us to provide for participation by local governments in Council proceedings under Section 106. This is a very important responsibility, which we intend to implement vigorously. This will require extensive consultation with the Department of the Interior, which is directed by the Amendments to develop a system for certifying local governments to participate in National Register nominations and grant-funded surveys, planning, and preservation activities. It will also require considerable consultation with the State Historic Preservation Officers. This activity is something we will absorb, but we expect it to reduce our workload over the long haul. As local governments become proficient in preservation, they will be more able to work creatively with Federal agencies in project planning and reduce the need for Council review.

We will absorb a variety of other responsibilities which we expect to have minor impacts on our workload. This leaves four activities that we cannot carry forward effectively without additional funding.

Therefore, as a result of passage of the National Historic Preservation Act Amendments of 1980 and other new authorities, we request additional funding to undertake the following activities:

1. Provide training to Federal, State, and local officials on their new preservation responsibilities.
2. Provide the President and the Congress with an assessment of the effectiveness of State, local, and private sector programs in carrying out the purposes of the National Historic Preservation Act and recommendations on how to improve the national historic preservation program.
3. Report on the effect of Federal tax laws on historic preservation and how they might be changed to further national preservation objectives.
4. Expedite Section 106 reviews to accommodate MX missile development.

Training

During FY 1981, we developed a training course for those who participate in the Federal impact review process and offered it on a limited reimbursable basis. Circumstances make this course an essential ingredient in implementing the 1980 Amendments.

The Amendments give new or increased duties to all governmental participants in the national historic preservation program, but especially to Federal agencies and local officials. Federal agencies must appoint "preservation officers" to coordinate specifically named historic preservation duties, the performance of which are now explicitly required by law. For the first time, local governments will have an administrative role in the preservation

program authorized by the National Historic Preservation Act. The law allows local governments to be certified to participate in nomination of properties to the National Register of Historic Places, administration of the Federal grant-in-aid program for acquisition and restoration of historic properties, and resolution of all Section 106 cases occurring within the jurisdiction of each. Without training offered by the Council, quick certification will not be possible. Presently, perhaps as many as 700 localities, with help, could qualify for such autonomy.

The 1980 Amendments recognize the value of and necessity for training. The new legislation stipulates training as prerequisite for qualification and in new Section 202(a)(7) directs us to inform Federal agencies and State and local governments of our activities. Based on past experience and perceived needs, we developed a training course that was extremely well-received by initial participants. However, because of financial and administrative constraints, the course did not get the widespread use we had hoped. Funds requested for this activity will enable us to make our course available 13 times on a regional basis at a reduced cost and to develop an additional capsule course to reach a greater number of officials in the cities who urgently need this training. The program envisioned in FY 1982 will allow us to train all Federal Preservation Officers and their key staff members as well as local officials principally concerned with preservation activities in 100 cities.

Assessment and Recommendations for Federal, State, Local, and Private Sector Programs

In amended Section 202(a)(6) of the National Historic Preservation Act, we are required to review the policies and programs of Federal agencies and recommend ways to improve them. The new legislation also amends Section 202(b) to require us to report to the President and to you on present issues in the field of historic preservation and to assess the value of programs of Federal, State, and local governments and the private sector in carrying out purposes of the Act. We plan to include all of this additional analysis in our annual report.

In past years, besides summarizing our own activities, we have attempted in our annual reports to identify problems and describe important events at the national level. This prepares us to undertake the new analysis that we are directed to provide; however, evaluation of Federal, State, and local programs and those of the private sector requires a great deal more work, including developing a methodology and data collecting system for non-Federal programs so that we can assess them. We expect our evaluation and recommendations to lead to a strengthening of the national historic preservation program and the realization of opportunities for its more efficient and cost-effective operation. One example is careful scrutiny of treatment given to archeological resources in Federal project planning. An interdisciplinary Council task force, working closely with the General Accounting Office, reviewed current practices and issued a report including recommendations for action by the Council itself, the Secretary of the Interior, and Federal agencies. A direct result has been the issuing of Council guidelines which will introduce significant cost-savings to the Federal Government by setting a rational framework for decisionmaking on archeological matters. We see many opportunities for similar assessment

and recommendations concerning other aspects of the national effort, particularly the effective participation of State and local governments in the Federal program. We are fully aware, Mr. Chairman, that we received this explicit authority as the result of our successes in doing such analysis in the past--for single agencies and for the whole Federal program--and we intend to continue to be helpful in the future.

As we have noted earlier, we will absorb costs of preparing analysis for Federal programs through reprogramming. To accomplish the rest within personnel ceilings and to use knowledge of State and local and private sector programs already existing, we propose to use funds to permit assignment to the Council of a specialist in these matters under the Interagency Personnel Agreement program. The assessment must be especially exhaustive and precise, because it will be used by the Council to make legislative recommendations and proposals affecting administrative policy.

Tax Study

The new legislation instructs the Council to report to the President and the Congress on Federal tax laws affecting historic preservation. We are also directed to recommend changes in tax laws to further national policy set forth in the National Historic Preservation Act. Those provisions of Federal tax law encouraging the preservation and renovation of historic structures have proved to be very important elements in the national historic preservation program. Since their enactment in 1976, these provisions have generated nearly \$1 billion of private investment in the rehabilitation of historic buildings. The importance of tax incentives will increase as there is less reliance on direct grant programs. Our report, which must be submitted on December 11, 1981, will recommend improvements to laws encouraging preservation as well as review other tax policies discouraging the reuse of historic buildings.

The full cost of the report cannot be borne in FY 1981. We will start the study this year anticipating its completion on schedule in FY 1982 with funding from this request.

MX Missile System

Finally, we request funds to expedite environmental review relating to development of the proposed MX Missile System.

Involving construction of about 29,000 miles of roadway, several hundred missile bunkers, railroads, reservoirs, utility lines, and the like, this system will affect thousands of historic and archeological sites. To expedite this massive undertaking, we recently entered into an agreement with the U.S. Air Force, the Bureau of Land Management, and other appropriate parties. To ensure rapid review of impacts and avoid delays, we are requesting funds to enable one staff member to devote full time to the job.

With additional funding, the total of which comes to \$275,000, we believe we will be able to carry out all of our new duties and continue to work with Federal agencies, State and local governments, and the private sector in furthering the purpose and intent of the National Historic Preservation Act, now a greater force than ever in preserving and protecting our national heritage.

SUMMARY STATEMENT

Mr. MURTHA. If you have a summary, we would be glad to hear it.

Mr. GARVEY. Thank you, Mr. Chairman.

Members of the committee, I am Robert Garvey, Jr., Executive Director of the Advisory Council on Historic Preservation. I am appearing on behalf of Chairman Jenrette, who regrets very much not being able to be here for this hearing. It is a pleasure to come before you in support of the Council's appropriation request for the coming year.

We have been grateful for the assistance given preservation by this committee in past years, under your chairmanship. Preservationists owe you and the members of this committee a great debt of gratitude. Congressional action in developing the amendments to the National Historic Preservation Act shows a perceptive and clear understanding of principles about modern preservation that, sadly, are not always understood today.

These principles are that modern preservation is not primarily concerned with great monuments and house museums, but with the cultural and architectural environment in which ordinary people live, work, and maintain their societal values and that modern preservation does not require keeping every historical building or site intact. Modern preservation promotes good planning to develop reasonable tradeoffs between development needs and the maintenance of a stimulating, supportive cultural environment.

The Council's main business is to provide assistance to the rest of the government in making such tradeoffs. We do this through our advisory role as well as by overseeing the process the Congress devised under Section 106 to promote consideration of historic properties during the planning of federal activities.

To carry out these duties in fiscal 1982, the Council is requesting \$1,865,000, which represents an increase of \$275,000 above the current year's appropriation. The new level will provide funding for a major shift in the role of the Council in the national historic preservation program.

HISTORIC PRESERVATION ACT AMENDMENTS

The amendments of 1980, as you know, moved the program forward. They gave greater flexibility in encouraging and assisting the preservation of historic properties. They clarify and strengthen the responsibilities of federal agencies and state and local governments in carrying out national preservation goals and objectives. They also provide the Council with new tools to help these parties carry out their responsibilities.

We see a trend toward increased preservation activity nationwide, more decentralization in carrying out the program, and a greater voice for non-federal participants in its administration.

With the new authorities given us by the amendments, we will help agencies improve their internal methods of considering historic properties, making it possible for us to spend less time reviewing individual projects. Our aim is to help develop internal agency

systems that will change our review to that of concepts rather than cases.

We will absorb most new responsibilities as detailed in our budget justification. This leaves three activities that we cannot carry forward effectively without the additional funding requested in our fiscal year 1982 budget.

Training is the cornerstone of the new reliance on internal federal agency programs for historic preservation. Federal agencies now must appoint "preservation officers" to coordinate their historic preservation duties. The Council's fiscal year 1982 budget request will permit us to train these officials and their key staff. Likewise, effective participation of local governments requires a thorough understanding of the process. We expect to be able to reach key officials in 100 cities in fiscal year 1982, greatly facilitating the certification of local programs.

The amendments direct the Council to review the policies and programs of federal agencies and recommend ways to improve them. The new legislation also requires that we assess, as part of our annual report, the value of programs of federal, state, and local governments and the private sector in carrying out the purposes of the Act. We view this as an important element to insure that the new directions of the 1980 amendments reach their full potential.

We expect our evaluation and recommendations to lead to a strengthening of the national historic preservation program—

Mr. YATES. Good morning.

Mr. GARVEY. Good morning, sir. And realization of opportunities for its more efficient and cost effective operation.

While we will absorb costs of federal program analysis through reorientation of staff responsibilities, additional funds are required to appraise state and local and private sector programs.

One of the most important new charges is the report on federal tax laws affecting historic preservation and recommendations of changes to further national preservation policy. Current provisions of federal tax law encouraging the preservation and renovation of historic structures have had significant effect, having generated nearly \$1 billion of private investment in rehabilitation since 1976. Such techniques will be even more important as direct grants are scaled down.

The budgetary burden of this important study is nearly unbearable, as we have received no supplemental funds for fiscal year 1981. Reprogramming will allow a start this year. Our fiscal year 1982 request would fund the completion of the study.

A final increase in our budget does not relate to the new amendments. These funds are to expedite review relating to development of the proposed MX missile system. To expedite this massive undertaking which will affect thousands of historic and archeological sites—

MX MISSILE SYSTEM

Mr. YATES. What do you have to do with the MX missile system?

Mr. GARVEY. Our role, Mr. Chairman, is to review those situations where that system will affect historic properties, and archeological sites.

Mr. YATES. How much money do you need for that?

Mr. GARVEY. We have requested \$40,000 and one staff person.

Mr. YATES. For all that? MX is big isn't it?

Mr. MURTHA. It sure is, Mr. Chairman, it will probably cost \$100 billion.

Mr. YATES. And you are going to review all that property with one man for \$40,000?

Mr. GARVEY. Mr. Chairman, the arrangement that we are working out with the Air Force is to have one person on our staff who will help them to ensure that their own system is working to identify and protect historic sites. This involves coordination with other federal agencies than the Air Force, particularly the Corps of Engineers, and the states and local communities, in developing early surveys and studies to ensure consideration of the sites as the work on the system goes along.

Mr. YATES. Okay.

Mr. GARVEY. We will not do all the monitoring.

Mr. YATES. All right.

Mr. GARVEY. But we do need a person to see that it is done pursuant to the agreement that we have on the drawing board at the moment with the Air Force.

Mr. YATES. He has to be a pretty fast mover, doesn't he?

Mr. MURTHA. You would think the Defense Department would pay for that.

Mr. YATES. I would think so, yes.

Mr. GARVEY. Well, that question has arisen. And in all of the environmental reviews that are connected with the MX, the Air Force is taking the position that the people having the basic reviewing responsibilities provide the funding.

Mr. YATES. There isn't enough money in the MX appropriation for \$40,000 and a person, is there?

Mr. MURTHA. I could see why the Air Force would take that position.

Mr. YATES. Go ahead, Mr. Garvey.

Mr. GARVEY. Let me say that, if our request for funding is denied, we will do what we can to get the Air Force to pay for it. However, there have been other occasions where the committee has reminded us that this kind of reimbursable thing is not the best way to approach our responsibilities, and that is what we are doing in this case.

Mr. MURTHA. The only problem with that is you will have more of a chance getting the money, with the spending the way it is this year, compared to getting it from this committee, which is so constrained by the President's policies.

Mr. YATES. That is true.

Mr. GARVEY. Well, we are talking about the President's budget, as it was submitted, which does in fact include this increase. Obviously, the wisdom of the committee will prevail.

SUMMARY STATEMENT CONTINUES

In understanding the benefits that derive from historical preservation activity and in looking to an improved and more effective national program, it is well to recall that the National Historic Preservation Act was created to deal with the set of circumstances

in the mid-1960s. The face of America was undergoing rapid change.

We were building as we never had before, and in the process some of our heritage was being lost. To remedy this, the Congress devised a system to make it possible for development to proceed without destroying significant historical and cultural properties.

The Section 106 process involves negotiating by the Council and State Historic Preservation Officers with federal agencies to blend old and new. It has saved thousands of historic properties from unwarranted demolition and impairment. It has also resulted in decisions that historic properties must give way to more pressing social and economic needs. It has been a process of give and take in the public interest.

Since 1966, preservation itself has changed. It is no longer the passion of a few but the interest of many. It is more concerned with neighborhoods and communities than individual structures, and it has become a strategy for renewal that is being adopted by citizens and governments throughout the country.

I might pause and recall Secretary Watt's remarks to the National Trust last week when he concluded his speech by saying that "Preservation was basically something that had really come into the mainstream of America," and that is exactly what we are alluding to here.

There are good reasons for this, perhaps one of the most practical being the cost savings of rehabilitation and adaptive re-use over new construction in today's energy short environment. In our Report to the President and Congress, 1980—and we have copies of that report here for members of the committee, we document the popularization of preservation. It is an increasingly important force in American life, as we continue to move from a wasteful society to one that must conserve.

The value of preservation activity in these times is quite succinctly stated in a recent report of the Department of Housing and Urban Development. It concludes that rehabilitation of our cities, instead of building new suburbs, may consume 45 percent less energy, 50 percent less capital, and create 45 percent less air pollution.

These facts have special meaning for government today, for as we pursue economic recovery, we need to conserve what we have so that we can invest our enterprise and capital in developing better ways of meeting the challenges of the 1980s. It is not wise to tear down reusable structures and waste the energy and capital that would be used creatively to help get this country going again. To be able to invest in the future, we must make the best use of the investments made in the past.

Mr. Chairman, as we face the future, the Council is encouraged by the new opportunities provided in the amendments to lead the national program in positive directions. We believe that increased reliance on federal agency historic preservation programs and greater decentralization of preservation decision-making to the states and localities are essential for the long term vitality of the program.

It will be indeed unfortunate if economic constraints put limits on vigorous pursuit of the amended program. However, the Council

is prepared and committed to initiate its share of the responsibilities with all of our available resources.

Thank you very much.

Mr. YATES. That is a good statement, Mr. Garvey. We are glad to see you again.

Mr. GARVEY. I am pleased to be here, Mr. Chairman.

APPOINTMENT OF A NEW COUNCIL

Mr. YATES. When are you going to have a new Council in place?

Mr. GARVEY. Any moment.

Mr. YATES. Then we will just have to hold ourselves in readiness for that time, is that right?

Mr. GARVEY. The deadline is June 12th, and we have established that date for the meeting of the reconstituted Council. The White House Appointments Office advised me by telephone that they expect the announcement to be made no later than the last week in this month.

Mr. YATES. Will the smaller Council be better or worse for your business, do you think?

Mr. GARVEY. I think the restructuring that the Congress has given us is going to be a plus, Mr. Chairman. Nineteen people around one table work more easily than 29. We have a new level of participation required by the law which will suggest, I think, that our meetings will be two hour meetings instead of two day meetings.

Mr. YATES. Are two hour meetings enough?

Mr. GARVEY. By that, I mean it will result in a larger preparation process, more option papers, where busy people at the assistant secretary level will be able to pursue the business quickly, rather than just becoming entwined in some of the lengthy and drawn out debates that the Council engaged in in years gone by.

COUNCIL-INTERIOR COORDINATION

Mr. YATES. How are you and Interior going to coordinate the federal programs? Have you worked that out yet?

Mr. GARVEY. We are working very closely with Russell Dickinson as he devises the plan for incorporating the responsibilities of the Secretary back into the National Park Service from the other agency that will soon expire.

Mr. YATES. Then you don't have a scheme of coordination laid out yet?

Mr. GARVEY. We do not, because it has not yet been disclosed precisely how the line responsibilities will be established within the National Park Service.

Mr. YATES. When do you anticipate that being done, or shall I ask him the question?

Mr. GARVEY. I think the final date was set for May 31st, Mr. Chairman.

FEDERAL AGENCY PRESERVATION PROGRAMS

Mr. YATES. He is coming in next week. We will ask him the question, too.

How are you going to implement Section 202(a)(6), which calls on you to review the policies and programs of federal agencies and recommend to such agencies methods to improve their effectiveness—you better put that in the record. That is going to be a long discussion, isn't it, or is it?

Mr. GARVEY. I have what I call an assessment plan, because that Section and Section 202(b) call for the Council to look at agency policies and actions in the context of the Act, and to report on that annually. I will be glad to put a more lengthy discussion in the record.

[The information follows:]

STATEMENT ON COUNCIL/FEDERAL AGENCY COORDINATION

Section 202(a)(6) directs the Council to review the programs and policies of Federal agencies and make recommendations as to how they may be made more effective and better coordinated with the provisions of the Act. This is a very important mandate to us, particularly when viewed in the context of the requirements placed on Federal agencies by Section 110, and the requirement for Council comment on Federal undertakings established by Section 106. Theoretically, if agencies effectively carry out their Section 110 responsibilities, the need for Council comments on a case-by-case basis to ensure that agencies really do take into account the effects of their undertakings, as Section 106 requires, should greatly diminish. Section 202(a)(6) gives us the basis for working with agencies in developing their internal preservation program, and as these programs develop, decreasing our participation in review of individual undertakings under Section 106.

I am proposing to the Council that we redirect the work of our staff toward consultation with agencies, under Section 202(a)(6), to help them develop strong, positive internal preservation programs. I believe this can lead to a revision of our present Section 106 process, to recognize the responsibilities given agencies by Section 110, and to emphasize programmatic consultation under Section 202(a)(6) rather than case-by-case consultation under Section 106.

In short, then, we hope to shift our emphasis away from case-by-case review and consultation, toward assisting agencies in program development and improvement. Section 202(a)(6) also must be viewed in relation to Section 202(b), which directs the Council to evaluate Federal agency (and other) preservation programs and report to Congress. We view this evaluation responsibility as an important addition to the review and recommendation activities carried out under Section 202(a)(6). It gives us the ability to highlight for Congress, the Executive Branch, and the public those agency programs that are doing particularly good jobs in keeping with the intent of the Act, and on the other hand to identify problem areas that only Congress or the President can address. Unlike the ongoing staff functions relating to Section 202(a)(6) reviews and recommendations, however, formal evaluations under Section 202(b) will be adopted only by act of the Council itself and not be simply staff actions.

Mr. YATES. We ought to have a statement on how you propose to work with the various agencies with whom you are supposed to coordinate.

Mr. GARVEY. Let me make one remark with regard to this.

Mr. YATES. Sure.

Mr. GARVEY. First, the Council, at its first meeting will be offered a plan for doing these assessments and recommendations. It is my intention to recommend to the Council that any decision regarding performance of an agency or evaluation of an agency will be a council action, not something delegated to the staff. I think it is very important that these assessments be the product of the membership of the Council, rather than delegated to a staff assessment.

Mr. YATES. How long will the agencies take to improve their historic preservation programs? Are the plans that they have been submitted to you yet?

Mr. GARVEY. Mr. Chairman, there are a number of agencies that are well along with what we would consider to be—

Mr. YATES. Good programs?

Mr. GARVEY. Good programs, because they have been doing this under an Executive order of 1971 that you may have recalled, the number is 11593. What the amendments of 1980 did was pretty much take that Executive order and put it into legislation. The Executive order was not as complete or as precise as the legislation, but that was the base upon which federal agencies were building.

COUNCIL AUTHORITY

Mr. YATES. Do you have any authority to enforce your mandates, if you can call them mandates, or your suggestions?

Mr. GARVEY. In the amendments there are certain authorities which require an agency to perform in a manner to which they have committed themselves.

Mr. YATES. What if they don't do it? What can you do?

Mr. GARVEY. We have not faced that yet, Mr. Chairman.

Mr. YATES. Shall I save that question for next year?

Mr. GARVEY. I would be happy to ask my General Counsel to respond to that.

John?

Mr. FOWLER. Under the Act, we have the authority to undertake litigation to ensure that procedural requirements which agencies have to comply with are indeed complied with. Normally, we work closely with the Justice Department, if there is any alleged violation of the Preservation Act by a federal agency. We have not gone to the point of actually instituting suit on our own. We usually work it out through the administrative process with the assistance of the Department of Justice because Justice is interested in ensuring that the federal agencies are indeed carrying out their legal responsibilities.

But I should emphasize that the responsibilities are strictly ones of procedure, to ensure that agencies consider historic preservation values in planning. Once that consideration has been properly done, the agency is free to make its final decision based on its mission and other public interest factors.

Mr. GARVEY. We will be happy to have the question next year as well.

Mr. YATES. Is the work of your agency more complex because of the necessity for consultation with so many federal agencies, or is it what you have been doing right along?

Mr. GARVEY. We have done that to a degree. But as I said in my summary, the nature of preservation is changing a good bit. We find now in, well, the MX, for example, we will be dealing with multiple federal agencies. We will be dealing with multiple states. Obviously, when you get more than one on one negotiation going, it gets to be somewhat more complex. We have adjusted to that, and I think it works.

The consultation process, Mr. Chairman, is one that is absolutely vital to protecting resources in this country. This produces decisions that grow out of discussions among the Federal agency, the advisory council, the State Historic Preservation officers, local

people, and local governments. And we frequently arrive at consensus and compromise decisions.

Where someone will have a plan initially to demolish a historic property, the consultation process may very well disclose that rehabilitation and retention of the resources are the wiser course of action, and that is what finally results. Consultation is part of the Council commenting exercise that is absolutely vital to saving historic properties.

COUNCIL TRAINING COURSE

Mr. YATES. A new initiative for fiscal year 1982 is the offering of a training course to acquaint Federal, State, and local officials with the Federal environmental review system for historic and cultural properties. For this you have requested \$68,000. What has been the extent of your training program in past years? What other alternatives did you consider to train Federal, State and local officials? Describe the training program you are proposing for fiscal year 1982.

Mr. GARVEY. In fiscal year 1978, responding to the need for a training program explaining the applicability of historic preservation laws to Federal projects, we contracted with Harbridge House, Inc., to develop a course for agency officials, applicants for Federal assistance, State Historic Preservation Officers, and other whose work required a thorough understanding of the process and its underlying concepts. In April and August 1979, the contractor conducted pilot sessions in the District of Columbia and Montana. We then contracted with Harbridge House to teach the course to groups of 30, guaranteed by a local sponsor. Under this arrangement, the contractor conducted sessions for the States of Montana, New Mexico (2), for New Jersey, (in cooperation with HUD), and for the Soil Conservation Service and the Geological Survey. As the program progressed and we assessed participant evaluations, it became evident that we needed to shorten the course, reduce the cost, and make it available on a regularly scheduled basis to individual registrants. In order to do this, we revised the instructional material and persuaded the Office of Personnel Management to include the course among its many offerings on a joint sponsorship basis.

It has always been our conviction and experience has shown that training of project officials saves time in the processing of undertakings and reaps additional benefits in smoothing later negotiations; consequently, the new emphasis on training in the National Historic Preservation Act Amendments of 1980 was heartily welcomed. In fiscal 1982, we propose to orient as many of the new players in the game as possible; namely, the newly created Federal Historic Preservation Officers and the city planners who will be responsible for preservation activities in cities seeking certification for independent exercise of judgment under provision of the 1980 Amendments. Funds requested will permit training of approximately 260 planners and officials at an average cost of \$50. Funds will also make it possible for us to develop a capsule course to give in conjunction with State and local governmental conferences, meetings of contractors, and the like.

The alternative to training of this sort is on-the-job experience, but this is gained only at the expense of project time, and while inflation continues and undertakings referred to the Council become more complex due to a variety of causes, the time factor become more and more of a critical element in project success. The small investment in training will save thousands of dollars in project time.

HISTORIC AND NATURAL LANDMARKS

Mr. YATES. One of your functions is to advise the Secretary of the Interior about threats from mining to national historic and natural landmarks. What is the status of your communications with the Secretary about the Alton mining proposal?

Mr. GARVEY. I am sorry, I do not know that. I will be pleased to supply it for the record.

