

REPORT TO THE
PRESIDENT

OCTOBER 1981

PRESIDENTIAL TASK FORCE ON
THE ARTS AND HUMANITIES

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ON THE ARTS AND THE HUMANITIES**

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October 14, 1981

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The President
The White House
Washington, D.C.

Dear Mr. President:

With this letter we submit the report of the
Presidential Task Force on the Arts and Humanities.

We are grateful for your recognition that
America's cultural institutions "are an essential
national resource" and that "they must be kept
strong." During our three months of deliberation we
have heard these beliefs echoed by Americans
representative of our diverse citizenry. Americans
believe that the vitality of a society can be
projected in its arts and its humanities, that they
are indeed the mirrors of a nation's integrity and
spirit.

You charged us with examining the National
Endowments for the Arts and the Humanities and with
developing ideas to stimulate increased private
giving for cultural activities. In so doing we have
taken into account the economic problems facing the
nation and the crippling impact of inflation on the
arts and humanities. Your efforts to assist the
recovery of the economy and the restoration of
fiscal stability are critical to the health of our
nation and its cultural heritage.

The recent history of private support for the
arts and the humanities has been encouraging.
Private giving for the arts has grown from an estimated
\$205 million in 1964, the year before the establishment
of the Endowment for the Arts, to \$2.7 billion
estimated in 1979, a twelve-fold increase. This
compares with a gain of approximately \$100 million
in the nine years preceding its establishment.
Programs of the National Endowment for the Humanities
have generated \$488 million in private giving during
the past fifteen years. Clearly, the private sector
has proven its willingness to help.

This document was prepared by the Presidential Task Force on the
Arts and Humanities. Although not every member subscribes to
every view or recommendation in this report, it reflects the sub-
stantial agreement of the members.

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There is understandable anxiety over the possible impact on philanthropy of tax legislation passed since we began our work. We believe, however, that with your leadership and encouragement private giving, especially by individuals and corporations, can be increased. Thus, support for our culture can continue to come from a variety of sources, ensuring plurality of choice and intellectual and artistic freedom.

To summarize the report which follows, we recommend:

-- that the current structure of the Endowments be maintained;

-- that coordination and cooperation among federal, State, and local cultural agencies be strengthened;

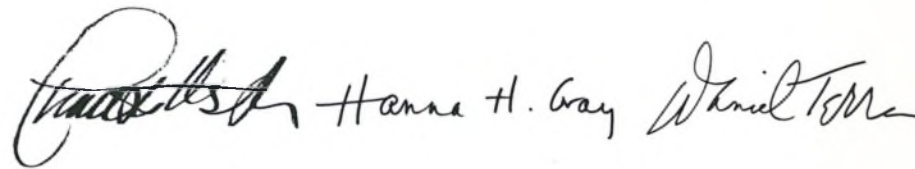
-- that adjustments in the tax code be made to stimulate private philanthropy;

-- that the Federal Council on the Arts and the Humanities be revitalized to support implementation of our recommendations and to further our initial inquiry;

-- that the Federal Council take advantage of what we understand is your willingness to lead new efforts to increase support for the arts and the humanities. You have already begun to provide this leadership by welcoming artists and scholars to the White House.

We are grateful to you for establishing the Task Force, for your enthusiastic support of its progress, and for the opportunity to address issues essential to a healthy American culture. We stand ready to help you.

Respectfully submitted,



Charlton Heston
Co-Chairman
for the Arts

Hanna H. Gray
Co-Chairman
for the Humanities

Daniel J. Terra
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"The encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal government."—*The Congressional declaration of purpose establishing the National Endowment for the Humanities and the National Endowment for the Arts.*

INTRODUCTION



The strength of America's arts and humanities is essential to the well-being of the nation. The appointment of the Presidential Task Force on the Arts and Humanities gave us an unprecedented opportunity to review the role of the National Endowments in America's cultural life and to suggest ways in which the humanities and the arts might be further advanced, especially with increased private support.

Inflation imperils America's economic vitality and the health of our cultural institutions. We recognize that the best remedy for the serious financial condition of the arts and the humanities is the reestablishment of a sound non-inflationary economy. Only then can the private sector fulfill and extend its traditional role as the principal benefactor of America's cultural heritage.

Throughout the history of our nation, support for the arts and the humanities has come predominantly from the private sector. Public support for the arts and the humanities has only recently become an important catalyst for the expansion of private support. This diversity of support for the arts and the humanities ensures essential freedom of expression in cultural affairs.

The President's establishment of the Task Force generated, we believe, new and increased attention in the private sector to the arts and the humanities. We strongly support continued Presidential leadership which will maintain and enhance this enthusiasm.

Pursuing the charge given us by the President, the Task Force has sought ways to encourage the flourishing of the arts and the humanities, to open ways for future cultural achievements, and to diffuse the enduring benefits of American civilization. We recognize that the great achievements in the arts and the humanities are unpredictable, but we must attempt to provide an American environment in which the unpredictable can happen.