[The information follows:]

ALTON MINING PROPOSAL

Under Section 9A of the Mining in National Parks Act, the Council offers recommendations to the Secretary whenever he determines that a National Historic Landmark or National Natural Landmark is threatened by surface mining activity. Accordingly, the Council only provides its advice when the Secretary requests it. The Secretary has not requested our recommendations on the Alton mining proposal; in fact, your mention of the proposal during the hearing was the first time we had heard of it. We are presently unaware of any designated National Historic Landmarks or National Natural Landmarks that are potentially threatened by the Alton Mining Proposal.

Mr. YATES. If there were consultations with the Secretary about this, you would know about it, wouldn't you? Who would be having the discussions with the Secretary on this?

Mr. GARVEY. It is possible Dr. King may know something about that. But I don't think that has come to our attention from the Secretary's office.

Mr. KING. No, we have had no contact from the Secretary's office with respect to anything called the Alton mining proposal.

COUNCIL ROLE REGARDING MX MISSILE DEPLOYMENT

Mr. MURTHA. Mr. Garvey, I wonder if we could discuss the MX missile system. I am still confused about what you would do. I understand what you said, but I can't imagine \$40,000 in such a massive project. What would your agency do in conjunction with the planning of the MX? Obviously, you will be involved in the planning stage.

Mr. GARVEY. Let me ask Dr. King to speak to that, Mr. Murtha, because he has been the principal in dealing with the Air Force on developing our memorandum with them on how our review and comments would work.

Mr. MURTHA. This is a requirement under the environmental impact statement, is that the idea? Is that how you are involved in it? Why is historic preservation involved?

Mr. GARVEY. Well, the MX missile system is a federal undertaking.

Mr. MURTHA. Yes.

Mr. GARVEY. And all federal agencies are, by law, required to allow us to comment on their undertakings which affect historic resources.

In the case of the MX missile system, it would be a sheer impossibility to look at every single site that is going to be affected, even if we put our entire force into the field. So what we have done, with the Air Force is structure a system whereby they will do their own studies with appropriate professionals, and when something is encountered that needs special attention, we will have a person who can react with them.

Mr. MURTHA. Are you saying if you get a complaint, somebody raises the question, you will then respond?

Mr. GARVEY. Let me ask Dr. King to be more precise than I can be about exactly how the system will work.

Mr. KING. Mr. Murtha, we have a memorandum of agreement with the Air Force that tasks them with establishing a system to, first, identify historic and archeological properties that may be subject to effect, then to try to design the system so as to minimize damage.

Mr. MURTHA. Do they hire consultants to identify them?

Mr. KING. That is right. Then the agreement has them do various kinds of data recovery on anything that can't be protected and that is worth doing something to.

Mr. MURTHA. Why wouldn't this agency do that kind of work?

Mr. KING. The Advisory Council?

Mr. MURTHA. Why wouldn't you act as the consultant to the Air Force?

Mr. KING. It would be impossible with our million and a half dollar budget.

Mr. MURTHA. How much would a consultant cost?

Mr. GARVEY. Let me interject here. The requirements of the amendments of 1980 put the burden on the federal agency to secure that information. If the Air Force came to us and said we would like to—

Mr. MURTHA. Contract with you?

Mr. GARVEY. [continuing]. "Transfer enough money to you to survey these three states," I think we would advise them to work with the Secretary of the Interior, who has the responsibility to establish the criteria for such surveys.

Mr. MURTHA. I see. So it would be inappropriate for your agency to identify—

Mr. GARVEY. That is correct. Our role is to ensure that once the Air Force has identified MX sites, they consider historic resources whenever they plan a road, a launch pad or, whatever it is that is going to affect the site, if that is feasible and not excessively costly. Or, if it must be destroyed, that they record whatever information that is there, whether it be a structure, artifacts, or what have you.

Mr. MURTHA. Who makes that decision? Do you make that decision and then you advise the Air Force of your recommendation of whether it should be preserved or destroyed?

Mr. GARVEY. Built into the memorandum of agreement is the presumption that, if the resource can be protected, if it can be

avoided without critical changes in the plan, that is what they will do. If they determine that it cannot be avoided, they develop—

Mr. MURTHA. When you say "they determine" who is "they"?

Mr. GARVEY. The Air Force.

Mr. MURTHA. That is what I am asking. Do you make the determination, or does the Air Force?

Mr. GARVEY. The Air Force.

Mr. MURTHA. What is your role?

Mr. GARVEY. Our role is ensuring, first, that they give consideration to the site, after having located it.

And secondly, that if they make a decision to mitigate adversity by avoiding—

Mr. MURTHA. I am confused. If they identify the site, then what is your role?

Mr. GARVEY. Our role is to stand by until they have decided what they are going to do about the site.

Mr. MURTHA. How would they make that decision? They don't ask for your advice in making that decision.

Mr. GARVEY. Well, if it is an archeological site, we have guidelines on how to treat them and those guidelines might be the basis for the agency's decision. There are other standards that have been developed by the Secretary of the Interior, and some agencies have developed their own standards to measure mitigation against.

Mr. MURTHA. I don't want to prolong this, because it is such a small item. I am confused about who makes the decision and what your role is in making the decision to preserve or avoid or destroy the particular site that has been located by somebody else. Would you provide an answer for the record?

Mr. GARVEY. We will be pleased to put something in the record. [The information follows:]

COUNCIL RESPONSIBILITY

The Council reviews and comments on Federal, federally assisted and federally licensed activities that affect properties on, or eligible for the National Register of Historic Places. This is normally done through consultation leading to a Memorandum of Agreement that stipulates what will be done to avoid or mitigate adverse effects. In the case of a huge, fast-track project like the MX, which will affect thousands of historic properties, we often reach a "programmatic" Memorandum of Agreement, which establishes a complete program for the orderly identification of such properties and for careful decisionmaking about how to treat them.

The Programmatic Memorandum of Agreement we have entered into on the MX, in brief, provides for the following:

1. As it moves toward selection of the area in which the MX will be deployed, the Air Force will do preliminary archeological and historical surveys, and establish standards and plans for further more detailed work, in accordance with existing guidelines, and in consultation with the Council, Bureau of Land Management, and State Historic Preservation Officers.
2. When the general area of deployment has been selected, more detailed studies are to be done in order to identify particular areas (specific archeological sites, valleys with strong potential for containing very significant sites, known historic structures) that should be avoided. To the extent feasible, these are avoided in selecting specific locations for MX facilities.
3. When specific facilities (shelters, roadways, railroads, bases, etc) are designed, detailed surveys are done to find any remaining historic properties. These are avoided in project design if possible. If they cannot be avoided, but must be damaged, or left open to vandalism or other forms of uncontrolled disturbance, full records are made of them, and archeological salvage research is done where appropriate.
4. The Air Force and the Council have also agreed to work together as members of the Economic Adjustment Committee for the project, to try to make sure that "boom town" effects in the deployment area are controlled in such a way as to do minimum violence to the historic and cultural character of the area's communities. Since a large number of agencies are involved in the EAC, it is not yet clear how successful this effort will be.
5. The entire implementation of the agreement is undertaken with the advice and assistance of a professional review committee reporting to both the Council and the Secretary of the Air Force. The Air Force, however, has the ultimate authority and responsibility for decisionmaking.

The funds sought by the Council for FY 1982 are to support a staff member to work with the professional review committee and the Air Force to ensure that the historic preservation work is properly coordinated and moves forward smoothly. Already there have been significant coordinative problems, and the Council's Office of Cultural Resource Preservation finds itself spending a considerable amount of time receiving complaints, referring them, seeking answers, and trying to bring disputing parties together to resolve conflicts. Assuming the project continues, when it moves into high gear this coordinative function will definitely be a full-time job.

Mr. GARVEY. But let me recall for you the language of Section 106 under the Preservation Act. That is the authority we use in this case. That says that the federal agencies shall take into account the effect. So it is the agency's responsibility to find and to make these decisions, taking into account the resources. That is what we deal with. If they make a bad decision, we try to improve it, by persuasion and consultation—and when I say bad decision, I mean one that doesn't give some modicum of protection to the site, either by retention or recordation.

Mr. MURTHA. They make the decision, and you are merely an adviser who acts to interpret the congressional intent of the law?

Mr. GARVEY. That is correct.

HISTORIC PUBLIC BUILDINGS

Mr. YATES. You have some arrangement with GSA on the availability of historic buildings. GSA doesn't want to pay for the service anymore, do they?

Mr. GARVEY. Mr. Chairman, under the Public Buildings Cooperative Use Act, GSA was to come to the Council for advice regarding the availability and suitability of buildings. They did this for some years, reimbursing us at the rate of \$90,000 per year. In fiscal year 1981, they declined to provide those funds.

We advised GSA we could no longer provide the services we are required by law to do simply because we had no money to do it. OMB denied us the privilege of putting that in our budget, and to be quite frank and honest about it, I think the provision in the amendments of 1980 catch up on that. Section 110 of that law states that federal agencies shall make every possible effort to use historical buildings whenever possible. I think that GSA will be obligated under the amendments to proceed with the requirements that were anticipated in that legislation some five or six years ago.

These are some of the very sophisticated and very fine parts of the amendments that give that responsibility right back to GSA.

Mr. YATES. So they are going to do it themselves?

Mr. GARVEY. I think if the provisions of that law are fully implemented, that is correct.

ENERGY PROJECTS

Mr. YATES. What about the question of expediting the development of energy projects? Are you going to have an increased workload on this in 1982? What are you doing about that now?

Mr. GARVEY. Let me ask Dr. King to respond to that, again, if I may, please.

Mr. KING. The system we use with major energy projects, Mr. Chairman, is very much like what we are trying to use with the MX, where rather than waiting for an impact to be eminent to a particular historic property, we try to sit down with whatever regulatory agency is involved—with BLM if it is issuing the permit, for example and the companies and the states that are involved, and establish a system for the entire project, be it a major pipeline or major strip mine or whatever.

We reach an agreement about how the system will work. Then our function becomes one of general monitoring. Theoretically this

ought to keep the workload from becoming impossible for us and create just a more systematic, a more crisis-free way of dealing with these kinds of projects.

Mr. YATES. How many are you dealing with now?

Mr. KING. At the moment, we have six major programmatic memoranda of agreement on major energy projects that are now functioning.

Mr. YATES. Can you give us an example of what you mean by an energy project?

Mr. KING. Sure. The Northern Border Pipeline, part of the Arctic natural gas transportation system, is now underway. We have a memorandum of agreement on it, and the system is operating.

Mr. YATES. How do you work with something like that? Is this a question of not destroying Indian graveyard relics, or something similar?

Mr. KING. Archaeology tends to be the major problem with projects of that kind.

Mr. YATES. How do you relate to that? What do you do? Here the company wants to go ahead and build its pipeline. It lays out its plan. Does it then submit the proposed layout to you?

Mr. KING. We get into it at the point when the company still has a number of options as to exactly where the pipeline is going to go. They will typically have a corridor that may be two miles wide, and the pipeline can shift based on environmental factors, whether they can get access to the land, and things like archeological sites. We try to set up an arrangement whereby the surveys will be done to identify significant sites in advance of the implacement of the pipeline, and then if possible, the pipeline will be designed to simply avoid the sites.

If it can't avoid them, then provision will be made for excavation and recovery of the important information, or in the case of Indian graveyards, recovery of the graves and relocation in accordance with the wishes of whoever may be related to the people.

COUNCIL WORKLOAD

Mr. YATES. Are you required to be consulted with the construction of every federal project?

Mr. KING. Yes, every federal project that has any potential for impact on historic or cultural properties.

Mr. YATES. How do the federal agencies know whether they are going to impact on historical properties?

Mr. KING. They have to get out and identify them in consultation with the state historic preservation officer and with other experts. Typically this happens during their environmental review period when they are working on their EIS preparation, whatever other environmental documents that are involved. Hopefully, they will do surveys and identify whatever is there.

Mr. YATES. Is this true of the Forest Service, too, as far as logging roads and cutting trees?

Mr. KING. Yes.

Mr. YATES. Aren't you swamped?

Mr. KING. We have a very heavy workload. We have a number of systems to try to factor out the relatively simple cases, the ones

that don't involve major impacts. We try to work on a programmatic basis with the agencies to let them take care of as much as possible without having to come to us on each and every case. But it does create a very considerable workload.

Mr. YATES. How many applications do you have pending in your office?

Mr. KING. That figure is in our budget justification.

Mr. YATES. I know it is. Do you want to repeat it for me by pulling it out of the justification?

Mr. KING. In terms of how many we have right now in front of us, of course that varies from day to day.

Mr. YATES. Sure.

Mr. KING. As you can see from the table on pages 16 and 17, we have approximately 3,000 per year that come to us in one form or another.

Mr. YATES. How much of a staff do you have for dealing with this?

Mr. KING. Right now the actual people reviewing these cases, we have about—we just lost somebody—about 15 people.

Mr. YATES. Can you do more than give it a cursory examination?

Mr. KING. Many of the cases we do give only a cursory examination. These are those that are indicated on the table as projects screened. These are situations where the agency will come to us and it appears that they have the situation in hand, that there is no apparent major impact that is going to take place, and we simply offer them some general advice about how best to proceed, make sure they are in touch with the state preservation officer and let it go at that.

On other cases—this table also shows this year we are dealing with about 200 memoranda of agreement. These are the most complicated of the cases, the ones that involve significant impacts and bring us to an actual lengthy—lengthy being perhaps two weeks, perhaps six months—consultation with an agency, leading to a consensus.

So the cases fall out at different points, depending upon their complexity.

HERITAGE CONSERVATION AND RECREATION SERVICE

Mr. YATES. Do you have any impact with respect to the HCRS groups themselves? Do you work with HCRS?

Mr. GARVEY. We do.

Mr. YATES. What is your impression of the proposal to rescind the \$8 million that we didn't accept? Are you aware of it? Not our \$8 million, but HCRS's \$8 million?

Mr. GARVEY. That was the rescission for fiscal 1981?

Mr. YATES. That is right.

Mr. GARVEY. I guess my impression, Mr. Chairman, was that it was relatively late in the year when states had been anticipating this and had been working—

Mr. YATES. So it would have worked a hardship?

Mr. GARVEY. It seemed that the timing made it very difficult for the states.

Mr. YATES. Should I be asking you a question about money for the states in fiscal year 1982, or should I be asking HCRS?

Mr. GARVEY. You should be asking HCRS. However, I would be pleased to respond, if you chose to ask a question.

Mr. YATES. Are you going to get in trouble with OMB if I ask you the question?

Mr. GARVEY. I don't think so.

FISCAL YEAR 1982 FUNDING TO STATES

Mr. YATES. I will ask you the question. Do you think the states should be given any money for their actions in 1982?

Mr. GARVEY. Mr. Chairman, the Preservation Act amendments give the Secretary of the Interior a number of responsibilities that have to do with listing historic sites, discovery, technical assistance, and whatnot. It has been our experience that this system put into being many years ago, doing these things with the state preservation officers, was the system that worked.

Secretary Watt—I have talked about this publicly—has made assurances that the Department of the Interior will continue to maintain the National Register. I fail to see how that can be done as effectively as it has in the past without the states being the sort of partner-participants that have been in years gone by.

Consequently, I think lack of funding is going to make a great deal of difference. Our own experience, I think, is that if states are not able to maintain a preservation officer or office, the consultations which I spoke about a moment ago as being very beneficial to the protective process will not be of the same high caliber. We will not have access to state and local governments, nor the private sector to the same extent.

Mr. YATES. How important are the surveys the states are doing to your program?

Mr. GARVEY. They are critical to our program.

Mr. YATES. Are they? In other words, if the states don't keep on doing that work, you are going to be crippled?

Mr. GARVEY. You asked the question a moment ago, how does an agency start in this whole business of discovery and learning what is there. And the first thing they do is to read the National Register. If there is nothing listed in the National Register, the next thing they do is ask the state preservation officer. If that officer has a large inventory that has evolved out of surveys done with federal assistance, then the federal agency asks him the question and gets the answer. The whole review process moves much more quickly if there is a good state inventory in hand.

Mr. YATES. If the states don't get federal funds next year, is the historic preservation program likely to be crippled?

Mr. GARVEY. I don't think it would be reasonable to say it would be crippled. I think it would be impaired, especially from a time standpoint, because if the Secretary of the Interior has to devise other methods, or if federal agencies who must have this information, have to go to other sources for it, the information will not be as readily available.

REPROGRAMMING

Mr. YATES. Your justification says:

Through reprogramming the Council intends to absorb the costs of preparing assessments and recommendations concerning federal programs.

What programs are going to be reduced to accommodate this change?

Mr. GARVEY. It is our hope that through dealing with agencies in a programmatic fashion, which is part of this assessment, we will be able to reduce our case by case review in a number of instances. The time we gain and the experience we gain in working with agencies in that fashion will be the reprogramming that I had reference to in that remark.

TAX STUDY

Mr. YATES. Are you doing any original research, or putting together a catalog of tax incentives from other sources?

Mr. GARVEY. We are not at the moment.

Mr. YATES. All right.

Mr. GARVEY. We are mandated by law to have a tax study completed by December the 12th in this calendar year.

Mr. YATES. You are going to have to work fast then.

Mr. GARVEY. It is most unlikely it will be done.

Mr. YATES. Why is that?

Mr. GARVEY. Well, first, we have no funds. The two partners that the law gives us, Interior and Treasury, have not been forthcoming with real assistance. And, Mr. Chairman, I think it is fair to say that the pending reforms that may come out of the Congress this year will have such a tremendous impact that any work that was done while those reforms were being developed would be superfluous work. Better that it be done after the Congress has taken its action.

At our meeting on June 12, of the new Council, I will suggest that we ask the Congress for that deadline to be waived and pushed back a little bit in anticipation of the changes in the tax reform so that whatever our work is will be meaningful.

Mr. YATES. What about the water resource procedures? Are you going to do any this year?

Mr. GARVEY. We have integrated those into our regular review process.

Mr. YATES. Any questions, Mr. Murtha?

Mr. MURTHA. No questions, Mr. Chairman.

Mr. YATES. Thank you very much, Mr. Garvey.

THURSDAY, MAY 14, 1981.

WOODROW WILSON INTERNATIONAL CENTER FOR
SCHOLARS

WITNESSES

JAMES H. BILLINGTON, DIRECTOR
PROSSER GIFFORD, DEPUTY DIRECTOR
WILLIAM M. DUNN, ASSISTANT DIRECTOR FOR ADMINISTRATION

Mr. YATES. Mr. Billington, are you ready?

Mr. BILLINGTON. Yes, sir.

Mr. YATES. Mr. Reporter, show the hearing coming to order.

This is the hearing on the appropriations for fiscal year 1982 of the Woodrow Wilson International Center for Scholars. Appearing in support of that appropriation is its distinguished Director, Mr. James H. Billington; its Deputy Director, Mr. Prosser Gifford and Mr. William M. Dunn, Assistant Director for Administration.

Mr. Billington's statement, beginning with the phrase "The Wilson Center is a busy place," may be placed in the record at this point.

[The statement follows:]

The Wilson Center is a busy place. We are in the midst of a series of eight major meetings on the Middle East with papers by specialists from all over the world. We are about to publish the proceedings of seven conferences attempting to define the national interests of the United States in every major region of the world (in which 30 members of Congress participated). We have recently conducted an innovative two-day policy dialogue between U.S. and Venezuelan leaders and two-day conferences on Soviet agriculture and on the international aspects of the crisis in Central America. We have arranged special dinners in tribute to Hubert H. Humphrey and William J. Baroody, Sr., our first two chairmen (with talks by Vice President Mondale, Senator Daniel P. Moynihan, and Henry Kissinger, and an important essay by Jeane Kirkpatrick). We have held meetings on the future of the Soviet economy, on Korean-American relations, on the Madrid Conference on Security and Cooperation in Europe, and on the problems of national service and of bureaucracy in the American experience. We have debated new scholarly findings with recent Center fellows (Joan Hoff Wilson on the Nixon presidency and General Edward Rowley on the SALT negotiating process). We have arranged special events such as the discussion of the papacy of John Paul II with his special envoy to the United States, and an evening with former Prime Minister Harold Macmillan, which was widely discussed in the press.

We have provided leading U.S. editors and journalists an annual two-day conference on Latin America, in which National Security Adviser Richard Allen participated (with Vice President Bush and President Reagan appearing--as had President Carter when Zbigniew Brzezinski participated in earlier years). We are beginning a series of scholarly discussions of the process of presidential selection in the United States--and will soon be hosting a major European-American scholarly dialogue on the future of the North Atlantic community with Chancellor Helmut Schmidt himself participating.

We believe that the Center has fulfilled in its first ten years of operation the hopes that the Congress expressed in creating this new kind of "living presidential memorial" as a non-partisan national institution to strengthen relations "between the world of learning and the world of public affairs." What makes new ideas and important events possible at the Center is, of course, the critical mass of fellows and guest scholars at work full-time on important projects. There were 115 with us last year from 45 different American universities and 15 foreign countries.

Quality not quantity has been our hallmark from the beginning. In the nearly eight years I have been director there has been little increase in the size of our senior staff or of the body of fellows. But we can see a vast increase in the extent of our outreach to the world through our four international programs and through our Wilson Quarterly, which now has a paid circulation of over 100,000, the largest readership of any quarterly in the nation. Designed for a nonscholarly audience, it seeks to make available to a broad national readership the most significant new information and ideas developed by scholars across a broad range of topics outside the "hard sciences." It is widely quoted in the daily press and noted for its objectivity and stress on solid scholarship.

The entire work of the Wilson Quarterly--as well as our widely read series of Scholars' Guides to the vast information resources of Washington--have been supported by funds specially raised outside our annual federal appropriation. Non-federal funding has also supported almost all of our ambitious meetings program (that reached out last year for the first time to New York and Chicago as well as Washington) and the series of eight 30-minute radio talk shows that we are producing this year for educational radio stations across the country.

The Board and staff of The Wilson Center believe that we have realized on behalf of the Congress a unique instrument for serious scholarship on subjects that matter--and for sharing ideas and stimulating discussion with a wide range of people in Washington, the nation, and the world. We believe that the nation is, properly, getting a very large return for a relatively small annual investment--and that the returns will become very much greater in the 1980s now that the hard work of establishing the procedures, program, and reputation of this institution has been largely completed.

Crucial to the continued realization of our mission, with no increase in size and with maximum economy everywhere, are the three elements of added support that the Center is urgently requesting for the 1982 budget: a modest increase in the average fellowship stipend (to enable us to continue attracting the very best fellows openly and competitively); an even more modest allowance for modern word processing equipment (to permit us to continue to keep secretarial personnel costs down while increasing our manuscript output); and support for the eight administrative positions in our four international programs.

These international programs have had a catalytic impact on policy thinking in this city. They have given new encouragement and opportunities to American scholars for the serious study of key foreign countries. Our program for the study of the U.S.S.R., for instance, has brought in scholars for residential research at The Wilson Center from 32 different states and a majority of the provinces of Canada and has organized a major conference in Alaska. These international programs have attracted great interest abroad. Dependable federal support for the minimal administrative costs is essential if these international programs are to have high-quality leadership, to plan ahead and to continue attracting a high level of private funding for meetings and other forms of outreach. Approval of these core costs for our four international programs would not increase the size of the Center or commit the Congress to these particular international programs. It would make it possible for the Center to continue realizing the intention of the Congress that the nation's official memorial to Woodrow Wilson be an international center for scholars--and to keep increasing the usefulness of its programs with a staff that will be no larger than it is at present.

In a relatively short period of time, The Wilson Center has come to play a unique role among world-class institutes for advanced study. Unlike others, the Center has no endowment, no permanent faculty or long-term fellows. It offers open access to all its programs and makes unequalled efforts to communicate with nonscholars. If Congress approves the requested core support for our proven international programs, the Center will have attained its essential and appropriate measure of federal support. Thereafter, it will be in a position during its second decade to have an impact that will become even more extensive but no more expensive.

Mr. YATES. Tell us what you are doing. I see by your statement you do tell us what you are doing. You have had special dinners for Humphrey and Baroody. You have held meetings on the future of the Soviet economy, on Korean-American relations, and on the Madrid Conference on Security and Cooperation. You debated new scholarly findings on SALT, on the Nixon Presidency, and have arranged special events on the Papacy of John Paul II, which might be particularly appropriate today.

You spent an evening with Prime Minister Harold Macmillan. I wish I had been able to be with you on that evening. I read the subsequent memorandum. It was fascinating. Why don't you tell us what you are doing and what you want to do?

Mr. BILLINGTON. Thank you, Mr. Chairman.

The staff of the center believe we have created in fulfillment of our Congressional mandate—

Mr. YATES. Is it ten years already?

Mr. BILLINGTON. Yes sir.

Mr. YATES. Is it really, since you walked into the office and said "What do we do here?" I asked you what are you going to do? My, how time flies.

Go ahead, Mr. Billington.

Mr. BILLINGTON. We believe it is a unique nonpartisan institution for promoting serious scholarship in Washington on subjects that matter; for sharing ideas with increasingly non-scholarly audiences and bringing back a large return for a relatively small investment.

With the current budget submission, we believe the center can at last be assured of fulfilling and finishing the intention of the Congress that the nation's official memorial to President Wilson be an international center that operates within the limits of its present site and size. It steadily expands its outreach and impact throughout the nation and beyond.

CONGRESSIONAL PARTICIPATION

I like to think the Congress itself has gained from—it has certainly richly contributed to—our busy pace of meetings and dialogues:

Senator Jackson, leading off our nine meeting series of "Evenings on the Middle East," still in process.

Senator Roth leading off our three day United States-Venezuelan Conference, and joining with Congressman Jones for a meeting on United States-Japanese Economic Tensions.

Senators Nunn and Bradley, along with a host of soldiers and scholars in our recent meeting on the "Problems of National Service and the All Volunteer Force."

Representatives Michel, Gradison, Hamilton and Wirth and more, discussing the "Future of the U.S.S.R." with a leading West German expert.

Of course, members of this committee were participating along with two dozen others of your colleagues from the House in our seven part series on "U.S. Foreign Policy." Staff members as well from the two Houses of Congress have taken an increasing part. Seventy-five different ones in ten small seminars, for instance, in the Latin American program alone during the past year and a half.

We like to believe all Americans benefit from our growing efforts to bring foreign area knowledge to the media. Our increased broadcast series, which you expressed interest in, have been coming up with broadcasts of some depth, the six most recent of which are mentioned in this list.

Also, we bring foreign area knowledge to educators. For instance, our recent conference to explain the Soviet Party Congress to U.S. journalists.

Our third annual two day conference on Latin American issues for editors throughout the country, in which Richard Allen participated for three-quarters of an hour with Vice President Bush and President Reagan both appearing, as did President Carter with Zbigniew Brzezinski in earlier years. We were glad to have Gerald Ford and Mr. Eisenstat.

Mr. YATES. Will they get paid for that?

Mr. BILLINGTON. I don't believe so. They get travel expenses.

Mr. YATES. Do you pay their travel expenses or is it paid by an outside source?

Mr. BILLINGTON. This is a series we are co-sponsoring with Duke University for which they raised the funds. We provide the in-house staff support.

We will be pleased to host next week a major two day European-American scholarly conference on the Future of the North Atlantic Community with Chancellor Helmut Schmidt himself, fully participating on the first day. We think this is an unprecedented development in connection with a major state visit.

Mr. YATES. How did you ever arrange that coup?

Mr. BILLINGTON. Well, it is a long series of dialogues with our European Fellows, and conversations with—that again resulted from this continuous and broadening dialogue internationally with a man named Dr. Körber, who is the sponsor of an organization called the Bergedorfer Gesprächskreis. This is a small but highly interesting and influential discussion of the North Atlantic Community that has been going on but has never had a meeting in Washington before.

So it is being paid for by a German foundation, but we have arranged and worked out doing this with them. Again this is foreign funded, but on the basis of our staff work and our arrangement. So it should be interesting. We hope you can come. There will be two dinners connected with it.

Mr. YATES. I will hope that I could, too. The dinners I have attended I have enjoyed very, very much. They are really first rate forums. I hope you will have others in the future. They are very good.

Mr. BILLINGTON. In addition, we would welcome attendance of you and other colleagues who can make it this evening.

Mr. YATES. Others have attended and others will be attending, because the influence of this committee permeates its membership. I am sure that, in time, all of them will be regular devotees of your program.

Mr. BILLINGTON. We have a meeting tonight on the Interest of Future U.S.-Chinese Relationships in which a major official of the People's Republic, Yao Wei—

Mr. YATES. Is he an official?

Mr. BILLINGTON. He is head of the Information Office of their Foreign Office. He is here writing a fulltime book, a major study. A very interesting fellow.

Also, Roderick MacFarquhar, former member of Parliament, former editor of the *China Quarterly*, from Britain, will be participating.

Ron Morse, Head of our East Asia Program, who is here today, will be chairing it. So we think this is a good example of where these dialogues build upon our rather unique company of Fellows that we assemble, and where we aren't just a sustaining prop for an event, but are surfacing scholarship generated throughout the year.

Maurice Meisner is another of our Fellows. So three of the four will be Fellows, and the fourth, an economist from the University of Michigan, who is probably the outstanding new thinker on the future of the Chinese economy. So we are looking forward to an interesting group, including as many from the Hill as can make it.

SOVIET-CHINESE RAPPROCHEMENT

Mr. YATES. Is there a possibility of the Soviet Union and People's Republic of China ever getting together again? I ask you that question because you are a Soviet scholar.

Mr. BILLINGTON. I think there is always that possibility. I think it is highly unlikely. Klaus Mehnert the great German specialist, in a series of discussions we had a year and a half ago actually predicted that after the death of Brezhnev this possibility would increase because the new Soviet leadership would have a variety of options. I myself am much more skeptical. I think the reasons for disagreement are deepseated and less likely to vanish. But there is always the possibility of a less adversarial relationship between the countries. I myself would think it less likely than Mehnert.

Mr. YATES. Why did they split off from each other? They were working together for a while.

Mr. BILLINGTON. It is a long story. But I think there is some question as to how intimately they ever worked. The seat of conflict lies deep. The national interests of the countries, along a common border, historic antagonisms, deep cultural feelings on both sides.

The Russian word for "It is all Greek to me" is "written like a Chinese Charter." And so I think this is something which is unlikely. Moreover, I think the kinds of economic and developmental support which China seeks, is better provided by America, Japan, and West European countries than it can be by the Soviet Union.

Mr. MURTHA. I got the impression when Deng Xiaoping was here speaking to some members of the Congress that he really hated the Russians. That was right before he went into Vietnam. They had just increased the number of divisions to 54 on the Russian-Chinese border.

Mr. BILLINGTON. I think that is true. I think the whole pattern of development of the post-Mao period with his leadership in China would indicate a preference on their part for Western alliance. There are questions dealing with the Western powers which would lead them to keep the Russian option open, particularly to possibly

explore it with future leadership. I could defer to my colleague, Dr. Morse.

Incidentally, President Ford, when he was visiting us with this other seminar, discussed his recent trip briefly to China just this week. I think he had much the same impression you have. He had talked with Deng Xiaoping. I think the strength of his feelings on the subject is also a factor not to be taken lightly.

Mr. MURTHA. Mr. Chairman, may I ask a question?

Mr. YATES. Sure you may.

Mr. MURTHA. Since you are a Soviet expert, could you tell me why the Soviet Union did not invade Poland? We kept hearing intelligence reports that they are going to invade them.

I talked to the French Ambassador one day, and he said that they just couldn't stand the economic burden of invading Poland.

What is your assessment?

Mr. BILLINGTON. I think this is a very important consideration, and incidentally, something that the research at the Center has helped to establish.

First, the seriousness of the domestic, economic problems in the Soviet Union, with their increasing labor shortage, with their inefficient productivity, with their stagnating lack of any kind of incentive principles and so forth, so they don't have a great deal—and increasing arms burden on their own economy—they don't have that much of a margin.

If you add to that the enormous Polish debt to the West, which their inefficient and corrupt Communist leadership in the last decade has largely squandered, so that almost the entire foreign trade of Poland is used to finance the mere servicing of its already multi-billion dollar debt to Western creditors.

Therefore, if the Soviet Union invades they either have to repudiate the debt, in which case the entire credibility of the Eastern Bloc is compromised, or they have to take it up some way and assume the payment of it, which would be a really crushing burden on their already severely constrained economy.

Incidentally, on Poland, I might say that we have had the Co-Head of the Flying University and one of the principal advisors to Solidarity as a former Fellow of the Center. Another of their principal experts on Solidarity arrived two weeks ago to begin his fellowship.

Mr. YATES. When are you going to have a Polish program?

Mr. BILLINGTON. We sort of have an informal one. It is a good case of the fact that, all the time, these things occur in unusual ways. Geremek, the leading intellectual advisor to Solidarity, was the Head of the Medieval Academy, Polish Academy of Sciences. He wrote a thesis on Origins of Prejudice at our center, one of the most stunning things we have ever had. A remarkable human being, almost a perfect embodiment of what the Congress had in mind when it talked about not only the interactions of ideas and affairs but also the kind of moral thrust of human enterprise that certainly Wilson tried to embody and that a man like Geremek, a survivor of Auschwitz, author of voluminous works—

Mr. YATES. Is the paper available?

Mr. BILLINGTON. Yes.

Mr. YATES. In Polish or in English?

Mr. BILLINGTON. It is in English. We would be happy to send that to you.

Mr. YATES. Go ahead, Mr. Billington.

Mr. BILLINGTON. Thanks to the Congressional support for the core staff of this new program on American Society and Politics, we have been able to attract just in the last year outside support for this important new project on the Presidential selection process.

We have made plans with good prospects for the coming program on Leadership and Values in America and for Scholarly Commemorations of the 125th birthday of Woodrow Wilson and the 100th birthday of Franklin Roosevelt.

NEW FEDERAL SUPPORT

Our major new request in the 1982 budget is for comparable federal support for the administrative positions in these international programs. This involves absolutely no increase in the overall size of the center, and of course, no increase in the number or size of the programs. It is a matter not really of choice but practical necessity if we are to sustain our international programs.

A request we deliberately deferred until the international programs have proven themselves during the experimental period when nonappropriated funds could cover the administrative costs, Foundations will normally finance core administrative costs only during such a startup phase. We have passed through that trial period, I think with flying colors. And have held our full time federal staff almost constant in size throughout the long period of testing.

In the six years when the activity has grown, exponentially, our fulltime federally supported staff has increased only three slots, from 20 to 23. These international programs have had, we believe, a catalytic impact on policy thinking in this city and beyond. They have given new encouragement and opportunities to American scholars throughout this country for the serious study of key foreign countries.

Our program on the USSR has brought in scholars for residential research at the Wilson center from 32 states of the union, and a majority of Provinces of Canada. It has organized a major conference in Alaska. These international programs generally have attracted interest abroad. Dependable federal support for the minimal administrative costs is essential if these international programs are to have high quality leadership, are going to be able to plan ahead and continue attracting the high level of program funding that is needed and will continue to be needed for meetings, and other forums.

In a relatively short period of time the Wilson Center has come to play a unique role among world class institutes for advanced study. For remarkably little cost. Unlike other such centers, this center has no endowment, no permanent faculty, no permanent fellows. It offers open access to all its programs and activities and puts equal emphasis to communicating with non-scholars, far in excess of any other institute for advanced study of which I am aware.

If this budget is approved, the Center will be in a position during its second decade to fulfill the desire that I know this committee feels and has expressed to us, that we increase our impact through more and better crafted meetings, publications, digests of our proceedings, broadcasts and the like. We believe these can be funded largely through our continued, indeed, undiminished private fund raising. But the success of that effort, and of the final effort to realize this outreach and impact we all hope for, will depend, we think, on the secure federal base of support we believe we have at last been able to define and limit through this budget submission.

Mr. YATES. That is an excellent statement. The record of achievement of Woodrow Wilson is spectacular. When you spoke ten years ago, when you had just come down from Princeton, and had taken on this job, I didn't envision the breadth and the activity that you have built up here. The high quality and accepted status of Woodrow Wilson today is a great tribute to you, Mr. Billington, and to the staff, which you have been able to bring to Woodrow Wilson, and total caliber of research and study the institution has attracted.

As I sit here, I keep thinking, at the end of one decade, why don't you have a dinner to celebrate this remarkable achievement. I don't know whether that is intended or not.

Mr. BILLINGTON. Well, we did have one.

Mr. YATES. What is this?

Mr. BILLINGTON. We did have one.

Unfortunately, the tenth anniversary of our opening occurred during the political campaigns, so it was not possible for many of you to come. We made it a commemorative dinner in honor of our first Chairman, Hubert Humphrey, and with speeches by Henry Kissinger and then Vice President Mondale, and a major piece on Humphrey prepared by then Professor Jeane Kirkpatrick, who has since assumed other responsibilities.

Mr. YATES. Gone to a greater reward.

Mr. MURTHA. Mr. Chairman, it is really a shame we miss events like this.

Mr. YATES. Maybe we can have another tenth anniversary for the committee.

Mr. MURTHA. We get committed early, and it is such a problem. I hope you won't forget people like Stuart Eisenstat, who I see you have invited to this affair, because of his great work in the previous Administration.

Mr. BILLINGTON. We would invite him in any case because of his level of interest and participation. But we are further encouraged to do so by the fact that President Carter appointed him to our Board of Trustees as a private sector member. So he will be on the Board the next six years. He has taken a very active interest as he did when he was in the White House.

WILSON COUNCIL

Mr. YATES. What is the difference between a member of the council and a trustee? Is there one?

Mr. BILLINGTON. Yes, the Board of Trustees is our governing body authorized by the statute and appointed by the President,

eight statutory members, and eight private sector members appointed for six year terms.

The Wilson Council is a national sort of support and advisory body which gives us a link, really with private sector, and some aid in the private fund raising. So that it has no governing function, and it represents, however, a means of involving—well, for instance, we are going to have a session in June, a dinner where both the Board and the Council meet.

One of our council members is Fred Bucy, President of Texas Instruments. He will engage in a dialogue with Senator Garn on the subject of East-West technology transfer, a subject on which Senator Garn has taken a new interest and on which he and Mr. Bucy have differing views. So the council gives us access, and it is a very intelligent group.

Jack Powers, Chairman emeritus of Pfizer is a man, really a man of great philosophic interest.

John Opel, incoming Chairman of IBM, was at our last meeting.

Of course, David Packard, of Hewlett-Packard, is a major backer.

Peter McCullough, of Xerox, has supported the evening dialog series.

So these people bring us not only support from the private sector but personal participation and input which is very valuable.

Mr. YATES. Tell us about your financial conditions. What kind of a budget did you start out with ten years ago?

Mr. DUNN. \$620,000 was our first.

Mr. YATES. Now you are requesting \$2,260,000, an increase of \$465,000 over 1981. What about your finances?

CRITICAL NEEDS

Mr. BILLINGTON. The principal area of critical need is the one I have already addressed myself to, the federal funding for the administrative positions in the international programs. This is, we think, both proper in the sense of defining and delimiting the public-private division of labor, as I indicated, and also essential in the sense that the private funding that we have attracted for starting, experimenting with these international programs cannot be sustained indefinitely for the core administrative costs.

In point of fact, if it is granted it will represent an increase in the federal funding for the international programs from 21 percent at present to about 38 percent. We figure that is closer to a proper balance and ratio within that component in any case.

But as a matter of practical necessity, without it, the remarkable range of international associations and activities that have been made possible will simply not have the assured long term staffing strength and continuity. Again, I would remind you this is a center that has no endowment, it has no permanent faculty, or fellows, unlike almost any other institute.

Therefore, it is dependent upon a small cadre, essentially Dr. Gifford and myself and six staff members, four of whom are senior staff members, who provide all the intellectual continuity, leadership, long-range planning, in-house faculty functions. We need people of very high caliber, many of whom have taken the risk with us of resigning tenured positions in major universities, or coming on leave from them, to provide the combination of intellec-

tual leadership and administrative and entrepreneurial skill necessary to mount these programs.

We feel that without an assured—we know that without some assured federal support for these minimal positions, we are going to have trouble holding or attracting in the future—

Mr. YATES. Which minimal positions are you talking about, the six that help you now?

Mr. BILLINGTON. Yes. Two are already federally covered. Four are on trust funds, are on private money, which is very soft and has to be continually renewed. As I say, which we could get funding for in the startup period, but which foundations will not sustain indefinitely.

Mr. YATES. I thought we had an agreement that the Federal Government would require you to look for private funds. Sometime ago the committee originally sent you out scouring for private funds in order to permit you to have the kind of expansion that is taking place. Then after that, because that was taking up so much of your time, we decided you shouldn't do it, that the Federal Government ought to provide funding for it.

Mr. BILLINGTON. Yes, sir. This is the one element that remains to be taken care of.

Mr. YATES. How much money is involved?

Mr. BILLINGTON. \$261,000.

Mr. YATES. You are talking about an increase of \$261,000 to convert the directors of four international programs and their secretaries from private budget to federal budget?

Mr. BILLINGTON. That is right. That is the only missing element in this picture to respond to precisely that injunction from the committee as we understood it.

Mr. YATES. Then will you be all set?

Mr. BILLINGTON. This basically does the trick. The committee wisdom and generosity helped previously with this core fellowship cost, and this is the core administrative need.

There are also in the budget two other items. I could address myself to them, if you wish, Mr. Chairman.

Mr. YATES. Here is your estimated consolidated statement for 1982. Federal appropriations, \$261,000. Then you have estimated private funds carried over from 1981, \$421,893. I notice you have an unrestricted and restricted Kennan Institute, Latin American Program, International Security Program, and East Asian Program. Apparently you ran out of money for American Society and Politics. Are those endowments?

Mr. BILLINGTON. They are short term annual, in some cases, multiyear commitments. They commit for two or three years. But in no case, are they endowment. In no case are they very long term funding.

Mr. YATES. Then you have private funds, restricted and unrestricted? That is for 1981. For 1981 you had \$662,000. You are a couple hundred thousand short for 1982, aren't you? Then you have private funds to be raised for 1982 programs under the same categories. The figure there is \$710,000. How are you going to get all that money?

Mr. BILLINGTON. No, we have some of it. We get it in three ways.

Mr. YATES. How does this differ from your old quest for funds, which we thought we had corrected?

Mr. BILLINGTON. You have corrected the part from private funds that was most time consuming and difficult to raise, namely, the fellowships. Most of the fellowship funding, thanks to the committee's wisdom and decisions, is taken care of. The other area I think that is most difficult to sustain—it wasn't difficult in the beginning because when we launched these experimental programs, we thought they should face the test of commending themselves to the kind of foundation scrutiny and so forth that was involved in getting a pilot going. We didn't feel we wanted to come to this committee to talk about staff, the permanent staffing side, until we had tested and proven a mode of operation and a level of staffing that was workable and made sense. So we did not ask for it at that time.

That is why there has been so little increase in the staffing during all these years of testing, as I already itemized. Now that these programs have gone through five years, in some cases six years' active operation, there is a need, if they are to be sustained, to have that central staffing cost sustained as part of the permanent presidential memorial. You are not committing yourself to these particular programs.

Mr. YATES. This is \$261,000. If we commit ourselves to that, that takes care of that.

How did you happen to get the \$700,000 from private sources?

DEVELOPMENT OFFICER

Mr. BILLINGTON. The one staff increase you provided at an earlier point, an important one, was to have a development officer to relieve me and the other staff of much of this.

Mr. YATES. I thought you no longer needed this?

Mr. BILLINGTON. No, no. We still raise well over a million every year for outreach. I mean there is a whole range of these meetings, these dinners and so forth. None of that is appropriated.

Mr. YATES. How many people do you keep busy raising that million dollars a year?

Mr. BILLINGTON. One.

Mr. MURTHA. That is all they do, raise money?

Mr. BILLINGTON. They do more than that. They do coordination with the Wilson Council which has benefits for the program, as we indicated. So it is not solely fund raising.

For instance, I went down recently to—two board members are in Texas. I spoke at a luncheon at Houston and one at San Antonio which had fund raising missions, but it also had mission of distributing our literature, discussing with local leaders.

I brought back new ideas, and we hope to do more of that. Most of this outreach activity, after all, has grown from having had a very small number of meetings. I can give you our most recent calendar to give you an illustration of what is going on this month. And our annual report indicates that with this enormous amount of outreach we have to have a secure sort of central core staff. So there is an intimate relationship between the two.

But to sustain the vastly increased number of meetings, scholars' guides—here is the latest one. We have six of these, three more in

process, which are very much sought after and are useful to all kinds of people using the facilities of Washington to do research or even just to explore out of casual curiosity the resources of this city.

A study we did ten years ago showed that 20,000 people then, outside of all institutional affiliations, use Washington for research purposes in a given year. That number has probably doubled by now.

Mr. YATES. Do you sell these?

Mr. BILLINGTON. Yes, they are sold.

Mr. YATES. Is the cost covered?

Mr. BILLINGTON. Not entirely. Again, we raise private money or external grants of one kind or another to cover the difference between what we get back from sales, so that these can be done. So the private fundraising remains substantial. And we think it should, and can successfully be done. But it depends ultimately on having a secure base, because after you have been doing it for a few years, you cannot have the first thing you are doing in a supposedly secure presidential memorial be for a man to go out and raise his own salary. So that is essentially what we are asking.

Mr. YATES. I would think that having that one person do this is not objectionable. I would hope it doesn't take your time or the time of your people that the committee sought to avoid?

Mr. BILLINGTON. No, it is precisely to avoid that that we are making this request. After the fellowships, once the base of that was secure, much the most time consuming is the difficult, virtually impossible task of persuading someone that they could sustain this core administrative salary. If that is covered, I think the other elements we find don't take as much time.

But we have to have a man securely in place, able to commit himself for the long term—or herself for the long term to an institution. That gives it then a sense that it is a stable institution with committed people of high quality. Then one can raise the money for the meetings with much less time than it takes now, when the people conducting the meetings have to raise money for their own salaries.

Mr. YATES. Are you having trouble competing with other centers for fellows?

STIPEND INCREASE

Mr. BILLINGTON. Yes, Mr. Chairman. That still is something of a problem. That really accounts for the other requested increase in the budget submission this year, on the rate at which a stipend is computed. We found that, I guess six years ago, the rate at which we were computing a federally-funded stipend was the equivalent of a GS-15. It is now the equivalent of a GS-12. The rate that we have continuously used as our equivalent—

Mr. MURTHA. Why is that? Don't you have the money?

Mr. BILLINGTON. We don't have the money. The rate at which the stipends, the appropriated funds has remained constant for a long time. It has increased only very marginally, far less than even the standard government GS rate has accumulated. So it is hurting us.

Mr. MURTHA. Even it has increased very slowly?

Mr. YATES. But I have the impression that the increases were based on the request that you made.

Mr. BILLINGTON. We have tried to be conservative, Mr. Chairman. But it is a very serious problem.

Mr. YATES. In what respects hasn't the committee been cooperative?

Mr. BILLINGTON. Well, I think you have been cooperative. We have probably been—

Mr. YATES. As I recall, the only noncooperation was in a building that you thought you might want to move into. Apart from that, almost every request that you have made, if not every request, was acceded to by the committee.

Mr. BILLINGTON. Yes.

Mr. YATES. I am not being critical and I am not trying to put the heat on you. All I am trying to say is, if lack of finances hinder your operations, you should tell the committee.

Mr. BILLINGTON. Yes. We have tried very hard to request as little as possible.

Mr. YATES. Do you go to OMB for approval?

Mr. BILLINGTON. Yes sir.

Mr. YATES. You do? Does OMB keep you in line or has OMB been good to you?

Mr. BILLINGTON. I am happy to say both the Carter and Reagan OMBs have approved the budget—

Mr. YATES. Obviously, they recognize quality. The point is that you have asked OMB for \$2,260,000. That is the amount that OMB granted you?

Mr. BILLINGTON. Yes sir.

Mr. YATES. You are one of the few who came through unscathed. The question is, whether or not your requests were so well justified there could be no other conclusion, or whether you haven't asked for enough—I don't know what the situation is. Apparently you are growing at a very conservative and justifiable rate.

Mr. BILLINGTON. I think there is no question that we would have liked—

Mr. YATES. Should you be asking us for more money? Or is it your Board of Trustees?

Mr. BILLINGTON. No. I think in this area, we have tried to be conservative. And I think that the—

Mr. YATES. We appreciate that.

Mr. BILLINGTON. I think we should, frankly, be asking for more on the stipend area front, because, for instance, we won't have until next week the base figure we use for comparative purposes, which is the amount paid in the Middle Atlantic area for full professors from Class I universities, the average salaries, which in any case only covers nine months, whereas our figure covers 12 months plus travel and benefits.

Mr. MURTHA. Would you clarify that last statement?

Mr. BILLINGTON. The 12 month rate is the same that they get for nine months.

Mr. YATES. In other words, they work 12 months and get the same rate the other people get for nine months.

Mr. BILLINGTON. Yes. The base figure we use covers 12 months at the center. It is based on a comparison with a figure that is used

for usually nine, or in some cases, ten months paid a professor in a university.

Mr. MURTHA. That is 25 percent less pay.

Mr. BILLINGTON. That is right. Moreover, when that figure comes out next week, it will almost certainly be over \$35,000 this year, whereas our figure, the request this year, we are asking for is \$30,000. So we are way behind.

Mr. MURTHA. You are not only 25 percent behind, you don't pay them the same then?

Mr. BILLINGTON. That is right. If that base figure could be increased it would help us.

Mr. YATES. What is the difference between the two bases?

Mr. BILLINGTON. We are asking for \$30,000 this year to cover 12 months, because the figure isn't out, but it almost certainly will be a little over \$35,000 to cover nine months.

Mr. MURTHA. So we ought to add 25 percent?

Mr. YATES. The question I want to ask, is whether or not your institution now is sufficiently attractive to scholars so that they are likely to accept your \$30,000 rather than \$35,000 they might get somewhere else?

Mr. BILLINGTON. We are having increasing trouble. We used to think that that argument was made. We internalized it and made it ourselves. The fact is that we are also attracting a level and quality of people who are—we are just increasingly noncompetitive in terms of the key people we are losing.

Mr. YATES. Off the record.

[Discussion off the record.]

PRIVATE FUNDRAISING

Mr. YATES. Let's go back on the record and dispose of whatever else we have.

What success do you think you will have with your private fund raising?

Mr. BILLINGTON. We are very hopeful about that, Mr. Chairman. The Wilson Council has been in existence long enough—we are very hopeful. But it does take work. It is very much dependent on our ability to project after ten years—

Mr. YATES. Do you have regular annual donors who come back year after year after year with certain amounts?

Mr. BILLINGTON. We have had a certain number, yes. But, of course, they can never be indefinitely taken for granted.

Mr. YATES. I know that. I am not suggesting that.

Mr. BILLINGTON. Yes.

Mr. YATES. I notice that you have increases in your private goals. I wonder whether or not you have a base you can comfortably expect would come in almost automatically?

Mr. BILLINGTON. We have some sustaining private funders.

Mr. YATES. Your annual report for 1979 and 1980, on page 141, lists your donors.

Mr. BILLINGTON. Yes sir.

Mr. YATES. Your list includes James H. Clement and George F. Kennan. I assume both of them are not in the same category with IBM, or Procter & Gamble, or even David Rockefeller. That would

indicate you are on very good grounds with the private sector and I would hope that would continue.

Mr. BILLINGTON. We hope and expect it will. We are considering other things, getting a more regularized sort of sponsor or patron group. We don't want, in the process of doing that, to divert time and attention from our central task with the small staff. Possibly, also endowment, raising some endowment on the private side, because the total lack of endowment is, of course, a continuing difficulty.

Mr. YATES. Do you have to worry about the competition of the Smithsonian for donor funds?

Mr. BILLINGTON. I don't think so. I think the cooperation with the Smithsonian and the close contact is very good. Of course, there is always a limited pool and a large number of fish swimming in it. Nevertheless, I think our relationships with them have been excellent and mutually supportive.

Mr. YATES. That is fine.

Mr. Loeffler, do you have any questions?

Mr. LOEFFLER. No, Mr. Chairman. Thank you.

Mr. YATES. Thank you.

Is there anything else you want to tell us?

Mr. BILLINGTON. No sir, except to thank you.

Mr. YATES. Show us these books. What are all these? Here is the Scholar's Guide, and the Annual Report, which I will take. What else do I want? I haven't yet got through your "Fire in the Minds of Men." You ought to give that "Fire in the Minds of Men" to Mr. Loeffler, with an appropriate inscription.

Mr. LOEFFLER. Mr. Chairman, what does that mean?

Mr. YATES. I will leave that to him.

Mr. BILLINGTON. The number of books is increasing.

Mr. YATES. You better stop it because you don't have that much room left in your present quarters, do you?

Mr. BILLINGTON. Here is another interesting one that shows you how reexamining our history is one of the things we do. The movie, "Mission to Moscow" was made during the war. We got a scholar to reexamine it in retrospect, talk to the script writer and diplomats who were there. He wrote a very interesting critique of the movie.

Here is a more philosophic book.

Mr. YATES. "The Moral Dimensions of Urban Politics." Should an urban politician read that?

Mr. BILLINGTON. Here is a list of our recent broadcasts and some of our occasional papers which I guess we have given you.

Mr. YATES. Thank you very much.

THURSDAY, MAY 14, 1981.

NATIONAL CAPITAL PLANNING COMMISSION

WITNESSES

HELEN M. SCHARF, CHAIRMAN, NATIONAL CAPITAL PLANNING COMMISSION

REGINALD W. GRIFFITH, EXECUTIVE DIRECTOR, NATIONAL CAPITAL PLANNING COMMISSION

DANIEL H. SHEAR, GENERAL COUNSEL, NATIONAL CAPITAL PLANNING COMMISSION

MALCOLM L. TREVOR, ASSISTANT EXECUTIVE DIRECTOR FOR ADMINISTRATION, NATIONAL CAPITAL PLANNING COMMISSION

ROBERT E. GRESHAM, DIRECTOR, REVIEW AND IMPLEMENTATION DIVISION

EDWARD H. HROMANIK, DIRECTOR, PLANNING AND PROGRAMMING DIVISION

MARTIN J. RODY, DIRECTOR, TECHNICAL SERVICES AND SPECIAL STUDIES DIVISION, NATIONAL CAPITAL PLANNING COMMISSION

Mr. MURTHA [presiding]. We have Mrs. Scharf with us, do we?

Mrs. SCHARF. Yes.

Mr. MURTHA. Will you introduce your colleagues for our report-er?

INTRODUCTIONS

Mrs. SCHARF. On my right, Mr. Griffith, Executive Director. On my left, Mr. Trevor. He is our Assistant Executive Director for Administration.

Next to him is Mr. Daniel Shear, General Counsel.

Mr. MURTHA. Mr. Shear, are you an attorney?

Mr. SHEAR. Yes, sir.

Mr. MURTHA. Your biographical sketch, Mrs. Scharf, and your statement, will appear in the record in their entirety.

[The biography and statement follow:]

2/3/81

NATIONAL CAPITAL PLANNING COMMISSION
1325 G STREET NW.
WASHINGTON, D.C. 20576

Helen M. Scharf - Biographical Sketch

Appointed to a six year term on the National Capital Planning Commission by President Carter in 1979, Mrs. Scharf was recently designated as chairman. She came to NCPA from over six years service as a member of the Maryland National Capital Park and Planning Commission (1973-1979), serving during that time as vice chairman of the Montgomery County Planning Board. A long-time citizen activist in Montgomery County, Mrs. Scharf was a member of the League of Women Voters from 1941 to 1979. This service included membership in the Montgomery County League of Women Voters, the State League of Women Voters and the National Capital Area League of Women Voters. Her contributions to the community also included membership in the Montgomery County Citizens Planning Association from 1962 to 1970, and service as an elected member of the Montgomery County Board of Education from 1953 to 1960. She served as vice president of the Board in 1955 and as president in 1956.

Mrs. Scharf is a graduate of the George Washington University School of Education and has completed graduate studies in art. She is married to John G. Scharf and has two children.

NATIONAL CAPITAL PLANNING COMMISSION
1325 G STREET NW.
WASHINGTON, D.C. 20576

STATEMENT OF HELEN M. SCHARF, CHAIRMAN
NATIONAL CAPITAL PLANNING COMMISSION
FISCAL YEAR 1982 APPROPRIATIONS ESTIMATE
SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

May 14, 1981

Mr. Chairman and members of the Committee, I am pleased to testify in behalf of the FY 1982 appropriations estimate for the National Capital Planning Commission. As you know, Mr. Chairman, this is my first Hearing as Chairman of the Commission since succeeding Mr. Childs, whose appointment expired last December. As a long-time native of the National Capital Region, I was especially pleased to receive this designation as Chairman. As a regular member of the Commission for the last several years, I have been well aware of both the challenges and responsibilities of the position, and I welcome them.

The President's FY 1982 budget request for the Commission is \$2,381,000. This figure represents an actual decrease of \$19,000 below FY 1981 levels (assuming a supplemental of \$130,000 is granted in FY 1981 to cover October 1980 Federal pay raises. As you can see, we have made no request for additional positions and our request for consulting funds has dropped from \$125,000 in FY 1981 to \$70,000 this budget year. We continue to try to provide quality services to other Federal agencies and local jurisdictions in the National Capital Region at the lowest cost possible. The fact that we are attempting to deliver these same services at a lower cost than last year is testimony to our efforts to reduce costs.

Mr. Chairman, as you know, although our staff is small, we are deeply immersed in many of the key planning issues of the day. You have only to read the headlines to know about the controversy which surrounds our Commission's proposals regarding the preservation of the magnificent character and quality of the historic vista from the West Front of the Capitol Building.

The Commission has circulated for public review and comment, a proposed Federal element of the Comprehensive Plan for the National Capital. It incorporates suggested Commission policies and proposals for limiting future building heights in those parts of the Arlington hills clearly visible from the West Front of the Capitol and other areas in the Monumental Core. When adopted, implementation of this element would depend entirely upon voluntary cooperative action by the affected Federal agencies with jurisdiction over Federal lands in this area and by the Arlington

County Government which would hopefully utilize local regulations to lower permitted building heights in those affected portions of the County. The Commission seeks Arlington's voluntary cooperation in preserving the existing character and quality of the major views and vistas of the Arlington hills as seen from the Monumental Core of the Nation's Capital.

On March 2, 1981, the Commission's Executive Committee met with the Arlington Board to discuss the Board's concerns about the proposed Federal Urban Design element of the Comprehensive Plan for the National Capital for the Arlington portion of the Topographic Bowl. As a result of this meeting, it was agreed that the County and the Commission would work together in a joint effort to identify possible areas of mutual interest in preserving and protecting the visual and historic heritage of our National Capital Region. It is our hope that these discussions will explore alternative or modified solutions to achieving these objectives.

These, as well as other kinds of planning issues, provide the challenges of which I spoke earlier. As always, we welcome this opportunity to answer your questions with regard to our FY 1982 appropriation needs.

Mr. MURTHA. If you will, summarize your statement, please.

Mrs. SCHARF. My statement begins by pointing out that I am successor to Mr. David M. Childs, former chairman.

I am very happy to have been recently designated chairman.

Mr. MURTHA. We are glad to have you.

NPC'S FISCAL YEAR 1981 BUDGET REQUEST

Mrs. SCHARF. The budget request, as you probably know, is for \$2,381,000. This figure is \$19,000 below the fiscal year 1981 levels.

Mr. MURTHA. It is \$19,000 below the 1981 level.

Mrs. SCHARF. Yes, assuming—

Mr. MURTHA. You didn't get cut back by OMB?

Mrs. SCHARF. No.

Mr. MURTHA. Are they good friends of yours, or are you just careful with your figures?

Mrs. SCHARF. We are assuming that there will be additional fiscal year 1981 funds forthcoming. We need a \$130,000 supplemental to cover salaries for this past October. That is reflected in the \$19,000—

Mr. MURTHA. We approved that in the committee and it went through the House. If the Senate doesn't cut it out, you will have that money.

Mrs. SCHARF. That is very good. You probably are familiar with our—

Mr. MURTHA. If you speak into the microphone, it will be helpful. Thank you.

THE COMPREHENSIVE PLAN

Mrs. SCHARF. We are responsible for developing a comprehensive plan for the Federal establishment here in the National Capital region.

We have accomplished quite a few elements recently. One we are still working on is the aircraft facilities subelement.

Mr. MURTHA. What is "aircraft facilities subelement"?

Mrs. SCHARF. The federally owned airports, Dulles and National. And we have developed in draft an element that would relate to those.

Mr. MURTHA. Is your responsibility the physical additions, and not the flights?

Mr. GRIFFITH. Physical layout.

Mrs. SCHARF. Yes.

Mr. GRIFFITH. We do have some policies with respect to the frequency of flights. The Commission is on record about that, but it is advisory, only.

It has to do with its impact on the National Capital.

Mrs. SCHARF. All of these elements that we have developed are circulated among Federal agencies, who are to be, hopefully, guided by them.

We circulate them among the agencies and the jurisdictions surrounding Washington. And you will probably notice in my statement that we have had an interesting time recently with Arlington County, who is our adjoining neighbor. We have been very concerned for many years over the preservation of our natural re-

sources and our historic resources, such as our early buildings in the City of Washington.

We have also taken great pride in historic vistas, and we have been very anxious that the jurisdictions surrounding us will take the same interest in their National Capital City as we do.

We have no authority to say, "You do it. You make your buildings lower so they don't spoil the view around the city."

But we do hope to be persuasive.

Mr. MURTHA. You have advised Arlington—

Mrs. SCHARF. That we would like to see the topographic bowl, as we call it, the rim around the city, stay green. We have been working to protect this rim this since 1941.

In recent days the heights have grown a little bit.

Mr. MURTHA. They seem to be growing more than a little bit. It seems as though some of those newer buildings are quite high.

Mrs. SCHARF. Yes, and we don't want to see a rock wall around the city.

Mr. MURTHA. Do you control the Washington, D.C. area?

Mrs. SCHARF. Yes.

BUILDING HEIGHTS IN THE DISTRICT OF COLUMBIA

Mr. MURTHA. What is the maximum building height that is permitted in the city?

Mr. GRIFFITH. It is a maximum of 160 feet.

Mr. MURTHA. Is that by Federal law.

Mr. SHEAR. That is by statute. The maximum height of 160 feet applies only to the Pennsylvania Avenue area.

Mr. MURTHA. Is that 160 feet from sea level?

Mr. GRIFFITH. The main entrance to the building.

Mr. SHEAR. It is a complicated formula, Mr. Chairman. It is measured from the curb opposite the center of the building in the front of the building.

Mr. MURTHA. If you are on Capitol Hill it can be higher than 160 feet, is that right?

Mr. SHEAR. Yes, depending upon the point of measurement. For example, there are buildings which, on one side, meet the statutory height limit; on another side, may be several stories beyond that.

Mr. MURTHA. Let me ask you this question, and you may not know the answer. Someone told me the Capitol is actually higher than the Washington Monument, not from the base to the top, but because it is on a hill.

Is that accurate?

Mr. GRIFFITH. I cannot respond. There may be some other staff members that will be joining us that can answer that.

Mrs. SCHARF. The Capitol is on a considerable hill.

Mr. MURTHA. I was at the top there, where Ms. Freedom stands, and it is high. It is possible it is higher than the Monument.

Mr. SHEAR. Mr. Chairman, just so the record reflects the full response to your question about building heights, apart from the 160 feet along Pennsylvania Avenue provided for in the 1901 Act, elsewhere the maximum height is 130 feet.

It scales down from there, depending upon, basically, the width of the street.

Mr. SHEAR. The basic control is the width of the street, plus 20 feet, but not to exceed either 130 feet or 160 feet.

Mr. MURTHA. The height of the building is directly related to the width of the street?

Mr. SHEAR. That's correct.

Mr. MURTHA. That is interesting.

Mrs. SCHARF. Talk of the canyons of New York City.

Mr. MURTHA. Let's take Pennsylvania Avenue. What is the height that a building can be on Pennsylvania Avenue?

Mr. SHEAR. 160 feet.

Mr. MURTHA. That is the maximum?

Mr. SHEAR. The maximum.

Mrs. SCHARF. That is just on the north side, isn't it?

Mr. SHEAR. Just on the north side, Pennsylvania Avenue, from 1st to 15th Street.

COOPERATION WITH ARLINGTON COUNTY

Mrs. SCHARF. Well, I have something encouraging to report on the problem of controls of the vistas and beauty of our city.

We and our staff have come together with the Arlington County Planning Board.

We are, in a joint venture of cooperation, trying to identify each other's mutual concerns and perhaps find some common ground so that Arlington County can really play a vital role in all our concerns for the Nation's Capitol.

Mr. MURTHA. So you have come to an amicable agreement which supersedes this headline which we see in the Arlington Journal, which says they want to dissolve your Commission?

Are you working out that problem?

Mrs. SCHARF. We are working very successfully, and I am very pleased. If you have any questions about the other issues and plans in which we are involved, I would certainly like to have you address these to our staff seated here.

I am still a little new in the chair.

Mr. MURTHA. All right, Madam Chairman. Let me go through our list of questions.

The fiscal year 1982 budget, adjusted for the pay supplemental, is actually less than the 1981 level because you were able to finish a number of long-range multiphased studies started in earlier years. What studies have you finished?

FEDERAL TRANSPORTATION STUDY

Mr. GRIFFITH. The four phases of the Federal transportation study have been finished. We have also finished phases of other studies. For example, the Federal employment distribution study that has several phases to it. We have finished a portion of that.

Mr. MURTHA. Is that a D.C. transportation study?

Mr. GRIFFITH. No, that has to do with the Federal Government in terms of the relationship between transportation and employees for the better functioning of the National Capital.

Mr. MURTHA. Do you recommend parking fees for government employees?

Mr. GRIFFITH. No, sir, we do not deal with parking fees.

Mr. MURTHA. Just parking spaces?

SPECIAL STREET STUDY

Mr. GRIFFITH. A street study is still going on. We are engaged in a special street study of Constitution and Independence Avenue.

Mr. MURTHA. When you do a study like that, are you able to project the number of cars eliminated from the highway? Let's take the Metro. It's obviously eliminated a lot of people driving into town.

Is that the kind of work you get involved in?

Mr. GRIFFITH. To some extent. We look for the division in terms of the mode of travel; which is what you are speaking of: rapid transit versus bus versus car. We do not get into extreme detail, although we have on occasion.

Mr. MURTHA. Don't you have to figure out the number of parking spaces that are needed? Isn't that the type of thing you have to do?

Mr. GRIFFITH. We do with respect to the Federal properties involved. That is, based on the number of employees, either on or projected for a particular site, figure out how many parking spaces should there be.

Mr. MURTHA. You don't get involved in trying to decide how many parking spaces are needed in the City of Washington do you; that is a city problem?

Mr. GRIFFITH. That's correct.

Mr. MURTHA. For the record, add any other studies that you have finished. Also, for the record, provide what long-range studies remain unfinished?

[The information follows:]

ADDITIONAL STUDIES

In addition of Phase IV of the Federal Transportation Study covering tourist/visitor travel to Federal sites, we have completed Phase III, which included completion of year 2000 travel forecasts and highway and transit traffic assignment of Federal employee home-to-work trips. Of course, Phase I and II were finished prior to fiscal year 1980. Our Research/Data Services Branch is continuing the past series and will add to the series of studies reporting Federal employment and other types of changes in the Federal Establishment in the National Capital Region. This Branch is also continuing the series of National Government studies which examine various relationships and impact of the Federal Government in the Region's economy. Another continuing research project updates our Federal employment projection for the Region every two or three years using revised BLS national forecasts in our own mathematical model.

As was mentioned earlier, we are hoping to begin an analysis of the 1980 Census of Population to determine current characteristics of Federal employees in the National Capital Region. We would also like to study the impacts of the Federal Establishment on the municipal tax bases in the National Capital Region, and would hope to continue our Special Street Studies started in fiscal year 1979.

Mr. MURTHA. Do you anticipate the development of further long-range studies?

Mr. GRIFFITH. Yes, I do, Mr. Chairman. The specific types are subject to, of course, consideration by our Commission. But from the staff point of view, we see a need for additional studies that deal with the functioning of the National Capital, as I mentioned before.

DISTRIBUTION OF FEDERAL EMPLOYEES

These can involve everything from aesthetics to the appropriate environmental impacts based on the distribution of Federal employees. We see a need to look at the relationship between the use of historic structures, either by governmental agencies, or by foreign governments, in a manner that protects those historic, facilities, or areas, in the District of Columbia.

We see a need to look very closely at the distribution of Federal employees in the Region. We are concerned with not only the numbers of Federal employees in government owned space, but the total distribution of governmental employees, at least half of which may be in nongovernmental space.

It deals with the distribution of a particular agency's employees in terms of the different parts of the region, and how their location relates to the functioning of the Federal Government in terms of overall efficiency and economy.

There are several studies that we have identified to undertake, but we are still in the process of speaking with our Commission to get priorities in order. Then we will come forth with reasonable budget requests in those areas.

Is there anything else you wish to add, Mr. Shear?

Mr. SHEAR. Only an overall observation that, since long-range planning is at the heart and mission of the Commission, there will obviously be need for long-range planning studies in the time to come.

Mr. MURTHA. In your 1982 fiscal year budget justification, you requested the same basic level as the 1981 appropriation. Are there any new initiatives associated with your current request?

If so, could you describe them for us?

Mr. TREVOR. We are not asking for any additional people, either permanent or temporary. We do have an ongoing mandate from the Congress to perform a body of functions which will be ongoing in the coming year and in the budget year, as well.

As far as specific things, I call your attention to the breakdown that we have on page 15 and page 20 as being areas in which we hope to utilize our appropriated funds for additional studies or additional initiatives.

Mr. MURTHA. We will put those examples in the record.

[The information follows:]

FY 1981

Capital improvements programming activities for fiscal year 1981 have included review of FY 1982 Capital Budget requests of 18 Federal agencies containing 73 individual projects. During this fiscal year, the Commission will also review recommendations for and complete the Federal Capital Improvements Program for the Region, FY 1982-1986. Approximately 178 projects have been tentatively identified for inclusion in this program. During FY 1981, the Commission will also review the proposed capital improvements programs of local and state governments and regional agencies and organizations in the National Capital Region.

The Commission will be required to continue to conduct reviews of Federal and District of Columbia master plans and projects and other proposals, such as Corps of Engineers permit applications, street and alley closings, and transfers of jurisdiction, at a level generally consistent with the reviews conducted during FY 1980. During this fiscal year, the Commission is expected to be required to prepare and adopt modifications to urban renewal plans in the District of Columbia at a level above the urban renewal planning activity in FY 1980. A major urban renewal plan modification for the Fort Lincoln Urban Renewal Area, which had been expected to be undertaken in FY 1980, but was delayed pending decisions by the designated developer, will be prepared during this fiscal year to facilitate continued development of that strategic site.

Pursuant to OMB Circular A-95 the Commission will continue to be required to conduct Federal interest reviews of Federal grant applications for projects and programs, and, based on recent trends, the level of this activity is expected to increase during the fiscal year. The Commission will also continue to conduct Federal interest reviews of plans and proposals of local and state governments in the Region to determine possible impacts on Federal interests and make appropriate recommendations. During the fiscal year the Commission will continue to coordinate early consultation efforts of Federal agencies with local, regional, and state officials to achieve effective coordination on proposed Federal developments pursuant to OMB Circular A-95.

FY 1982

Capital improvements programming activities will include:

1. Preparation of the Federal Capital Improvements Program for the Region for fiscal Years 1983-1987;
2. Review of FY 1983 capital budget requests of Federal agencies for developments in the Region;
3. Federal interest reviews of the District of Columbia Fiscal Year 1983 Capital Budget and Fiscal Year 1983-1988 Six-Year Capital Improvements Program; and
4. Federal interest reviews of capital improvements programs of other local governments, state governments and regional agencies with proposed developments in the region.

Implementation Division in the review of Master Plans for Federal and District of Columbia facilities, and to other branches and offices, as necessary, to ascertain the adequacy of plans and proposals with respect to Federal transportation facilities, including Metro station locations and various state highway improvements, to ascertain adequacy of the proposals with respect to Federal transportation interests and needs.

Urban Design activities will consist of the following:

1. Completing proposed Comprehensive Plan policies for the District of Columbia portions of the Topographic Bowl.
2. Completing the Federal Urban Design Element of the Comprehensive Plan covering other components of the National Capital's overall design framework (i.e., natural settings, open-space networks, special streets and places, urban patterns, visual structure, and civic art and monuments).
3. Initiating more detailed design aspects of the L'Enfant City Sector Plan, especially as to the monumental core and environs.
4. Initiating review of Federal design interests affected by District Elements of the Comprehensive Plan, as available.
5. Continuing advice and assistance to other branches and divisions of the Commission as to design aspects of proposed Federal Elements of the Comprehensive Plan and of Federal and District developments in the Region.
6. Completing, for public circulation and comment, the proposed Special Street Plans for Constitution and Independence Avenues.
7. Providing assistance and comment to the Architect of the Capitol regarding the final phase of the Master Plan for the U.S. Capitol.

FY 1982

Research/Data Services for fiscal year 1982 will include:

1. Analysis of the 1980 Census of Population to determine characteristics of Federal employees in the National Capital Region.
2. National Government industry study of Associations and National Headquarters Functions in the Region.
3. Development and runs of FED Model-4 to prepare updated Federal employment projections for the Region, in conjunction with COG Cooperative Forecasting Program for 1982.
4. Study of the impacts of the Federal government on the municipal tax bases in the Region (1st Phase Study).

Mr. MURTHA. What is going on at the Georgetown waterfront?

Mrs. SCHARF. I think activities are in abeyance. The Fine Arts Commission turned a specific development plan down in its last review. Due to frequent flooding the area of the site, it decided that was not the best location for the planned development.

That development plan is sort of in limbo as far as I know at the moment.

Mr. SHEAR. The Commission has no jurisdiction over plans for the private development along the waterfront, on lands in private ownership.

As you probably know, Mr. Chairman, the old Georgetown Act requires Fine Arts Commission review in connection with building permit applications.

That is the action to which Mrs. Scharf refers.

Mr. MURTHA. So you have no responsibility at all?

Mr. SHEAR. Only to the extent that earlier plans of the Commission called generally for the banks of the Potomac and Anacostia Rivers in the District of Columbia to be part of the national open space system.

That generalized policy with respect to waterfront lands. But the Commission has no jurisdiction over the specific development proposal.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Mr. MURTHA. Pennsylvania Avenue Development Corporation has deferred some appropriations until fiscal year 1982 while awaiting results of a study to evaluate the feasibility of housing in the area east of the FBI building. Has the Commission been involved in this study?

Mrs. SCHARF. We attend all of the meetings of the Pennsylvania Avenue Development Corporation. We sit on their Advisory committee, prior to action by the full Commission.

We are aware of what is going on, and we are given various proposals from time to time to review and comment on.

Mr. SHEAR. The legislation creating the Pennsylvania Avenue Development Corporation gives to the Commission jurisdiction for the approval of any buildings to be constructed by the Corporation itself.

Its Planning Act gives the Commission review authority over site improvements along Pennsylvania Avenue.

I assume the studies to which you refer will presumably result in site improvement proposals.

Mr. GRIFFITH. Those site improvements would be on public land, however, not the private land. The actual building, the housing, as we understand the current thinking of the Pennsylvania Avenue Development Corporation, would not be by the Corporation, but, in fact, would be turned over to a developer, which would mean the Commission would not have approval authority over that.

SMITHSONIAN SOUTH QUADRANGLE MUSEUM

Mr. MURTHA. On January 8th, the Commission approved conceptual plans for the Smithsonian South Quadrangle. Some news reporters say the Commission disagreed with the report of its staff,

which contended the structure planned would not give the museum significant prominence.

Is that true, and if so, why did the Commission overturn the staff report?

Mrs. SCHARF. I would like to respond to that as far as I can go. The Commission was reviewing a plan by the Smithsonian to add two more, primarily underground, facilities in what they call the South Quadrangle in front of the Smithsonian Castle Building.

One of those was to be an addition for an underground facility for the Center for Eastern Art: an extension of the Freer Gallery.

The other facility toward the east of this quadrangle, was to be a museum for African art. There is a very splendid collection of African art sculpture located over in a facility in northeast Washington.

The staff recommended that we go ahead with this, and that we in the meantime—

Mr. MURTHA. They approved what the Smithsonian wanted to do?

Mrs. SCHARF. Yes. And they suggested that we, in the meantime, look for other locations for the Museum of African Art. There was very great unhappiness that this very fine African Art collection was going to be underground, in the concept.

They suggested that they might search in the area of the Fine Arts Gallery at 9th and F Street. There might be some place there that could be purchased.

Mr. MURTHA. Now, I am confused. The Smithsonian wanted to put it underground?

Mrs. SCHARF. Yes.

Mr. MURTHA. The staff agree with that?

Mrs. SCHARF. Yes, but there was a great feeling on the part of everyone that a building underground is not prestigious enough for a new national type—

Mr. MURTHA. They approved, but registered their concern, is that it?

Mrs. SCHARF. They suggested continuing to look for a more prestigious, visible site, and one that could be reached by large numbers of people.

The one remaining space on the mall, which is south of (across from) the east wing of the Gallery, is a vacant space we thought would be appropriate as a location, if possible.

We particularly wanted to emphasize the fact that the underground museum space, as conceived by the Smithsonian, could be an interim location and should proceed, even though there must be another site perhaps chosen in the years to come for the location of the African Museum of Art.

We also felt that perhaps the pavillions, which were the entrances to these underground buildings, were a little bit heavy, large.

We weren't awfully sure about the water conditions underneath, supporting two or three stories of underground construction.

We decided to ask the Smithsonian to do further environmental studies, and to embark on an ongoing study of the location of this Museum for African Art in which people from all over the country could be involved.

Mr. MURTHA. Really you didn't disagree with the staff at all?

Mrs. SCHARF. We refined it and modified it.

Mr. MURTHA. You refined it by saying, "These are fine, but we think there are better locations, and we want you to look for better locations."

Mrs. SCHARF. That's right, but in the meantime, go ahead with the underground facility, because there are many needs not yet met.

And they intend to use them in the years to come, and immediately.

CONSTITUTION AND INDEPENDENCE AVENUES STUDY

Mr. MURTHA. The budget justification on page 18 discusses alternate sketch plans for a special street development of Constitution and Independence Avenues. What are the plans being considered for these two avenues, and what is your involvement in them?

Mr. GRIFFITH. I guess I had mentioned the Constitution Avenue-Independence Avenue study before. It is a study that recognizes the fact that these are two avenues which frame the mall, where we have 20 million visitors per year from the entire country coming.

Yet, these two avenues, somehow over the last several decades, have been allowed to, I don't want to say "degenerate," but in effect, that is the word, degenerate to the point where they do not truly reflect their importance—

Mr. MURTHA. Is this the mall between the old Smithsonian buildings and the new building?

Mr. GRIFFITH. Yes, we are talking about the National Capital Mall which goes from essentially the Capitol, here, all the way down to the Washington Monument, and beyond.

There are several important things to remember. One is that these two streets are extremely important to the image of what is the National Capital throughout the world.

Mr. MURTHA. That is a good point. Let me ask you this question, and I asked the Smithsonian about this a couple of years ago.

When I walk on the gravel that they put out there rocks are always getting into my shoes. It surprises me that that type of material was approved for the mall. It is not particularly attractive. Did they have to come to you before they put down that type of material?

Mr. GRIFFITH. We had, I believe, some review. But let me turn this over to Mr. Robert Gresham, who entered the room.

There are three other members of the staff here that I would like to introduce perhaps at this moment.

Mr. Robert Gresham is our Director for Review and Implementation. That kind of project comes directly before him. So he can answer that question.

In addition, there is Mr. Edward Hromanik, Director of our Planning and Programming Division; and Mr. Martin Rody, on the extreme right, Director of our Technical Services and Special Studies Division.

Mr. MURTHA. Who is this lone gent who hasn't been introduced here?

Mr. GRIFFITH. I have no idea.

Mr. MURTHA. He's the audience.

Mr. GRESHAM. The Commission did approve the improvements for the mall. Actually those plans were sponsored by the National Park Service in coordination, of course, with the Smithsonian.

There was quite a bit of debate at the time on the type to be used on the walkway. This was the type of material I guess that had been used in a lot of European cities very successfully, and it was finally selected.

The Commission, I believe Mr. Shear can correct me if I am wrong, but the Commission's review role in this case is advisory, concentrating between the two rows of museums, and actually the two studies being prepared now are concentrating on the outer frames of the two rows of museums.

Mr. GRIFFITH. Mr. Chairman, to get back to the previous question with respect to Constitution and Independence Avenue, in addition to the fact that the study is needed for the long-range planning of the National Capital, it is also extremely helpful in terms of the review of development adjacent to those avenues as it occurs.

For example, we just mentioned the south garden of the Smithsonian, which is adjacent to Independence Avenue.

The Commission, therefore, in its deliberations about specific projects along that mall area, would have the advantage of having studied and having analyzed the total streetscape so it would have some context in which to judge a particular development of one kind or another.

ADVISORY ROLE OF THE COMMISSION

Mr. MURTHA. What is your technical position? If you don't approve something, does it go ahead anyway, depending on the agency?

Where do you stand?

Mr. SHEAR. That is substantially correct, Mr. Chairman. The Commission's role under the Planning Act is basically an advisory role.

Under Section 5 of the National Capital Planning Act of 1952, the Federal and District of Columbia agencies are required to submit plans and projects in preliminary and successive stages to the Commission for its advice.

If, after receiving the advice of the Commission, an agency decides to proceed in a manner contrary to the advice received from the Commission, the agency is obligated under the law to advise the Commission that it is proceeding, notwithstanding the advice of the Commission, and the reasons for doing so.

Mr. MURTHA. Do you also advise Congress if it is National property?

Mr. GRIFFITH. No, sir.

Mr. SHEAR. Our jurisdiction does not extend to developments in the area under the jurisdiction of the Architect of the Capitol.

Now, there is one important exception to the advisory nature of the Commission's jurisdiction, and that has to do with Federal public buildings.

The plans for Federal public buildings in the District of Columbia are exempt from the local zoning regulations, but they are made subject to the approval of the National Capital Planning

Commission with respect to their location, use, height, bulk, number of stories; all of the things ordinarily controlled by zoning.

So we call that the Commission's "in lieu of zoning" jurisdiction. Except for that approval jurisdiction, and certain other specific approvals which Congress has given the Commission by separate acts of Congress, for example, the location and design of a particular monument or memorial is made subject to the approval of the Commission, except for specialized approvals, the Commission's jurisdiction, both in its comprehensive planning role and in its plan and project review role, is advisory.

NCPC AND FINE ARTS COMMISSION

Mr. MURTHA. What is the difference between this Commission and the Fine Arts Commission?

Mr. SHEAR. The Planning Commission is essentially concerned with land use and planning considerations. The Fine Arts Commission, of course, has certain other responsibilities: logos, insignia, things of that kind.

But in terms of its National Capital responsibilities, it is concerned with design, architecture and aesthetics.

Mr. MURTHA. You don't get into the architectural design of a building. So you decide on the use? I am not sure I can distinguish between the two.

Mr. GRIFFITH. It is often both, and it depends on the area. We generally only are concerned with the use and the height, bulk, mass, set-back of the buildings, the types of issues that normally come before the Zoning Commission come before the Planning Commission in terms of Federal buildings. And compatibility with surroundings.

It does not deal closely with specifics of materials. There are exceptions. One exception, I suppose, would be the International Center where the Planning Commission's role, because it is Federal property, and because, I guess—

Mr. SHEAR. The International Center Act does clearly give the planning jurisdiction to the Planning Commission. And the aesthetic concerns, that is, the materials of exterior construction and the like, to Fine Arts Commission.

It makes a very clear demarcation between the respective jurisdictions of the two Commissions.

Very often, there is an overlap. There is another point which needs to be made. Fine Arts' jurisdiction is geographically more limited than the Planning Commission's jurisdiction.

In other words, it is limited to public undertakings which affect the appearance of the National Capital.

It is limited under the old Georgetown Act to Georgetown, and under—

Mr. MURTHA. That is why they and not you have jurisdiction of Georgetown, because of the Act.

Mr. SHEAR. That's correct. Under the Shipstead-Luce Act, the Fine Arts Commission has jurisdiction and serves in an advisory capacity to the District Government with respect to private development which confronts important public spaces, so that a private office building along Pennsylvania Avenue, for example, is reviewed by the Fine Arts Commission under the Shipstead-Luce Act.

Mr. MURTHA. Do they have the same advisory mandate?

Mr. SHEAR. Advisory in that particular instance to the mayor.

Mr. MURTHA. Who protects us from having a building which is not compatible that is owned privately along Pennsylvania Avenue?

Mr. SHEAR. Fine Arts.

Mr. GRIFFITH. It deals with the District of Columbia, where we have certain types of powers, and Mr. Shear mentioned the advisory powers coupled with the "in lieu of zoning" for Federal public buildings.

In addition to that, the Planning Commission has a reasonable responsibility, which is advisory, and includes Montgomery County, Prince Georges County in Maryland; and, in Virginia, includes Loudon County, Fairfax County, Prince William's County, Arlington County and the cities therein. So that we have a regional responsibility.

MAJOR CONTINUING RESPONSIBILITIES OF COMMISSION

Mr. MURTHA. What are the major issues facing the Commission over the next 18 months or two years, Madam Chairman?

Mrs. SCHARF. The completion of the comprehensive plan so that we have the basis for making our suggestions to our neighbors, working cooperatively with them from the very beginning as we begin an element of the comprehensive plan so we have an exchange of ideas, identify our mutual interests, and resolve problems in the process.

When we have this completed, this comprehensive plan, we will have an adopted document to fall back on and to reinforce our planning decisions. That is one major objective.

We have at the moment, of course, a continuing responsibility for reviewing the local jurisdictions' capital improvements adjacent to Federal facilities to make sure they are not adversely impacting the functions of our Federal establishments such as at NIH in Montgomery County and other locations containing Federal buildings and lands. We are often looking at their capital improvement plans to make sure they are in consonance with what we have there.

I would say that's one part of our responsibility, that sort of thing.

Mr. MURTHA. Expand that for the record, if you have anything else you would like to add.

Mrs. SCHARF. Yes, we do have.

[The information follows:]

OTHER MAJOR COMMISSION RESPONSIBILITIES

Other major responsibilities relating to the Commission's planning and coordination roles include the preparation of the Commission's annual Federal Capital Improvements Program for the National Capital Region and the review of local proposals referred to the Commission under OMB Circular A-95. The annual Federal capital program serve an important role in helping to coordinate proposed Federal developments in the region among various Federal agencies and with local, regional, and state governments and organizations. The reciprocal reviews of the Federal CIP by the local governments and reviews by the Commission of local capital improvements programs provide the basis for close coordination, which help to insure, for example, that adequate utility and transportation services can be provided to serve planned Federal developments. The reviews of A-95 notifications

provide additional coordination between local and Federal plans and proposals in the region.

Another continuing issue before the Commission is the timely review and successful coordination of master plans for major Federal installations in the region, such as NASA's Goodard Space Flight Center and the Beltsville Agricultural Research Center. The master planning program for Federal facilities that the Commission has promoted for many years leads to more effective use of the land on these major tracts and more successful coordination of Federal activities with surrounding local activities and interests. We believe this important role helps these major Federal facilities function as good neighbors in their local communities.

Mr. MURTHA. Section 108 of the Fiscal Year 1981 Department of Interior and Related Agencies Appropriation Act authorizes the Secretary to appoint an advisory group "to undertake such activities as may be appropriate to study the effect of future growth and development on the beauty, historic values and other features that make the Capital area unique, and to recommend measures that will protect its values."

Has the Commission been approached to participate as part of this advisory group?

Mr. GRIFFITH. Yes, Mr. Chairman. I believe that you are referring to a piece of legislation that grew out of meetings between the District of Columbia, the National Capital Planning Commission, the Department of the Interior, and several interested local groups, as well as national groups.

As a result of that and the subsequent legislation, our former chairman, Mr. David Childs, I believe, was invited to be a member of that advisory group.

I am not sure whether or not our current chairman, Mrs. Scharf, has been contacted by that group.

Mrs. SCHARF. There has been no notification of any meeting, so it probably isn't underway yet.

COMMISSION RESPONSIBILITIES OUTSIDE OF THE DISTRICT OF COLUMBIA

Mr. MURTHA. Fairfax County Supervisor, Nancy K. Falck, is quoted in The Washington Star as saying the National Capital Planning Commission is "reviewing things that are inappropriate for them to consider. It looks like an outfit in search of work to justify its existence."

Mrs. SCHARF. I think she is probably misinformed. If she knew the law under which we operate, she would know that this review is a mandate to us.

We haven't any ability to enforce anything. We are not injecting ourselves into local jurisdictions and taking over their zoning authorities. We cannot do that, and we do not have adequate information to try to do it.

Mr. MURTHA. Do you keep track of how much of your advice is followed?

Mr. GRIFFITH. Generally speaking, we have been of late keeping very close track. Originally, we did not. But we found the need to.

In the instance of Fairfax County, Mr. Chairman, I would like to say that the misinformation was probably based on the fact that it was not generally recognized that in this case, a proposed road went through a Federal establishment, Ft. Belvoir.

And there was one other issue involved. And property along the Dulles access road, which is again, Federal property. So the Commission, by virtue of its statutory requirements, had to look at anything that would impact on the Federal establishment.

That is exactly what we did. We have done this in the past, we believe, to the benefit of both local jurisdictions, and the Federal Government.

Mr. MURTHA. Her charge was that you shouldn't be outside the D.C. limits making advisory opinions just because you needed the work.

Is that what it sounds like she was saying?

Mr. GRIFFITH. She, as Mrs. Scharf says, was obviously misinformed about what the Commission is obliged to do with respect to Federal lands outside the District of Columbia.

Mr. MURTHA. You might want to expand on this question for the record.

Mr. GRIFFITH. Certainly.

[The information follows:]

FEDERALLY OWNED LAND OUTSIDE REGION

Approximately 80 percent of all Federally-owned land in the Washington metropolitan area is located outside of the District of Columbia. About 42 percent of all Federal employees in the Region work on sites outside of the District. As the Federal government is a major property owner in the Region, the Commission as the central planning agency for the Federal Government in the National Capital Region has an interest in any proposals that would change the land use and/or the intensity of development on property adjacent to a Federal installation or park lands. The proposed highway that would bisect Fort Belvoir, the proposed Springfield Metro Station adjacent to the GSA Storage Depot and the 21-story hotel proposed immediately adjacent to the Dulles Access Road are all illustrations in Fairfax County of the Commission's interest in evaluating the impact, if any, of non-Federal development proposals on Federal activities and/or interests in the Region. The Commission has been undertaking such reviews in local jurisdictions within the Maryland and Virginia portions of the Washington area, including Fairfax County, for several years.

Mr. MURTHA. Thank you very much, Mrs. Scharf. We are glad to have you in your first appearance before the committee. We appreciate your response.

Mrs. SCHARF. I hope I will improve my performance as time goes on. Thank you very much.

Mr. MURTHA. Thank you very much.

We have some additional questions that we would like you to answer for the record.

[The questions and answers follow:]

ADDITIONAL COMMITTEE QUESTIONS

USE OF CONSULTING MONIES

Please give the Committee some examples of how you will be using the \$50,000 you have requested for consultant services.

The \$50,000 base requested for consultant services will be used for various relatively small diverse purchases needed to support the Commission's staff work on special projects, including research and environment studies and over programs requiring outside expertise. These include purchases of various unpublished data compilation, such as special tabulations of the 1980 Census; computer work such as that required for re-running the FED Model to obtain updated Federal employment projections, and for running the Commission's new Federal employment impact model (the Commission does not have its own in-house computer capabilities), and for small consultant studies requiring outside technical expertise not available on our staff.

CITIZEN'S PARTICIPATION PROCESS

Please explain what the Citizen's Participation Process is. Which of your activities require citizen participation?

The Commission's citizen participation program is established in order to provide an opportunity for interested and affected citizen organizations and individuals to participate in the Commission's decision-making process to the extent that their views on an item scheduled to come before the Commission are received by the Commission prior to Commission action on the item. Their participation may begin months before an item is scheduled for action, such as in the successive stages of developing a Federal element of the Comprehensive Plan for the National Capital, or in the various stages required for planning a major Federal project. Their participation also may occur just at the conclusion of the planning process when they register to speak at the Commission meeting on a particular matter which is scheduled for action by the Commission on that day.

All items that are scheduled to come before the Commission for action are candidates for the citizen participation process. However, not all such items are of interest to citizens, and consequently no expression of citizen views on those items is received by the Commission prior to its taking action.

1980 CENSUS

What is the purpose of the analysis of the 1980 Census of Population? What characteristics of Federal employees in the National Capital Region are you trying to determine? How much will this effort cost?

The purpose of the analysis of the 1980 Census of Population is to obtain and compare data on a variety of current economic and other characteristics of Federal employees and their families in the National Capital Region which are expected to differ from the general population and for which data will not otherwise be compiled or published by the U.S. Bureau of the Census. These data and comparisons are principally needed for the preparation of the Commission's impact and projection studies, as well as for other planning studies. The cost of purchasing special tabulations of the 1980 Census is estimated at between \$5,000 and \$8,000. Final compilations and analyses of the data will be prepared by staff of the Research/Data Services Branch.

PRINTING COST AND PUBLICATIONS

Your printing costs jumped from \$42,000 in fiscal year 1980 to \$78,000 for both fiscal year 1981 and fiscal year 1982.

Why is there such a significant increase?

What are the publications that the Commission produces?

In fiscal year 1980, the Commission was appropriated \$73,000 for printing, and in fiscal year 1981 and fiscal year 1982, \$78,000. Our actual printing budget has not really increased that much over the last three years. Unfortunately, our supplemental appropriation in fiscal year 1980 was substantially less than our request. Since this information came in the last quarter of fiscal year 1980, we necessarily had to make cuts somewhere quickly. We decided to postpone printing work several months until the beginning of fiscal year 1981. We have since absorbed the \$31,000 shortfall in fiscal year 1980 printing money.

On a regular basis the Commission publishes the "Quarterly Review of Commission Proceedings," "Changes of Federal Employment in the National Capital Region" and the annual "Federal Capital Improvements Program for the National Capital Region." The Commission also publishes Federal elements to the Comprehensive Plan and a variety of reports dealing with studies of the National Government in the economy of the National Capital Region, and many technical reports and studies on planning matters in the region.

TREGARON ESTATE

The Tregaron Estate in northwest Washington was recently sold by the heirs of the Honorable Joseph E. Davies to the Tregaron Corporation. In 1959, the Davies family and the National Capital Planning Commission entered into a contract for a scenic easement along Klingle Road.

What progress have you made in negotiating with the new owners on establishing the exact size, location and price of easement?

Has the date for the start of negotiations been recorded as provided in section 7 of the contract?

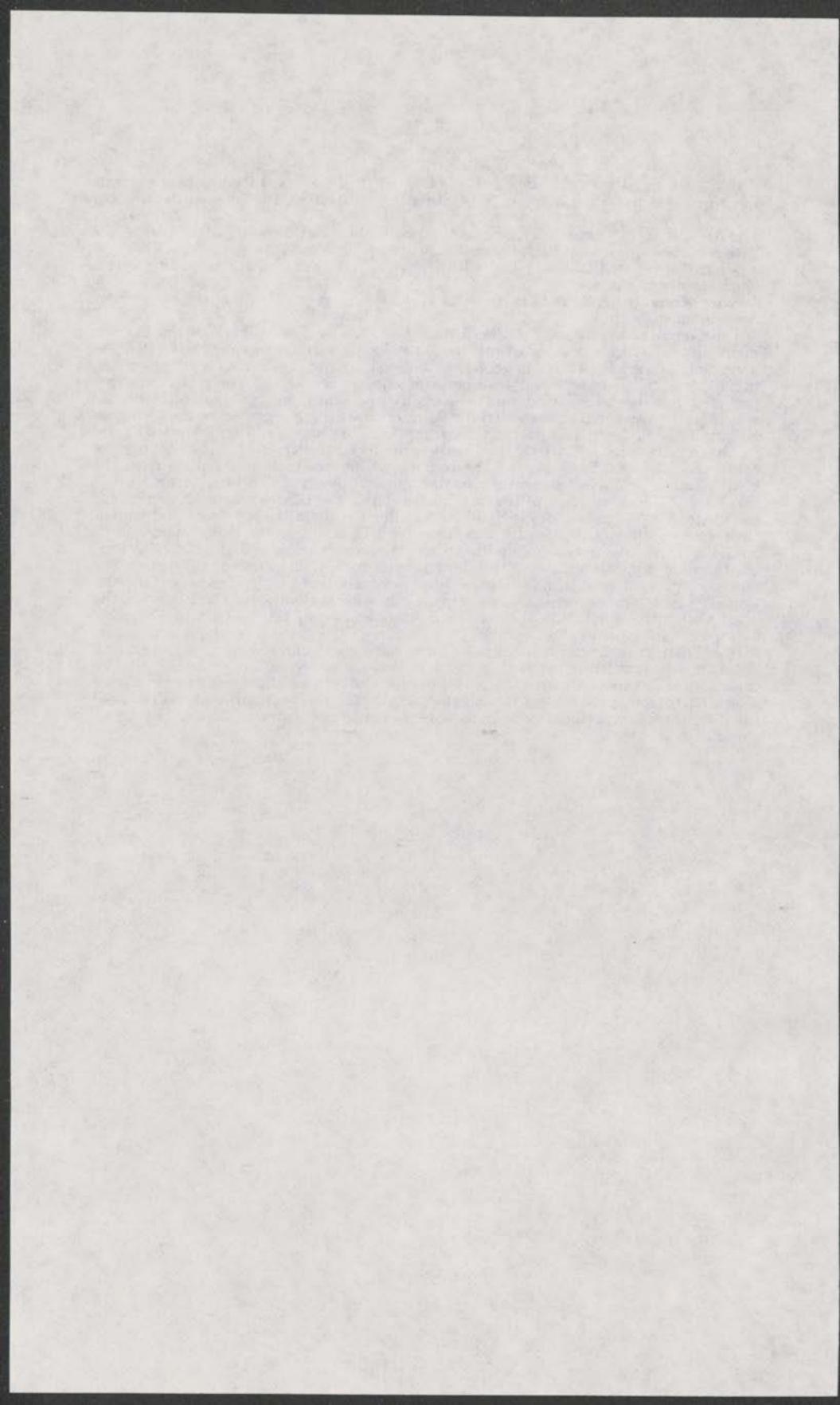
If the six months negotiation period mentioned in the contract has now expired, what progress have you made in appointing the arbitrators as discussed in section 7 of the contract?

How will local community, District of Columbia and Federal interests in the easement be represented in the negotiations or arbitration?

What discussions have you had with the National Park Service regarding establishment of the easement?

Are there sufficient funds in your fiscal year 1982 request to pay the owners for the scenic easement?

The Commission's General Counsel and the Office of the Solicitor of the Department of the Interior are reviewing the letter contract dated January 16, 1959, as amended January 30, 1959, between the Commission and the owners of Tregaron, as provided in the last will and testament of Joseph E. Davies. The letter contract provided for the negotiation and execution of a definitive contract pursuant to which scenic easements over a strip of land not exceeding eight acres bordering on Klingle Road and which is part of Tregaron, would be conveyed to the United States for a consideration of \$6,000 per acre. The letter contract, by prohibiting the construction of buildings on, and the removal of mature trees and shrubs from the strip of land, protected and preserved the natural cover of the land along Klingle Road, until the completion of the administration of the Davies estate at which time the owners of Tregaron could legally enter into the definitive contract and convey the scenic easements. The estate was the subject of litigation for many years and its administration was not completed until last November when the District of Columbia Court of Appeals validated sale of Tregaron by a Court appointed trustee. The portion of Tregaron adjoining Klingle Road was acquired by the Tregaron Corporation. The new owners have initiated discussions with the National Park Service, the Joint Committee on Landmarks of the National Capital, the District of Columbia Office of Planning and Development, and citizen groups prior to making application to the District of Columbia Zoning Commission for approval of a planned unit development. It is anticipated that the negotiations provided for in the 1959 letter contract will begin at an early date. However, the \$48,000 in Capper-Cramton Funds allocated to this project was deobligated in August 1974. Accordingly, additional funds—either appropriated or contributed—would be necessary to acquire the scenic easements.



MONDAY, MAY 18, 1981.

DEPARTMENT OF EDUCATION
INSTITUTE OF MUSEUM SERVICES

WITNESSES

JOHN B. LYONS, ACTING DIRECTOR, INSTITUTE OF MUSEUM SERVICES
DICK W. HAYS, ACTING ASSISTANT SECRETARY FOR EDUCATIONAL
RESEARCH AND IMPROVEMENT
MARK TODD, BUDGET ANALYST, INSTITUTE OF MUSEUM SERVICES
THOMAS LITKOWSKI, PROGRAM DIRECTOR, INSTITUTE OF MUSEUM
SERVICES
SALLY H. CHRISTENSEN, ACTING ASSISTANT SECRETARY FOR PLAN-
NING AND BUDGET
GEORGE SEYBOLD, CHAIRMAN, NATIONAL MUSEUM SERVICES BOARD

OPENING REMARKS

Mr. YATES. This is a hearing for fiscal year 1982. Appearing in support of that appropriation for the Institute of Museum Services are Mr. Lyons, Acting Director; Mr. Hays, Acting Assistant Secretary for Educational Research and Improvement; Mr. Todd, Budget Analyst; Mr. Litkowski, Program Director; and Sally Christensen, Acting Assistant Secretary for Planning and Budget.

Mr. Lyons, you are the Acting Director. Tell me, what did you do before you became Acting Director?

Mr. LYONS. I worked for two years in the Institute as Assistant to the Director for Administration and Analysis.

Mr. YATES. Who was that?

Mr. LYONS. Lee Kimche.

Mr. YATES. Did I understand you correctly, were you Assistant Director?

Mr. LYONS. Assistant Director for Administration, yes sir.

THE 1982 BUDGET REQUEST

Mr. YATES. What is the \$220,000 for? That is quite a comedown, isn't it?

Mr. LYONS. Yes, sir. The \$220,000 would allow for orderly termination of the Institute's programs.

Mr. YATES. Are you ending the Institute?

Mr. LYONS. Yes, sir.

Mr. YATES. Is it coming to an end?

Mr. LYONS. The Administration has proposed \$220,000 which would allow for orderly termination of the Institute.

Mr. YATES. What is the \$220,000 for?

Mr. LYONS. That would represent the salary and expenses that would enable the staff of five individuals to close the books.

Mr. YATES. Your statement and biographical sketch may go into the record at this point.
[The statement and biography follow:]

Mr. Chairman and members of the Committee, I am pleased to appear before you on behalf of the Institute of Museum Services to explain the fiscal year 1982 budget request.

The 1982 budget request would provide \$220,000 for administrative activities to complete the orderly phase-out of the Institute's program by the end of fiscal year 1982. This phase-out process will require no funds for museum grants or for the National Museum Services Board in 1982. Termination of the Institute's activities will begin in 1981 under a rescission proposal that would reduce the fiscal year 1981 funding to \$500,000 from an appropriation of \$12,857,000.

The Institute of Museum Services was first authorized in 1976 under Title II of the Arts and Humanities, and Cultural Affairs Act. Since its inception, the Institute has provided grants to many types of museums as well as botanical gardens, arboretums, aquariums, and zoos to help them maintain and improve their services. These grants fall under two categories: (1) general operating support grants to help museums meet operating expenses and (2) special project grants to support exemplary or model museum projects and to provide emergency assistance to museums damaged by a natural disaster.

Over three fiscal years--1978, 1979, and 1980--the Institute has awarded 1,064 General Operating Support and Special Project Grants, totalling \$21.5 million, to museums in every State, the District of Columbia, and Puerto Rico.

Nationally museums spent over \$1 billion in 1979 to maintain, care for, and exhibit their collections. Traditionally, museums have depended upon private resources to finance the largest part of their operations and construction. We believe that this trend will continue. In 1979 self-generated revenues derived from admission fees, memberships dues, museum shop sales, fees from classes, and other funding sources provided about 37 percent of all museum income. Endowment income provided another source of revenue, accounting for about 9 percent of all museum income. About one museum in four nationally has its own endowment. Another 11 percent of museum income came from individual contributions, foundation grants, and corporate donations. Together, earned income and funds received from other private sources accounted for almost three-fifths of all museum revenues in 1979.

State and local funding provided another 29 percent of all museum revenues in 1979, and the Federal government provided 14 percent of the total. However, 60 percent of this Federal support goes to museums operated by the Federal government.

The budget request of \$220,000 in fiscal year 1982 will support the salaries, travel, and other administrative expenses for the staff to complete the orderly termination of the Institute's activities. The proposal will support seven full-time positions, a reduction of five permanent positions from the previous year. A program staff of five will be responsible for processing outstanding grants and monitoring completed awards. The two other positions are administrative support positions. We expect the program staff to make site visits to about 15 percent of the 1980 award recipients for the purposes of monitoring and providing technical assistance.

This proposal to phase-out completely the Institute of Museum Services in fiscal year 1982 is part of the Administration's overall effort to rethink the role of Federal support for cultural activities. While museums and other repositories of culture play an important role in our society, they have traditionally depended upon self-generated revenues, private philanthropy, and State and local financing for the bulk of their operating funds.

Thank you. We would be happy to answer any questions you may have.

DEPARTMENT OF EDUCATION
 Institute of Museum Services
 Biographical Sketch

NAME: John Barrett Lyons
 POSITION: Acting Director, Institute of Museum Services
 EDUCATION: University of Maryland, 1968, B.S.
 American University, 1974, M.P.A.

POSITIONS HELD

1980-Present Director, Office of Program Budget, Planning and Evaluation, National Center for Education Statistics (on leave)

1979-1980 Assistant Director for Administration and Analysis, Institute of Museum Services

1973-1978 Administrative Officer, National Institutes of Health, National Heart, Lung, and Blood Institute, Division of Blood Diseases and Resources

1972-1973 Staff Assistant to Executive Officer, National Institutes of Health, National Heart and Lung Institute

1970-1972 Budget Analyst, National Institutes of Health, National Heart and Lung Institute

1969-1969 Management Intern, (Area of assignment - Grants Management, Budget Analyst, Management Policy and Review, and Program Planning and Evaluation) - Department of Health, Education, and Welfare, National Institutes of Health, Office of the Director

1968-1968 Administrative Assistant, Food and Drug Administration, Bureau of Biologic Standards

1968-1968 Auditor, Management Analyst, General Accounting Office

Mr. YATES. Close the books and bring the agency to an end. Now, does that mean that there is no need for the Institute of Museum Services?

Mr. LYONS. It is the Administration's position that a healthy economy would better serve the needs of the museum community, sir, than any program of explicit Federal assistance.

Mr. YATES. There has been a healthy economy and a poor economy over the last number of decades. I don't think that is an adequate test. What is your own feeling, do the museums need help?

Mr. LYONS. I think it is a very difficult question to answer. Museums are rather unique institutions because they do have physical plants, they do have collections, they do rely very heavily on labor. While museums play a valuable role in our society, we believe that the Congress will approve the Administration's rescission request because of budgetary constraints that face the Federal Government.

Mr. YATES. That is not my question. Isn't it the question, should Congress approve the Administration's request, rather than will Congress approve?

Mr. LYONS. I think that is a question before you.

Mr. YATES. Do you have an opinion about it?

Mr. LYONS. My personal opinion is that the Administration's proposal deserves earnest consideration.

Mr. HAYS. Mr. Chairman, I would say—

Mr. YATES. Who are you?

Mr. HAYS. Mr. Hays, Acting Assistant Secretary for Educational Research and Improvement.

Mr. YATES. You are from the Department of Education?

Mr. HAYS. Yes sir.

FEDERAL BUDGETARY RESTRAINTS

The Administration had many difficult choices to make in order to reduce the federal budget. That was very difficult to do. One of the decisions made was to terminate the Institute of Museum Services. Although museums are very desirable institutions and need various types of support, the federal budget at this time, given other considerations, had to be reduced. The Institute was one of the programs that was recommended for termination.

Mr. YATES. Let me read from Mr. Lyon's statement, it says this:

The Institute of Museum Services was first authorized in 1976. Since its inception, the Institute has provided grants to many types of museums, as well as botanical gardens, arboretums, aquariums and zoos.

Were you on the staff at this time?

Mr. LYONS. Yes, I was.

Mr. YATES. Did you find that the botanical gardens, the arboretums and all the places you gave grants, required the grants?

Mr. LYONS. Yes, sir. I found that for the type of grant we did award, they in fact met the criteria established by the Act.

Mr. YATES. Sure they met the criteria. The Act required that you give aid to museums when you felt that the museums needed the help, is that right?

Mr. LYONS. When they met the criteria established by the grant, a judgment was made as to the quality of the service, the quality

and importance of the collection, the accessibility of museum services and collection to the general public, the population served, the quality of the financial statement, long range plans, and the extent of community commitments.

Mr. YATES. Have those vanished?

Mr. LYONS. No sir, I don't think they have. I think that is a judgment that most people can make about museums or any large institution that serves the public.

Mr. YATES. Suppose you were on this side of the table. Would you terminate the Institute of Museum Services if you were a member of Congress? How would you vote?

Mr. LYONS. That is a very difficult question to answer.

Mr. YATES. It is the question we have to decide, isn't it?

Mr. LYONS. Yes, sir.

NEED FOR ASSISTANCE TO MUSEUMS

Mr. YATES. We are asking your opinion as an expert witness. Suppose you were on this side of the table, would you think those museums needed help, that Congress could have reasonably provided the same budget that it had last year, for example?

Mr. LYONS. Well, the issue before us is whether or not, in a time of fiscal constraint, the Federal Government can continue providing assistance to museums.

Mr. YATES. I am not asking you what the issue before you is. I am asking you what Congress should do, in your personal opinion. I had the argument with Mr. Stockman the other day in another subcommittee. I said to Mr. Stockman, "Mr. Stockman, I am continuously frustrated by witnesses who come before us and tell us that they have to support the Administration's budget. They don't tell us what the needs of the particular institution is as a result. They just answer the questions as you would want them to answer them.

"Congress has the task of trying to provide funds for the particular agency, and when our witnesses come before us and tell us nothing, as to the needs of the agency, it is very difficult for Congress to form its opinion. Shouldn't Congress be able to obtain information from them other than supporting your budget, Mr. Stockman?"

Mr. Stockman agreed with me. He said, "You should ask for their opinions." I ask for opinions, but invariably I find very frightened witnesses who don't want to deviate from the Administration's point of view. I have that impression here today. You are telling me that the budget constraints are such that we have to close up shop on an agency like the Institute of Museum Services, which would indicate that you don't think the museums need financial help from the Federal Government. Is my conclusion a correct one?

Mr. Lyons. Yes, sir.

Mr. Yates. Okay.

NONFEDERAL SUPPORT

Ms. CHRISTENSEN. Mr. Chairman, I would add also that the Secretary—and he has said this in front of other committees in dealing with the education programs—that we realize none of these cuts

will be easy on anyone, and that they are part of the President's total economic reform plan. In this case, these programs are forward funded, so it gives the institutions time to plan.

And there also is the fact that the institutions do receive such a large share of their support from sources other than the federal government. This is a very small source of the revenue.

Mr. YATES. If what you say is true, are you saying that Congress never should have passed the Institute of Museum Services bill in the first instance?

Ms. CHRISTENSEN. I am not saying that. I am saying that, for instance, you can go back 15 years and talk about all of the elementary and secondary education programs, and you can talk by the same token about the IMS program, that there was a time when sufficient funds were not provided by the states, localities, and private foundations and other sources of private support. The Federal Government stepped in and provided them with additional assistance. It has helped.

Mr. YATES. Now you think it is all available, and there is no need for federal help?

Ms. CHRISTENSEN. No, we are saying that the need for restraint in this particular area is a more overriding concern.

Mr. YATES. Mr. Seybolt, may I ask you some questions? Would you come to the table?

Mr. SEYBOLT. Yes, sir.

NEED FOR FEDERAL SUPPORT

Mr. YATES. You have heard the questions I have asked the witness. What is your feeling about the need for government help for museums?

Mr. SEYBOLT. Well, sir, despite the fact the legislation provides for general policies of the Institute to be made by the National Museum Services Board, I have never been consulted, nor has the board individually or collectively, in this discussion, which is going on now.

Mr. YATES. Has the Administration ever asked you for your opinion?

Mr. SEYBOLT. No, sir, however, they probably know what it is.

Mr. YATES. I have an idea what it is, but I wouldn't say I know it. What is your opinion?

Mr. SEYBOLT. I think there is an organization here which has proven its value.

Mr. YATES. By "organization here," do you mean the Institute of Museum Services?

Mr. SEYBOLT. Yes, sir.

Mr. YATES. Okay, go ahead.

Mr. SEYBOLT. It has proven its value, it has been accepted as a proven value by the increases in budget that Congress has given us. It now has a record to which it can refer, which it did not have in 1976. It has three years of functioning, dealing with and making awards to over 20 percent of the museums in the United States. Its policies, I believe, have been equitable and successful. I am prepared to detail that.

But I don't think the issue which you are posing to my colleagues here has been dealt with in their responses, that is, has it been successful and has it been necessary and is its job done?

Mr. YATES. They are not replying to that question.

Mr. SEYBOLT. That is right, sir. I am prepared to—you have a written statement which I did not plan to read. I have a few things I can cover.

Mr. YATES. Do I have a statement from you? I have a statement here from Mr. Lyons, I thought.

Mr. SEYBOLT. I think there are some there. But I did not plan to read that. I was just going to highlight it, sir, to be brief.

CONDITION OF MUSEUMS IN THE UNITED STATES

Mr. YATES. What is the condition of the museums of the country? I know it varies from museum to museum. But I know of few witnesses who have had the experience that you have had on the subject. You have had much more experience, actually having been a museum officer and trustee for many years. You know more about museums than most people do.

Your statement may be made a part of the record.

[The statement follows:]

Statement
of
George Seybolt
Chairman
National Museum Services Board
Before the
House Appropriations Subcommittee on Interior
May 18, 1981

Mr. Chairman and members of the committee, I am grateful for your invitation to comment on the fiscal 1982 budget proposed for the Institute of Museum Services, which, if approved, would result in the termination of this agency. As you know I have been associated with the Institute since its earliest days as chairman of the National Museum Services Board. Today I am here to testify on behalf of the Institute and the positive impact of its support on the quality of the services and operations of the nation's museums. I think the views I express are shared by museum trustees, directors and their staffs, and the millions of museum goers in this country.

As a businessman, I can appreciate the Administration's efforts to bring inflation under control. Its impact has spread to every sector of the economy, and museums, no less than others, are its victims. We are not asking to be singled out for special consideration. But it is of deepest concern that, through the elimination of the Institute of Museum Services, museums are being asked to bear a disproportionately large share of the burden.

This year the nation's museums will spend over \$1 billion to house, maintain and care for their collections, to present them to the public and to insure their availability to future generations. The budget of the Institute represents a small portion of that total cost, but that small portion is critical.

The Institute's legislative mandate is to provide support "to maintain and improve" museum services. From its inception in 1977, the Institute has provided general operating support in the areas where it is the most difficult to raise local and private dollars: conservation of collections, security, staff salaries, maintenance of exhibits, records management and so on. Each museum applicant determines its most critical areas of need.

Over a period of three years--fiscal 1978, 1979 and 1980--the Institute has awarded 1,064 grants totalling \$21.5 million to museums in every state, the District of Columbia and Puerto Rico. Sixty percent of the Institute's grants have been awarded to small and medium-sized museums, those with budgets of under \$500,000. Although the grants have been kept to a maximum of \$35,000 or ten percent of a museum's operating budget, Institute support has had a significant and measurable impact on the operations of museums receiving support.

The Institute's dollars are also important because of the private support they generate in terms of contributions, increased volunteer activity and growth of earned income from admission fees, memberships

and other incoming producing activities. For example, the New England Aquarium in Boston used a \$35,000 IMS grant to hire a development director and mount a successful \$750,000 fund drive. The Peabody Museum in Salem did the same thing, with a \$25,000 grant that helped to raise \$160,000. The Maine State Museum is attracting local and private funds by using an IMS grant to keep the museum open on a year-round basis for the first time in its history. Other museums have used IMS grants to hire educators and curators to develop public programs that eventually bring in earned income through membership fees, admission charges and tuition for classes.

It is my belief that the short-term gains made by eliminating the Institute must be weighed against the serious effects that this decision will have on our museums. I cannot speculate on whether museums will close if IMS is terminated. Museums have a long history of private support and instincts for survival that are second nature to them. I do think that terminating IMS will slow a momentum to recognize and support the need for general operating funds that IMS has been primarily responsible for building. Inevitably there will be an impact on collections, security and the ability of museums to generate private dollars for the unglamorous costs of day-to-day operations.

First, in the area of collections: All museum collections require continuous maintenance and care. Museums are high energy users because collections must be maintained at consistent levels of temperature and humidity or risk irreversible decay. Even if inflation is brought under control, museums will continue to face high energy bills in order to preserve their collections and maintain the buildings that house them.

What happens if the Institute's general operating support is terminated? Reductions in operating budgets force museums to make hard choices about which objects and collections have the highest priority for preservation, and which have to go on the back burner. We know from a 1979 survey that three-fourths of the museums forced to make operating cuts because of inflation reduced their care of the collections. How do you decide whether to save a painting by Winslow Homer or one by Frederick Church? These kinds of decisions--ones that no one wants to make--have disastrous long-term effects on museum collections. And eventually, they must narrow our viewpoint of what parts of our cultural and natural heritage can be preserved.

Another impact of eliminating the Institute's grants will be the reduction or elimination of programs for the public. Over the past three years many museums have used IMS grants for educators and curators whose salaries could not otherwise be afforded. Clearly, smaller institutions face some pretty basic choices: do we pay the heating bills and preserve the collections for future generations or

do we pay staff salaries that enable us to exhibit and interpret the collections for today's generations? Reducing and eliminating programs, however, has its Catch-22. It can jeopardize the flow of private dollars into museums. Self-generated revenues from admission fees, membership and tuition for museum classes are the most significant source of museum income. Museum admission fees are the largest source of earned income--over \$135 million in 1979--and membership added another \$50 million. By eliminating IMS dollars, which encourage the wider availability of collections and programs, museums may have to reduce those activities that make them attractive to the public that supports them.

Many museums have used IMS support to increase the size of their security force thereby making it possible to extend their hours or stay open for more days of the week. The loss of IMS grant funds will mean that many will have to reduce their hours of operation and rotate galleries open to the public. A few weeks ago, William Macomber, president of the Metropolitan Museum of Art, testified that the Met is rotating its galleries, and that one-third or more are closed to the public at any given time. This, too, has serious implications for generating earned income. I wonder how many people would be willing to pay a full admission charge to see two-thirds of a movie, and come and buy another ticket to see the last third?

At the risk of repeating myself, we are saying to museums, go out and raise even more money from the private sector while providing fewer programs and services.

Inevitably, we come to the question of what museums can do to try to raise the dollars that won't be coming from the Institute. Logic commands that there will be an intensely competitive effort to find money in the private sector, and the competition is going to be very cruel indeed. The museums with development offices and more sophisticated capabilities will obviously have a better chance, but for the vast majority of museums--and about three-fourths of the nation's museums are small--the competition will be for survival.

Congress had the foresight in 1976 to create the Institute of Museum Services, recognizing the national importance of museums and their serious financial needs. The collections of art, history, natural history, science and technology held in the public trust by museums are a national resource. They constitute our cultural heritage, which is irreplaceable.

Terminating the Institute of Museum Services is a false economy--like turning off lights in a gallery. IMS has provided support and leadership to the museum community in its brief existence and will, I hope, be given the opportunity to continue to do so.

Mr. YATES. I have had the experience of talking to people from the Chicago Museum of Science and Industry. They are constantly worried about whether they will stay alive or not.

Mr. SEYBOLT. The annual operating budgets of the museums in the United States is over a billion dollars, sir. That is for operating, not acquisition or construction or things of that sort. That billion is larger than all performing arts put together. Museums have never had equitable proportion of the federal funds, considering the size of their operation and considering their aggregate size. That, I can't explain. It is very complex, I am sure.

But I would like to make a couple of points with regard to the differences in museum problems and performing arts. That is that the needs of museums are partially driven by the fact they have to have homes. They must have a place to keep their collections on display. They don't go out to you. You must come to them. A building must be open, and a program must operate in order to understand a museum's collection as an educational resource. The generality is that the performing arts are not usually housed in permanent places; they are itinerant. Historically they have gone out to the people.

Five thousand museums may sound like a lot, but they are well spread throughout the United States, and they have sprung up largely from the needs of the communities in which they are located. For example, there are only two congressional districts in the United States that don't have museums. They are widespread. There are some disparities in kind. We find history museums, for example, very much in the West, much more strongly in the West and South and New England.

All of these museums, regardless of their locations, need more continuity in their income to stay open than do performing groups. They could not cut their performance or something like that. In many cases they had to have an endowment to finance themselves. They could not rely on gate, which is more characteristic of the performing arts.

Now, we find that need for stability heightened, and they need recourse to programs that in a very important way help them to obtain stability. It is difficult to raise funds for on going operations. There is no hint of immortality in funding operations as there is in funding a new gallery. There is very little interest either in the public or philanthropic foundations. So the IMS came into being to supply help in a very modest way.

We squashed down, if you will, the amount of money we got by putting on a cap. Nobody can get more than \$35,000. This forces IMS money out to institutions who have not had any chance to receive Federal support.

IMPORTANCE OF CONTINUING FEDERAL ASSISTANCE

Mr. YATES. How important is it that the institution which received the money, and institutions like that, continue to receive federal help?

Mr. SEYBOLT. Well, I will give you a couple examples of what recipients have done. Old Salem, a very respected institution, on a \$25,000 grant, produced \$160,000 through a development effort. The New England Aquarium, with a \$35,000 grant completed a \$750,000

program of fund raising. Maine Maritime Museum—these happen to be ones in the locality in which I live, we can find examples anyplace—for the first time in history is staying open beyond the 90 day tourist season. They got IMS money to try it. Then they got tied into local educational programs. They are now open 52 weeks a year.

We have awarded grants not just to support museums in New England, but we make grants in every state of the union, Puerto Rico and in the District of Columbia. And the type of institution that is funded covers "A to Z", aquariums to zoos, science for children and so on. They compete on the idea of the best idea, the best analysis of their problem, then the best idea of how to solve it.

I will give you a few more figures to illustrate the importance of IMS grants: Sixty percent of the grantees are small to medium museums with annual operating budgets under a half a million dollars. In all cases, the \$35,000 limit applies. In 1980, grantees with budgets of up to \$250,000 received between 16 and 26 percent of the operating dollars from IMS. Those with budgets of \$250,000 to \$500,000 who received grants, received an average of nine percent. So it is misleading to say this isn't important to institutions who apply and win the contests, if you will. Of the 1400 to 1800 museums which apply, about 360 in the last go-around received awards. My estimate would be that is about half of what could be serviced if we had enough money to do it.

We had plans for another general operating support program, of course—Cornerstone—which has been put aside, and has to be for the moment. But we feel the institutions that come in must show sufficient non-Federal support.

Mr. YATES. Cornerstone is forward funding?

Mr. SEYBOLT. It was a multi-year funding, but it is not operating now. There is an equal competitive basis from the various institutions, and from it is coming the best, if you will, application and best application of public funds. It is returned to communities all over, small and large, in an equitable way, I believe, all over the United States.

I feel that the President's proposal boils down to three issues:

Number one, equity between museums and the rest of the arts and humanities. IMS was singled out for extermination.

Mr. YATES. Do we know whether the others are doomed for extermination, as well?

Mr. SEYBOLT. My view is they probably are.

BUDGET CUTS FOR THE ARTS PROGRAMS

Mr. YATES. Yes. They had a 50 percent program cut by the Administration. There is a significant outcry in the country respecting that. But there seems to be a blow toward any support for intellectual endeavor in the country.

Mr. SEYBOLT. Well, I just spent two weeks in England. Mrs. Thatcher has a program like this. The "Old Vic" is closing. I went to the Sadler-Wells Ballet. They are losing a million pounds a year. So many things of that sort which bring tourists enjoyably returning England are being wiped out.

The same thing is happening here, of course. But I just don't feel there is equity in this particular program, as far as we are concerned.

Mr. YATES. The test is becoming the marketplace. The question is whether the marketplace should be the adequate testing area for the need for keeping those endeavors operating, or open.

A friend of mine visited Detroit, which has a marvelous museum. The visit was five or six years ago, before you were operative. But it was closed four or five days during the week and was only open one or two days. That is important. It is supposed to have a wonderful collection, yet people weren't allowed to see it because there wasn't adequate funding to keep the museum open.

Mr. SEYBOLT. Mr. McComber, President of the Metropolitan Museum, testified here in Washington that in the last couple of weeks that a third of its galleries are closed at any one moment.

Mr. YATES. Here is a report on the Philadelphia Museum of Art, dated March 13, 1980. The Philadelphia Museum of Art announced yesterday it would be open to the public only five days a week rather than six because it has lost 71 city funded positions necessary for the safety of the museum's works of art, to change the hours and so forth.

Mr. SEYBOLT. There is enormous interest. Here is the New York Times on Sunday, and they are not giving space like that unless there is news and general interest. Here, on the other hand, is a paper from a little town in Missouri where the Mark Twain Museum in Hannibal, was 200,000 visitors a year it brought to that town. Almost the backbone of its economy. So you get a spread here of the enormous disparity, but interest. And the interest comes for good reason.

FEDERAL MUSEUMS

Mr. YATES. The original budget for fiscal year 1982 has these paragraphs in it on page 2:

Unlike most others Western countries in which the central government owns and operates most of the Nation's museums, a combination of private nonprofit organizations, 49 percent; state and local governments, 35 percent, and public colleges and universities, nine percent, govern more than 93 percent of the museums in the United States. Only six percent are operated by the Federal Government.

Because of a fundamental role in preserving our cultural heritage and in providing unique resources for learning, the Federal Government has a direct interest in the continued well-being of museums in this country and in strengthening their programs and services.

The federal museums are not having their budgets cut, are they?

Mr. SEYBOLT. My impression is no, sir.

Mr. YATES. Why would the federal museums stay open instead of the private?

Mr. HAYS. It is a very difficult question to assess. We have no problem with the past record of the Institute of Museum Services and its program. It has done a wonderful job. We commend them for their contributions toward society. Given the situation with the federal budget, trying to trim it as much as possible—

Mr. YATES. If you want to trim it as much as possible, why shouldn't you close the federal museums, too?

Mr. HAYS. I think what we are trying to do is have the minimum impact on the nation's institutions as possible, and realizing that

our contribution to the general operating support for museums is about 1.5 percent of the general operating support for museums, we believe that perhaps with other contributions from other sources, and through healthier economy, increased contributions to the museums would make up for any decrease in Federal support.

Mr. YATES. Suppose you have a healthy economy. Will you reopen the museums then?

IMPACT OF THE ECONOMY ON MUSEUMS

Mr. HAYS. We believe that with a healthy economy the traditional sources of funding will expand. Those have been basically non-federal. I think, as Mr. Lyons has said in his opening statement, and Jack, you might want to review how things are funded generally. I think this is 1.5 percent coming from the Federal Government, can be made up by endowments, contributions and other means.

Mr. YATES. This is interesting. I quote from the legislative history:

The rise in expenditures for museums has necessitated cutbacks in services, staff and facilities in over one-third of the nation's museums. Sixty-six percent of all museum directors questioned in the museum survey agreed that current operating budgets did not permit the full utilization of facilities, exhibits, collections, staff and other museum resources.

Witnesses testifying in hearings before the government stated the only possible source for additional assistance for operating needs of museums is the Federal Government.

Has that changed, Mr. Lyons?

Mr. LYONS. It is very difficult to say.

Mr. YATES. You wouldn't know the answer to that question?

Mr. LYONS. No, I would not.

Mr. YATES. If you wouldn't know it, who would know it? Shouldn't the Institute of Museum Services be aware of that condition? I thought you were—what is your title? I thought you were the one who would know the conditions in the museums? Isn't that one of the functions of the Institute of Museum Services?

Mr. LYONS. It is fair to say that we are aware of some of the needs. We have attempted to undertake a number of surveys that haven't been completed yet. Therefore, we haven't been able to make any kind of reasonable assessment.

Mr. YATES. Has the situation respecting the financial condition of museums changed for the better or for the worse since Congress enacted that Museum Services Act?

Mr. LYONS. I think from the figures that we have, which shows that more museums are opening their doors in this decade, that is, during the seventies, than ever have been in the past, that the general outlook for museums is very good.

Mr. HAYS. I would also venture to say that perhaps one of the largest problems facing museums, as other public institutions, is inflation. And the Administration's budget is structured to deal with that situation. We feel that would be, again, our major contribution to providing assistance to museums and other public services.

Mr. YATES. If that is going to be your major contribution to museums, it is not a very satisfactory one.

Mr. Seybolt, did you have anything else to say?

Mr. SEYBOLT. Well, I want to make the observation that about 60 percent of museum budgets go for labor costs. If you take an eight percent increase a year, in a building business you are going up \$80 million a year. No such increase has been in sight for any of the organizations in that percentage. In fact, it has been the other way. So obviously you are keeping up to date.

I am not talking about energy, where you must maintain a certain level of atmosphere at a cost which is about four or five times what it was ten years ago. I am just talking about labor. Just by rough inspection, you are not keeping up.

Mr. YATES. Is it your opinion that the conditions in the museums are as bad or worse than they were when Congress passed the Act?

Mr. SEYBOLT. Yes sir. In addition to that, I have heard no businessman stand up and say that he expected his company or business in general would make up the difference, which has been one of the cardinal points that the Administration has made. It may come to pass, but the first reaction is, no.

STATUS OF PENDING APPLICATIONS

Mr. YATES. What is the status of applications pending before the Institute for fiscal 1981 funds?

Mr. LYONS. We have received about 1,400 applications. They have been identified, Xeroxed, and mailed to the field readers for review. That occurred last week. Within approximately 30 to 35 days we will have the reviewers' comments back.

It has been a normal process. It is our position that everything will remain so that once Congress reaches a decision, action will be forthcoming.

Mr. YATES. Thank you very much.

Thank you, Mr. Seybolt.

Mr. SEYBOLT. Thank you, sir.

MONDAY, MAY 18, 1981.

COMMISSION OF FINE ARTS

WITNESSES

J. CARTER BROWN, CHAIRMAN, COMMISSION OF FINE ARTS
CHARLES H. ATHERTON, SECRETARY, COMMISSION OF FINE ARTS
KEVIN KOPPER, BUDGET ANALYST, DEPARTMENT OF THE INTERIOR

Mr. YATES. The Commission of Fine Arts is next.

Mr. Reporter, this is the hearing on the budget for fiscal year 1982 of the Commission of Fine Arts, and appearing in support of the appropriation is the distinguished Chairman, J. Carter Brown, Mr. Atherton, Secretary and Mr. Kevin Kopper, Budget Analyst for the Interior Department.

Mr. Brown, your statement may go into the record at this point.

Mr. BROWN. Thank you, Mr. Chairman.

[The statement follows:]

(515)

STATEMENT OF J. CARTER BROWN, CHAIRMAN, COMMISSION OF FINE ARTS,
BEFORE THE HOUSE SUBCOMMITTEE ON APPROPRIATIONS FOR THE
DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES, MAY 18, 1981

Chairman:

The Commission of Fine Arts is requesting an appropriation of \$173,000 for its Fiscal 1982 operations.

This request reflects a reduction of \$125,000 from this year's projected Commission and staff support expenses, and will provide for only a portion of the anticipated operating expenses for FY'82. The remaining expenses we hope to meet through private donations. The authority necessary to accept such donations will, of course, require additional legislation, and this is now in the process of being prepared by the Administration and will be submitted to you at a later date.

At a minimum we will need \$75,000 of non-appropriated funds to maintain the reduced staff of three full-time and one part-time employees as authorized by the Administration, and if the current operations and staff of seven are to be maintained, as much as \$147,000 will be needed. I should point out that this sum does not provide for the printing of the second volume of the Commission's study on 16th Street Architecture, which was a major feature of our initial budget submission but which has been postponed for the time being.

In the next few minutes I should like to mention briefly some of the highlights of the Commission's activities since we appeared here last year.

Pennsylvania Avenue continues to occupy a great deal of our attention. Western Plaza was completed last fall, and Pershing Park is about to open. Together they will provide a grand terminus to the western end of the avenue with the open public plaza complementing the densely landscaped park including a water feature, a refreshment stand and of course the memorial to General Pershing. Recently we reviewed a small scale study of his statue presented by the American Battle Monuments Commission, and it showed great promise of becoming a most fitting tribute.

We are still in the process of reviewing detailed plans for the Willard Hotel restoration, an undertaking that all of us are hoping can finally get underway in the near future. Detailed plans are also being looked at very carefully for the Quadrangle-Marriott development across the street from the Willard next to the National Theater. It too represents a major private investment, and when completed along with the other projects should result in a handsome addition to the Avenue.

Moving two blocks to the east, a local team of architects, Hartman and Cox, have shown us a very exciting plan for developing

the entire square between Tenth and Eleventh Streets. The unique thing about the plan is that many of the old shop fronts will be saved and incorporated into the new scheme in a most imaginative way. I believe it will add a great deal of interest to the area by retaining some of the flavor of the past.

In the Market Square neighborhood across from the Archives, the Commission has continued to work closely with PADC on a number of small landscape and decorative mural projects intended to spruce up the area on a temporary basis pending the go-ahead on their very ambitious housing program. We also approved the relocation of Ben Franklin's statue, a landmark in this neighborhood for many years, to a much better location in front of the Old Post Office.

While on the subject of the Old Post Office, I would like to put in a good word for finishing up the adjoining IRS Building in the Triangle which forms a frame around the Post Office. When we looked at the restoration plans, we strongly recommended to GSA that they proceed with the completion of the unfinished ends of IRS which stand out on the Avenue and Twelfth Street like massive "sore-thumbs." The Commission was encouraged when GSA agreed and a first-rate design was chosen by competition to complete that portion of the Triangle. Unfortunately, the focus appears to have shifted from solving the immediate problem to a masterplanning effort involving the entire area south of Pennsylvania Avenue from sixth to Fifteenth Street. While there are issues here that certainly merit our attention, I sincerely hope it will not divert efforts away from removing one of the Avenue's more conspicuous eyesores as soon as possible.

I'd like to turn now to development in the private sector where there is a great deal of activity in parts of the city involving the Commission. In January we reviewed plans for the construction of four major buildings in the downtown commercial center of Washington on the north side of G Street between Epiphany Church in the middle of the 1300 block through most of the 1100 block. This site embraces the intersection of two metro lines and a number of stations and will include office buildings, a hotel and new facilities for a large department store.

The new Convention Center which the Commission approved a couple of years ago already is stimulating new private construction in the immediate vicinity, all of which adds up to a lively and dramatic revitalization of the traditional downtown. The Commission wonders if the recent proposal by the local business community to raise the height limits of the downtown commercial district is really necessary as an economic incentive. It's something we are going to look at very closely, and I should think the Congress would do likewise. So much of the appeal of this city is derived

from our traditionally low building heights, the openness of our streets and the uniform skyline with the Capitol predominating.

The other main area of our concern over the last year has been the development of the Georgetown waterfront. The Commission has reviewed a proposal for a major commercial-residential complex situated quite literally on the banks of the Potomac just below K Street next to Rock Creek Park, although I should emphasize we did so with great reluctance in an effort to get the best possible design, in the event the project is given a building permit by the District of Columbia Government. The area should be included in our National Park System that presently covers all but a small portion of riverfront land in the Capital; and we so testified when we appeared before Senator Hatfield in support of his legislation (S.149S). As we pointed out at the time, this small parcel of land also happens to be one of the most beautiful spots along the entire stretch of the Potomac in Washington. Combined with the marked increase in density and congestion that will inevitably result from all the new construction just above K Street, it would seem clear there is a very compelling argument for the park. Unless Congress acts in the near future however, it will not be possible. The Commission has reviewed a great many developments in the Georgetown area over the past year, and the indications are that this is going to continue until all the buildable open space in Georgetown is filled. If this trend continues unabated, there is a very real chance that many of the attractive features that have made Georgetown so attractive, visually and economically, are going to be seriously diminished or lost altogether.

I might just mention one or two additional items before we go on to your questions: the Intelsat Headquarters plans were reviewed by the Commission at a recent meeting. The site, as you know, is up Connecticut Avenue at the International Center where a number of new chanceries are either under construction or planned. It is being designed by John Andrews of Australia who has produced a very fine scheme that we believe will be a good neighbor to the University of the District of Columbia Campus. We also have recently completed a review of final plans for a new memorial to the Signers of Declaration of Independence in Constitution Gardens. It is on a small island in the lake and should be a nice addition to the park.

Finally we have appeared on several occasions in opposition to District of Columbia legislative proposals that would increase commercial advertising in the public spaces of Washington, notably on bus shelters and the roofs of taxis. We have had some success in our efforts. However, the bus shelter advertising proposal became law last summer, although due to lack of funds nothing has come of it so far. The taxi advertising was defeated once, with the Mayor following our recommendations and vetoing a City Council vote. However, new legislation has just been reintroduced into the City Council, so we will have to go through the entire hearing process

again. The Commission believes it is a mistake to relax the laws that have so long kept Washington relatively free of commercial advertising compared to many American cities, and I hope renewed efforts to pass this legislation do not succeed.

That concludes our summary, Mr. Chairman. In addition we are happy to submit a more detailed list of projects reviewed by the Commission for your information.

Thank you.

Mr. YATES. Could you tell us something about what good work you are doing, or what bad work the Commission is doing and what bad conditions exist in the area within the Commission's jurisdiction?

Mr. BROWN. Well, the positive contribution of the Commission, Mr. Chairman, goes back a long way. I was struck by the testimony to this in the President's inaugural address. As you remember, for the first time the ceremonies were held on the West Front of the Capitol. In that short address, he took time to point out to his national audience over television the beauties of this capital city and what it means symbolically to us as Americans.

As you look down the Mall and take pride in what has been achieved there, you have to recognize that most of the key decisions that made that Mall what it is today came with Fine Arts Commission involvement. If it had not been for the Fine Arts Commission, the first thing you would see from the Capitol looking down, instead of that beautiful new reflecting pool, is an eight lane freeway, with cars rushing back and forth.

The Air and Space Museum on the left, the East Building of the National Gallery on the right, were all redesigned with Fine Arts Commission review. The Air and Space Museum in particular changed radically from a very large and ungainly design which I think would have been a disaster. The Hirshhorn Garden would have originally dug a trench across the middle of the Mall with sculptures sitting up halfway cut off by it. That was changed.

The Lincoln Memorial is an example of the Fine Arts Commission's very careful intervention over a long period, with a beautiful reflecting pool. There again, a freeway would have cut right in front. Same with the Jefferson Memorial, and so forth.

In more current projects we have had a very active year. The most exciting developments are going along Pennsylvania Avenue, joining symbolically the branches of government which had become a very run down area until very recently. Through the joint efforts of public and private energies and investments, we have a very exciting climate of development there under the careful review of the Fine Arts Commission. Last week they opened one of the loveliest parks in the capital, Pershing Park, which will provide all kinds of amenities and attract, we hope, free-spending tourists into this budget-plagued city.

We have a beautiful design for the Willard Hotel, which was submitted last week for the Commission, in the form of final working drawings.

East of that, Hartman and Cox has submitted a very exciting plan. Across from the Archives, Market Square is under development. We are working on a very exciting development for downtown, aimed at ailing buildings on G Street, which come under the Shipstead-Luce Act and, therefore, under the Commission's review.

We are discouraged about progress around the periphery of the old Post Office Building where those Federal Triangle buildings were never completed and remain as eyesores, unfinished stumps that stick out there. We are hopeful appropriations will be available for GSA to move forward with that.

But the other area that has had a great deal of action recently is in Georgetown. There has been a great deal of development. The

Fine Arts Commission, we think, has tried to help to cast this in forms that will not totally destroy the historic atmosphere of that lovely area, but the Waterfront remains very controversial.

Mr. YATES. What is the status of the Waterfront? Where are you going with it, or where are the developers going with it? Has there been any agreement as to how it should be developed?

Mr. BROWN. There has not. The developers have submitted a design, which is a great improvement over the original design they proposed.

Mr. YATES. When you say submitted, do you mean submitted to you?

Mr. BROWN. To the Commission. But the Commission voted that the area there was so important to the capital, so beautiful potentially, and such a magnificent place to be enjoyed by the public at large, rather than just a few of our affluent citizens who might be able to live or have offices in a development complex, that the greatest good for this capital over the long run would be to reject this design in advising the Mayor.

The final decision has to be made by the Mayor, and we haven't heard yet what that will be.

Mr. YATES. What is the nature of your design?

You said the design is an improvement. Does the new design provide for apartments in a park?

Mr. BROWN. It does.

Mr. YATES. Is that the basis for the Commission's objection, the fact that there are apartments, or the way the apartments appear?

Mr. BROWN. The fact there is commercial development to that extent. That it is high intensity development that is not only apartments, but office buildings, and stores.

Mr. YATES. It is an over-development, then?

Mr. BROWN. This is what we believe. There is an unbroken green necklace of parks which the Department of the Interior has maintained beautifully over the years. It starts up at Harpers Ferry and goes down past Mount Vernon. Through an anomaly this is the one little area that is, at the moment, a total eyesore. We feel strongly that this government has a responsibility in the long term to make that into a national park.

Mr. YATES. Apparently you are not doing a very good job. I notice the Administration has recommended your budget be cut back by a half.

Mr. BROWN. Fifty percent.

Mr. YATES. What justifies that?

Mr. BROWN. A compromise over the original position of the Administration, which was to abolish the Commission altogether.

Mr. YATES. What is your status? Are you required to support this budget?

Mr. BROWN. I am here to answer questions, Mr. Chairman.

Mr. YATES. Everybody else has felt constrained from some kind of OMB directive to withhold from this committee information that would assist this committee in deciding upon its responsibilities. Apparently you were successful in obtaining 50 percent of an original budget. What was the basis? Did you appeal that? How did you get 50 percent?

Mr. BROWN. Yes, we did. It was on condition that we would also submit legislation to the Congress so that we would be empowered to receive private gifts, since our objective appraisal is that a seven person commission staff, reduced by 50 percent, is virtually put out of business.

For instance, the travel money that gets the Commission members here, who serve without compensation otherwise, would have to go. So how can we meet? If we could raise private funding, we could continue to serve this government, which we have done—

Mr. YATES. Doesn't that put you in an anomalous position? How do you decide whether the gift you receive is for the Fine Arts Commission?

Mr. BROWN. It is not necessarily fungible.

Mr. YATES. Does it depend on the amount?

If it does not depend on the amount, which one would you recommend it for?

Mr. BROWN. Naturally I try to do both jobs as well as I can.

Mr. YATES. Where are you going to get gifts from for this Commission on Fine Arts? Who will give you gifts for that?

Mr. BROWN. We have had some indication there might be a private donor or so that might tide us over.

Mr. YATES. What happens if you don't get the gifts? Let's look at it that way.

Mr. BROWN. That is right.

Mr. YATES. Let me ask you the same question I asked the people who were here a few moments ago for the Institute of Museum Services. I asked them, "Suppose you were sitting on this side of the table would you fund the Commission at its original 1982 budget, or would you do nothing with it?" What is your feeling?

Apparently you feel the Commission does a creditable job and a necessary job. But if that is true, can you get along with a 50 percent budget? Can you do a half creditable job?

Mr. BROWN. We have struggled with this in a variety of ways. It looks very uncertain, that if we pared the staff down there wouldn't be people there to answer the phone, and there wouldn't be money to bring the Commission together to meet.

To answer your question, if I were on your side of the table I would recommend funding at the original level, which doesn't request any marked increase, and which continues the Commission as a funded entity. Its budget is so small, perhaps the smallest in the entire United States Government, that it almost falls into the de minimus category.

Mr. YATES. Will it have any impact on the overall budget, which is \$670 billion?

Mr. BROWN. I would think it would be microscopic, Mr. Chairman.

Mr. YATES. As opposed to macroscopic?

Mr. BROWN. We have here the schedules of how these cuts would be effected.

Mr. YATES. They are already in the record. Speaking for myself, I have the impression the Commission on Fine Arts has done a very creditable job. A decrease of \$173,000 will not really affect the inflation picture, or the question of the budget levels or the tax structure. It is very essential that the Nation's capital be continued

in accordance with a plan subject to some kind of review by an adequate commission.

If you weren't in existence, somebody else would have to be in existence to do the work, isn't that true?

Mr. BROWN. I feel very strongly that this is the case, Mr. Chairman.

Mr. YATES. Are there any questions from the committee?

Thank you, Mr. Brown.

Are you authorized now to accept gifts, even with a full budget?

Mr. BROWN. No, we are not.

Mr. YATES. Isn't it better that you shouldn't have to go out and solicit gifts, but spend your time on the work of the Commission?

Mr. BROWN. Absolutely.

Mr. YATES. And limit your gift seeking to the National Gallery?

Mr. BROWN. Well, that happens to be a coincidence that the same person does both jobs.

Mr. YATES. Kind of a Pooh-Bah?

Mr. BROWN. I think one could see a scenario in which the Commission's position is to review private sector postulants who sometimes have a vested interest in getting Commission approval. One would want to make sure that if it were put on a quasi-gift giving basis, that it would be adequately insulated from any monies that might have a string attached.

Mr. YATES. That concerned me too, because of the development going on in Washington. What about Pennsylvania Avenue Development? What is your current assessment of the progress in the corridor?

Mr. BROWN. I am quite enthusiastic. I think there is a momentum now, that everything in that kind of world depends on confidence on people's projections for the future. Then the prophecies become self-fulfilling. I think we now have such a high degree of investment from the private sector there that we are off and running, and it is really quite exciting.

Mr. YATES. Do you have any jurisdiction over the railroad station?

Mr. BROWN. No.

Mr. YATES. Would you have any if that were offered for private sale?

Mr. BROWN. I think it falls within the Shipstead-Luce Act, the outside of it, at any rate, in terms of architectural changes.

Mr. YATES. What about the Smithsonian South Quadrangle, have you acted on the revised designs?

Mr. BROWN. I don't think the revised designs have been brought in. We made some comments that we felt the designs needed revision. We have not seen revised designs.

Mr. YATES. Can that go forward before you pass on the revised designs?

Mr. BROWN. No, but that is up to them and their timing. The changes were rather minor. One of our comments was the areaway, the light well idea. Apparently they have given that up. We are quite encouraged.

Mr. YATES. Is there daylight for the underground offices, if they have given up the light well?

Mr. ATHERTON. They have some skylights, I believe, that are on grade level that will provide illumination into the lower area. But it is much less visible. It is less of an element.

Mr. YATES. You wanted \$39,000 to provide for the publication of the second half of "16th Street Architecture."

Mr. BROWN. It is flying on one wing at the moment. I am fascinated to see the impact this book has had. There is a new book about to be published on Washington. Much of its research was based on this publication and will develop a tremendous sense of awareness.

Mr. YATES. Does this pay for itself?

Mr. BROWN. Yes, I believe it does. The money is not a net loss for the Treasury. However, in a tight year, Mr. Chairman, if there was something to be deferred, that would be a place to go.

Mr. YATES. How close are you to going to print on Volume II?

Mr. ATHERTON. I would say we have a good two years' work left. In view of the circumstances, we haven't been putting the time in on that.

Mr. YATES. How many volumes will there be?

Mr. ATHERTON. Two.

Mr. YATES. Has there been any action on the advisory group?

Mr. BROWN. We have a Georgetown Board which we appoint which advises us on questions in Georgetown. They are doing an excellent job. They are able to meet on some of the small things, like sign design and marquees and so forth, which help from clogging our calendar.

Mr. YATES. Section 108 of the Act says that the Secretary of the Interior is authorized to appoint an advisory group. Has the Secretary taken any action on that? The advisory group may include government officials, and will designate a chairman. This is to study the effect of future growth and development on beauty, historical values, and other features that make the national capital area unique.

Mr. BROWN. That was Secretary Andrus' project. We haven't heard of any developments.

Mr. YATES. The new Secretary hasn't contacted you on that?

Mr. ATHERTON. No.

Mr. YATES. The National Park Service wants to build a stable near the Mall? Have you heard about that?

Mr. BROWN. They have one. They use one now.

Mr. YATES. Is that required to be submitted to you for approval?

Mr. BROWN. Yes, it is.

Mr. YATES. Has it been?

Mr. BROWN. No.

Mr. YATES. They are coming in tomorrow. Shall I ask them about it?

All right, thank you very much.

MONDAY, MAY 18, 1981.

NATIONAL GALLERY OF ART

WITNESSES

J. CARTER BROWN, DIRECTOR, NATIONAL GALLERY OF ART
CHARLES P. PARKHURST, ASSISTANT DIRECTOR
JOSEPH G. ENGLISH, ADMINISTRATOR
CARROLL J. CAVANAGH, SECRETARY-GENERAL COUNSEL
HURLEY F. OFFENBACHER, CONSTRUCTION MANAGER
ROBERT C. GOETZ, TREASURER
WILLIAM H. ROACHE, BUDGET

INTRODUCTION

Mr. YATES. Appearing in support of that budget is Mr. Brown, Mr. Parkhurst, Mr. English, Mr. Cavanagh, Secretary and General Counsel. Are you new?

Mr. BROWN. That is right. He is Bob Amory's successor.

Mr. YATES. That is right, you are new.

Mr. Offenbacher, Construction Manager. Are you still constructing?

Mr. OFFENBACHER. Yes sir.

Mr. BROWN. With your help.

Mr. YATES. Mr. Goetz, the Treasurer, and Mr. Roache, Budget.

How did you escape the budget of Mr. Stockman? That is relatively small, isn't it? Or does it mean a lot to you? You start out in 1981 with \$24,314,000.

In 1982 you wanted \$33,277,000. Now, you are cut \$500,000. As a result you had a party at the National Gallery in which everybody was requested to make up the difference with gifts, is that right?

Mr. BROWN. Not quite.

Mr. YATES. I attended that party and I remember the speech which mentioned private gifts.

You have a statement which may be made part of the record.

[The statement follows:]

NATIONAL GALLERY OF ART

Statement by Mr. J. Carter Brown, Director of the National Gallery of Art, to a Subcommittee of the Committee on Appropriations, United States House of Representatives, May 18, 1981.

Attendance at the National Gallery has been increasing in recent years to reach an all time high of 5,997,210 visitors during fiscal year 1980. This total represented an increase of 467,408 over fiscal year 1979. The primary reason for this increase has been attributed to the success of our special exhibitions program and continued public interest in the East Building. The added Gallery space in the East Building and increased funding (federal and non-federal) have likewise contributed to this success.

Our fiscal year 1982 federal funds budget request includes \$4.1 million for the West Building renovation and restoration program approved by OMB and included in the President's budget for fiscal 1982. This program represents Phase IV of the Gallery's construction programs. Completion of this phase is now scheduled in 1989 with total costs now estimated at \$36,713,000--\$12,235,000 from trust funds and \$24,478,000 from federal funds.

The fiscal year 1982 federal funds budget request, as amended by OMB, totals \$32,777,000 and 823 full-time permanent positions. These amounts reflect a net increase of \$8,126,000 and 40 full-time permanent positions over the fiscal year 1981 budget of \$24,651,000 and 783 full-time permanent positions.

Ten percent (\$817,000) of the total increase is associated with personnel compensation. This increase provides: \$187,000 for mandatory within-grade and wage-board step increases; \$119,000 in overtime services in support of building operations and special exhibitions (reprogrammed from overall base pay); \$290,000 reduction due to savings from lapses in filling full-time permanent positions; \$272,000 to restore reduction of 2% base pay in fiscal year 1981 budget (per OMB Bulletin 80-8 dated March 12, 1980); \$395,000 for the annualization of the current year pay raise; \$150,000 to adjust base pay for transfer of funds to lands and structures in fiscal year 1981; and \$16,000 reduction being the difference between the 1982 and 1981 Presidential budget revisions (per OMB Bulletin No. 81-11).

Fourteen percent (\$1,166,000) of the total increase is required for the increased costs of rents, communications and utilities. This amount consists of \$1,080,000 to cover the increased costs of steam and electricity usage for all structures; \$44,000 for the increased costs of telephone and postal usage; and \$42,000 to cover the costs of additional photocopy machines, word processing equipment, and terminals in support of the Gallery's computerized payroll system which is run under contract with the U.S. Treasury Department (TPPIS System).

Thirteen percent (\$1,031,000) of the total increase is needed to cover the increased costs as well as provide for additional quantities of materials, supplies and services, and travel and transportation in support of basic Gallery operations. This amount consists of \$38,000 for travel, \$57,000 for transportation, \$242,000 for services and \$694,000 for supplies and materials.

Four percent (\$303,000) of the total increase is requested in support of the Gallery's special exhibitions program. This overall program has been a huge success as measured by the increase in attendance.

Three percent (\$297,000) of the total increase is requested for furnishings and equipment for newly available areas and equipment for basic operations. This amount includes: \$145,000 net reduction in furnishings and equipment for newly available areas from \$295,000 to \$150,000; \$15,000 for photographs for our photo archives collection; \$20,000 for books (in-print) for the permanent library collection; \$12,000 for equipment for the conservation lab; \$10,000 for locks; \$125,000 for building and window glass; and \$260,000 for machines, tools and equipment for basic operations.

Fifty-five percent (\$4,450,000) of the total increase is requested for lands and structures. This amount consists of \$350,000 for a new transformer and \$4,100,000 for the West Building repair, renovation and restoration program.

The final one percent (\$62,000) of the total increase is for the increased costs of printing and will allow for additional quantities of information booklets, calendar of events, extension service catalogs, Gallery leaflets and other productions of the Gallery--especially those associated with our special exhibitions program. These increased quantities are anticipated as a result of greater public visitations to the Gallery as well as greater demand on the part of our outreach programs.

In summary, the appropriation for fiscal year 1982 is \$32,777,000-- a net increase of \$8,126,000 over the 1981 budget. Comprising the total increases are: personnel compensation benefits--\$817,000; rents, communications and utilities--\$1,166,000; materials, supplies and services, travel and transportation--\$1,031,000; special exhibitions--\$303,000; furnishings and equipment for newly available areas and equipment for basic operations--\$297,000; lands and structures--\$4,450,000; and printing and reproduction--\$62,000.

OPERATIONS OF THE GALLERY

Mr. YATES. Tell us about the state of the National Gallery?

Mr. BROWN. In the green book you have, on page 1-5, a graph showing the services the Gallery provides to the American people in its buildings here in Washington. This is in addition to the audiences reached by our extension service, which has grown to a larger figure even than the six million shown here.

Mr. YATES. My goodness, what a steep climb. Incredible.

Mr. BROWN. The exciting thing for me is that the high attendance recorded in the two years following the opening of the East Building does not seem to have abated. Our expectation was that we would have a large wave of people whose primary curiosity was simply to see the inside of the building and whom we might never see again. But in fact, attendance has continued to climb, which indicates to me that they are interested not only in the building architecturally, but what we are able to show inside it and also inside the West Building. Attendance in both buildings has grown.

We have in fact found that the two buildings draw about equally. Part of this has to do with our temporary exhibition program. Last year we had some spectacular shows, like the private collection of Baron Thyssen, with some very good paintings.

We had the "Gods, Saints and Heroes" show, which you commented on the catalog which has made art history with a whole new approach to Dutch art in the Age of Rembrandt.

We have had a couple of American shows based on American 19th century and American Decorative Arts.

More recently, there were some modern art exhibitions, of a very focused kind, very favorably reviewed. One on Picasso's Circus Performers, the Saltimbanques, which led to many discoveries, including the long lost Picasso he was reputed to have done just before he did the painting in the National Gallery, which now turns out to be also in the National Gallery but underneath this one.

And the current one, the Kandinsky Exhibition, which got a very favorable review.

We have also had interesting acquisitions detailed in the annual report last year. Max Ernst sculpture; Fitzhugh Lane, which fit into our "American Light" exhibition.

Mr. YATES. Too bad you couldn't get Gonzalez, isn't it?

Mr. BROWN. It is, indeed. The Trustees have decided to institute an endowment fund whose income will be available for acquisitions. And this was the theme of that dinner that you attended, on the basis that the full faith and credit of the United States is pledged to maintain the Gallery and pay its operating expenses, but traditionally, since it has opened, the acquisitions have all come as donations, either in kind or in purchase funding.

GALLERY FUNDING

Mr. YATES. It is interesting to look at the justification, on page 9-6, and see the totals of funding over the 44 years between the non-federal and federal, and notice that in 1976 the switch took place. In 1977, the Federal Government for the first time, made contribu-

tions exceeding those you received from private sources. That is continuing. Very substantial differences now.

You ask for even greater differences.

Mr. BROWN. But these figures, one must recognize, are all exclusive of works of art.

Mr. YATES. Yes.

Mr. BROWN. These are only funds and the buildings.

Mr. YATES. Yes.

Mr. BROWN. And it is the donation of those two magnificent buildings which have made the bulk of the numbers from the private sector shown here.

Mr. YATES. How do you know the value of your paintings?

Mr. BROWN. That is why they are not reflected here, because there is no way of knowing, but it must be very large, because they are fundamentally irreplaceable.

Mr. YATES. I noticed two sales of Renoirs this morning. I don't remember whether you have Renoirs, do you?

Mr. BROWN. We have a very good collection of them.

Mr. YATES. Two of them sold for more than \$500,000. The highest price for one 16x11 was \$340,000. I am sure yours are larger than that.

Mr. BROWN. We happen to have some very important ones. But there was a sale last week which set records in the contemporary field, too, so the prices are difficult in every department.

Mr. YATES. Off the record.

[Discussion off the record]

Mr. YATES. Go ahead, Mr. Brown.

Mr. BROWN. In addition, we have had great success with growth of our extension service, which served more than 300,000 more than the year before and added many areas of educational materials to its offerings, including a film called Adventures in Art, based on the holdings of the National Gallery, which has been very favorably received.

Our Center for the Study of the Visual Arts got started for the first time. This last academic year we had a very active program with scholars from around the world attending symposia, shop talks and pursuing their research. They will bring back from the Gallery this experience to improve their teaching and their own productive writing in their native universities and habitats.

The construction program is moving forward. We have finished the first part of Operation Breakthrough, which has now allowed us to offer the public circulation from the Plaza entrance there across from the East Building, all the way through to the center of the West Building. The idea is eventually they will be able to go all the way through the West Building on the ground floor.

And what we are coming to the Congress for this year, the bulk of the increase in our new budget request, in fact, is for the funding of the West segment of the West Building remodeling to make possible the display of objects which we already own, but we have not had room to put on public view for many years.

OMB HIRING REDUCTION

Mr. YATES. Tell us how badly you will be hurt by the reduction of \$500,000.

Mr. BROWN. Our problem is primarily one of hiring freeze. We have had positions authorized by Congress as part of the orderly buildup of our staff, in a way that was projected to bring us to a plateau at which we would be able to operate the new as well as the old buildings.

Mr. YATES. What do you want us to look at.

Mr. BROWN. If you look on page 3-8, and then 9, and 10, you will see from 3-8 over to 3-10, listed by function, the positions that have been granted the Gallery in fiscal year 1980-81. You will notice in the right hand column it shows no increases for 1982, and that we are not asking for any new positions to be authorized on that first page. They are all zeroes.

On the second page they are zeroes down to security. There, under total function C, on page 3-9 we are asking for 37 slots, which would bring the guards that would take care of the new exhibition space that would come on stream as a result of our building program in the West Building.

We would also open the 7th Street door to the public as part of that facility. So there are three new slots, down at the bottom of 3-9 there, for checkroom services.

So those 37 plus 3 are the 40 new slots that we are asking for. However, that does not impact on our budget request, because we do not believe that we would have those Galleries ready to open until so near the end of the fiscal year 1982 that we are not asking for funding for those slots in this coming fiscal year. We will absorb whatever it costs us to get those people on their stations by the beginning of the following year.

So if you ask what our problem primarily is, you have to look at page 3-1, for example, which gives you a ten year summary of our staffing. If you look down the columns 1981 and 1982, you will see that in 1981, the total number of positions authorized by the Congress was 783, and at the end of the year we had a ceiling of 757.

And carrying that into 1982, we will, instead of having the 797 that are projected there, we will probably only have 740. Now, the chart that makes that clearer and shows where this discrepancy comes from is at the very end of our book, page 8-3. That shows you that it is the hiring freeze that has made it impossible for us to go on with that staffing as we have been authorized by the Congress to do.

You will see on page 8-3 there were 757 positions authorized for 1981. It would normally be 797 in 1982. However, the next line shows that the OMB limitation on hiring, with 57 of those slots being frozen, has kept us from getting up to that strength. And this impacts various staffs of the Gallery, primarily the art curatorial staff. I have here a summary list.

Mr. YATES. Art and Curatorial isn't GS-4, is it?

Mr. BROWN. And security. So far in the hiring freezes the security has been exempt, so we have been able to keep the Galleries open. But it means that our conservation department—

Mr. YATES. Let's stop for a moment and look at page 8-3. You aren't hurt until you get to the GS-5s. Those are the proposed increases which you are eliminating. The figures are the same until you get to GS-12. GS-12, you go from 25 to 26 between 1980 and 1981. Is that GS-12 on board?

Mr. BROWN. You see, those are requests. But what the OMB didn't say is which ones had to come out, as I understand it. So that right hand column doesn't reflect OMB's impact. They just take a global number, 57.

HIRING PRIORITIES

Mr. YATES. Let's look at it and tell me where the impact is then.

Mr. BROWN. All right. Here is a listing of the ones done sort of by priority, the ones that hurt the most. You see, they are often quite high GS grades because they are professional slots which take a great deal of time to recruit.

Mr. YATES. What does DCL mean?

Mr. BROWN. Sorry. The Conservation Laboratory.

Mr. YATES. Is this a justification for the jobs?

Mr. BROWN. This is an in-house document, which I don't think your staff has had a chance to study. But it just shows—

Mr. YATES. Are these jobs you need, or are these jobs that you are going to lose?

Mr. BROWN. These are jobs that have been authorized by you, but which we do not have the funding to go and recruit for because of the freeze limitations imposed by OMB.

Mr. YATES. Is the total of all these 28?

Mr. BROWN. Of those high priorities. The actual total number of positions is 57, which are split between the art side, which are those key professional ones, and maintenance and security.

Mr. YATES. Is the difference between 57 and 28 made up of guards and checkroom personnel?

Mr. GOETZ. Laborers and electricians. The whole maintenance spectrum, Mr. Chairman.

Mr. YATES. Let's take a look at your art positions here. What is DR?

Mr. BROWN. The Registrar's office.

Mr. YATES. What is DCG?

Mr. BROWN. That is the Graphic Arts Department. That is the person who sits out in front and screens who comes in and uses our graphics collection.

Mr. YATES. A is what?

Mr. BROWN. Administrator's office. AA is the Assistant Administrator. DA is Assistant Director.

Mr. PARKHURST. That is me.

Mr. YATES. Let's go back to the Curator of Decorative Arts. That is an administrative job isn't it?

Mr. BROWN. With the coming on stream of the new galleries in the West Building, we are in need of curatorial responsibility for the collections in the decorative arts that have been in storage until now, without room to show them.

Mr. YATES. How many do you have working in your Conservation Department now?

Mr. PARKHURST. About 13.

Mr. BROWN. That includes works on paper, sculpture, and scientific analysis.

Mr. YATES. What happens if you need restoration or conservation? You can't handle it yourself?

Mr. BROWN. We have been so shorthanded that we have tried to go out and get foundation support to tide us over, to get private fund help. But that has been very much contingent on it only being a short term stopgap. In other words, they came to us and said, "Listen, this is a federal establishment and we are not going to set this up in perpetuity for holding that slot, but we recognize your collection has to be maintained. You can have emergencies and vandalism"—

Mr. YATES. Did you tell that to OMB?

Mr. BROWN. We did on the freeze. Their argument was but you haven't filled the positions. Our argument was it takes a long time to get professionally qualified people. Identifying them takes about six months, getting them loose takes about six months, and that is about a year minimum. We have had continual freezes. Each time we start on the process, we are hit with another freeze.

Mr. YATES. Do you have people now?

Mr. BROWN. We have identified and have on the private roll a painting conservator to tide us over, and an assistant. But we need to be able to convert that on to the public roll, or we will have to lay him off.

REPROGRAMMING OF FUNDS

Mr. YATES. Then you are hurt with a double whammy, aren't you? You have a hiring freeze that prevents you from hiring people, and the cut in appropriations will prevent you in some measure from paying for outside services that you may need for your conservation and restoration.

Mr. BROWN. Well, one thing that might help tide us over this year is reprogramming authority. A lot depends on weather. If we don't get a violently hot summer, we may be able to save enough on the energy budget that we put in for to help tide us over. So a lot depends on the supplemental that hasn't come to you yet.

Mr. YATES. What else do you want to tell us?

Mr. BROWN. Well, we are here to answer any questions. That really completes my highlight statement, Mr. Chairman. I should mention, in the building program, that we have been able to obtain permission from OMB to add appropriations language to make this no-year money which helps administratively no end in awarding contracts that come near the end of the contract year. We are very hopeful you will support that improvement.

Mr. YATES. Even if we were to approve that, there is no authorization for it.

Let's turn to the questions. Tell us about this. When you give an interview, and it appears on behalf of a commercial establishment on television, are you compensated for it, or is it just PR? For instance, United Technologies have a commercial including interior shots of the East Wing, and an interview describing how the Otis elevators fit the design of the wing and so forth.

Mr. BROWN. We were very upset by that, Mr. Chairman. They promised that we would have the right of review of that commercial before it went on television. The idea was that it would be simply institutional, and that they would be talking about the beauties of the East Building as a work of architectural genius.

And the way it came out to the viewer was that I have given an endorsement to the glories of Otis elevators.

There was nothing to be done after the fact. But we were a great deal wiser. We had worked so well with them in the funding of the show, and they had reviewed everything with us up to that point and they gave us their assurances.

Mr. YATES. So you weren't paid?

Mr. BROWN. We were not paid, no.

SEARCH FOR ALEXANDER EXHIBITION

Mr. YATES. We received information that neither endowment wanted to provide support for the "Search for Alexander" exhibition on grounds, as they say, of academic inferiority, and that it was too closely tied to Time, Incorporated. Was there a reason you got involved in the show? Were you compensated by Time for it?

Mr. BROWN. Not in any important way, compared to other corporate donations we have had. However, there was a basic donation, half was from Time, Incorporated, and half from the National Bank of Greece, which did make it possible to put on the show.

Mr. YATES. Only to that extent?

Mr. BROWN. Only to that extent, exactly. These were shared costs that went into the budget of the entire consortium. The reason given us by the endowments was simply that they had some agonizing choices to make compared to other applications which were on behalf of museums that they felt had weaker financial resources and would not otherwise be able to put on their shows.

We feel completely satisfied that there are no problems of academic inferiority in the content of the show. We had our own executive curator in the form of the distinguished professor who is head of all archeology in Greece, in overall charge. But as a double check on that, we obtained independent authorities from American universities to check every label and every catalog entry, and make sure that this was all squared with the department of truth.

Then our Center for Advanced Study held a symposium in which archeologists with various viewpoints came from all around the world and used the exhibition as the basis for discussion. We feel we moved the study of this period of Greek history ahead as a result of that exhibition.

Mr. YATES. Did you run into financial trouble because of the show?

Mr. BROWN. No. I think we are going to come out all right. But you never know in advance how expensive these undertakings will be.

Mr. YATES. This article, which appeared in the Atlantic Monthly for December, 1980, says this on page 78:

The show is budgeted at \$4 million according to Morfogen. Time, Incorporated, is contributing over a million dollars, and the National Bank of Greece is donating much more. The bank will pay for transportation; it will divide insurance expenses with Time. This leaves the museums to pay the substantial installation costs and incidentals themselves.

I assume that was the way it was originally intended?

Mr. BROWN. That is right, a joint effort.

Mr. YATES. Did you read this article?

Mr. BROWN. I did indeed.

Mr. YATES. Do you have any comments?

Mr. BROWN. I do. I think she has a part of the truth there in that there are obviously a combination of interests at work in order to convince a government and archeological service to put at risk archeological treasures and make them available to the public. They have their own agenda for doing that.

Corporate sponsors increasingly have their own agenda, and naturally, our interests are to help educate the public and provide an opportunity to study a key moment in Western civilization. So that the show could not probably have happened without involvement of each one of those parties.

But I feel that her bias, if you will, in writing the article was perhaps a reaction to the fact that she was invited by a public relations firm that had been retained by the Greek Government and spent a lot of money hiring, or providing transportation and expenses for a lot of journalists to see the exhibition in Salonika, and that she was probably exercising the normal prerogative of the press to bite that kind of hand that feeds them which I think is probably a very healthy thing in our society.

So I cannot regret articles like that being published because I don't happen to think that the way to handle press reaction is to get the Greek Government to put up a lot of money in those regards. But in general, the extent to which she pointed out these exhibitions are quite difficult to put together, is the extent to which that article, I think, is of positive value.

Mr. YATES. Do you foresee any problems other than the reduction of \$500,000, and the hiring freeze which you may be experiencing, that the committee ought to know about? Or have you covered everything?

Mr. BROWN. I think we have covered a good deal. The notebook here is fairly detailed.

EAST BUILDING MAINTENANCE

Mr. YATES. Yes, it is a good justification, and it is too bad that it resulted in a reduction.

How is your East Building holding up; as well as expected?

Mr. BROWN. I think better. We have some problems that have to be taken care of like glass. There is an item in there for replacement of glass because occasionally one of these large panes of glass will crack. We are not exactly sure why. It is all safety glass. There has been no risk to the visitors, but it has to be replaced.

Mr. YATES. Is this the area of the library you are talking about?

Mr. BROWN. Yes. Also, all those glass railings are very beautiful, because they seem to be transparent. There is just a stainless steel railing on top, which is supported structurally by glass. We had one, outside my office in the Study Center, simply shatter. It is like a car windshield. It is safety glass, so all the pieces stay together.

Mr. YATES. Is this the same thing that happened in the building in Boston?

Mr. BROWN. No, it is very different. I must admit, more effort went into the research of the glass in our building as a result of that.

Mr. YATES. Do you have any trouble changing light bulbs in your library?

Mr. BROWN. Yes, that is quite an operation. But we have bulbs that are very long burning, and we don't have to do it very often.

Mr. YATES. I hear you have to take a tree out in order to do it.

Mr. BROWN. I wouldn't be a bit surprised. Our administrator is here.

Mr. ENGLISH. Yes, Mr. Chairman, that is a statement of fact.

Mr. YATES. Does Mr. Pei know about it?

Mr. BROWN. I talked to him about it at the time of the design. He knew about it at his museum in Utica.

Mr. YATES. How much does it cost to change a light bulb?

Mr. BROWN. We have a marvelous machine now which we have finally gotten to our specifications. It can go anywhere in the East Building and fit in all elevators and through all the corridors, which makes it very handy.

Mr. YATES. A machine that has a lever?

Mr. BROWN. It goes up and up and up. So now we can change all those lights in the main space. For instance, for the Rodin show they will have to be changed. This is a morning's work now.

Mr. YATES. Do you have the same problem with leaking roofs that other museums have at the Smithsonian?

Mr. BROWN. We have been lucky on the leak question. We get a little problem with condensation in very cold weather. You remember, we had those few very cold days. Then the metal supports in the space frame got super-chilled. We have to keep a certain humidity level in the atmosphere for the art. Therefore, it tends to condense and drips form. But the skylight itself was very carefully designed, with special gutters and electrical wires throughout that will melt ice and snow, and it is fairly well worked out.

Mr. YATES. Your justification asks for funding to remain available until expended. Do you remember whether your original legislation provides for that? If it doesn't, it would be subject to a point of order.

Mr. BROWN. OMB apparently felt this would be all right to ask for.

Mr. YATES. We will check it.

Mr. BROWN. All right.

Mr. YATES. Your acquisitions problem is all taken care of?

Mr. BROWN. I wish I could say so.

GALLERY CONCERTS

Mr. YATES. Have you heard from Mrs. Howe about her son not being able to hear the Gallery concerts?

Mr. BROWN. I think we did.

Mr. YATES. Have you taken care of it?

Mr. ENGLISH. We thought so.

Mr. YATES. She wanted to attend a concert with her two and half year old son and she was told her son wasn't old enough to attend a concert. Can her son attend the concert?

Mr. ENGLISH. Mr. Chairman, our policy with very young children like that is to seat them in the back. We discourage it, but if the individual is insistent, we let them sit where they can easily escape if the child becomes unruly.

I have had a number of conversations with this lady. She doesn't understand the concerts are broadcast and heard by many thou-

sands over the air. A crying baby can be quite annoying. "Of course, my child would never do it" is her position. But every Sunday night there are a number we have to turn away. I think it has been done courteously. I don't think there is any error on the Gallery's part.

Mr. YATES. In her letter to me she talks about her son's first amendment rights to assemble and hear music.

Mr. ENGLISH. Mr. Chairman, the audience also has rights.

Mr. YATES. Section 302 of the Age Discrimination Act of 1975 prohibits unreasonable discrimination on the basis of age.

Mr. ENGLISH. Mr. Chairman, I believe that covers 45 and over.

Mr. YATES. By the definition in the Act?

Mr. ENGLISH. I believe so. I would have to check that. But it is the upper range and not the lower.

Mr. YATES. It says the National Gallery's policy of excluding children is an oral policy never written down. It is based on the subjective determinations of a guard at the door. A tall five year old child might be admitted, but a short six year old may be kept out. Obviously, a two and a half year old child can be admitted, only if the mother is willing to assert his rights to attend. Well, I leave that for determination.

Mr. BROWN. Thank you, Mr. Chairman.

Mr. YATES. Thank you very much.

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