As we deliberated our charge, we developed three propositions which formed the basis for our recommendations. These propositions reaffirm principles we hold basic to the vitality of the arts and the humanities:

First, private sector support for the arts and the humanities should be increased;

Second, there should be Federal funding for the arts and the humanities;

Third, wherever possible, and with the exception of grants to

individuals, these Federal funds should be matched.

THE ENDOWMENTS

Sixteen years ago the Endowments for the arts and the humanities did not exist. We have re-examined the National Endowments in light of current economic and political conditions far different from those of the early sixties which produced these structures. We have concluded that our Federal government bears a responsibility for encouraging and protecting the arts and the humanities.

Basically, the National Endowments are sound and should remain as originally conceived. The Task Force does not recommend fundamental change in the roles of the Chairmen or of the National Councils, but rather reaffirms and encourages their partnership in formulation of policy as well as in grant-making. Furthermore, we endorse the professional panel review system, which puts judgments in the hands of those outside the Federal government, as a means of ensuring competence and integrity in grant decisions.

The Endowments should emphasize the advancement of American culture through the support of both institutional and individual efforts. The Endowments' encouragement of greater access to, and participation in, the humanities and the arts should be governed by this principle.

Although the Task Force has found statistical data on financial support for the arts and the humanities to be incomplete and occasionally contradictory, current gross estimates suggest that \$3 billion are contributed annually to the support of cultural activities. Direct Endowment contributions equal approximately 10 percent of this total. These Federal funds have encouraged private support by endorsing arts and humanities projects and organizations.

PUBLIC PURPOSE AND SHARED RESPONSIBILITIES

There is a clear public purpose in supporting the arts and the humanities: the preservation and advancement of America's pluralistic cultural and intellectual heritage, the encouragement of creativity, the stimulation of quality in American education, and the enhancement of our general well-being. These public purposes are well served by the diversity of sources of support, from the private, voluntary, and governmental sectors.

The Endowments have helped to stimulate private support for the arts and the humanities, from individuals, corporations, and foundations. These funding sources provide flexibility for cultural



institutions and individuals and should be further nurtured by carefully developed efforts to enlist greater support, especially from corporations and individuals.

There is no other nation in the world in which the principle of private giving to sustain cultural institutions is so deeply ingrained. While we recognize that augmenting private sector support in the wake of Federal budgetary reductions for the arts and humanities is a difficult task, we urge the private sector to meet its responsibility to support those activities so central to the nation's cultural health.

As a result of the President's charge to examine ways in which the private sector could increase its funding for the arts and humanities, the Task Force has had to consider how people give to the arts and humanities, why they give, where they give, and what the effect of this giving has been.

We have observed that private support may be subject to markedly different constraints from public support. The level and beneficiaries of corporate giving, for example, may be determined by a corporation's annual economic performance as well as by shareholder or director preferences. Individual giving is relatively unconstrained, except by the vicissitudes of tax law. Public support, on the other hand, must be responsible to the direction and goals of public policy.

Given the inherent distinctions between public and private support and the relatively small share of support generated from the public treasury, it has been enlightening to the Task Force to study the interweaving of public and private support. We have learned that public support generates private giving, helps set standards, and spurs innovation by the recipient. Public support has been important for the major cultural institutions but, equally important it has tended to encourage smaller groups, to help creative movements survive, and to aid individual scholars and artists.

The private sector has long voiced concern about the constraints upon private economic initiative by Washington. Cognizant of this, and of the possible adverse, unintended, and unanticipated consequences, for cultural support, of the Economic Recovery Tax Act, the Task Force has offered tax recommendations to encourage individual, private sector, and local initiative in support of the arts and the humanities. Our recommendations would provide addi-

tional economic incentives for giving and would remove existing barriers to philanthropic activity. We acknowledge a potential loss in Federal revenue from these tax proposals, but believe they foster the shared responsibility of support for the arts and the humanities between the public and private sectors.

THE PRESIDENT As our nation's most visible citizen, the President can foster private interest and financial support by taking an active role in activities associated with the arts and the humanities. The appointment of the Task Force is indicative of his desire to exercise effective cultural leadership. The President's background in the arts and his excellent relationship with the private sector can help him be the leader in an exciting new national effort to increase private support of the arts and the humanities.

THE TASK FORCE MISSION As individuals, in small clusters, and in plenary session we considered our charge from the President as outlined in his Executive Order of June 5, 1981—to advise him with respect to:

1. methods to increase private support for the arts and humanities;
2. ways in which Federal decisions regarding arts and humanities projects can rely more on the judgments of non-governmental professionals, private groups, and individuals; and
3. possible improvements in the management, organization, and structure of (i.) the National Foundation on the Arts and the Humanities (including the National Endowment for the Arts, the National Endowment for the Humanities, and the Federal Council on the Arts and the Humanities) and (ii.) other Federal arts and humanities programs.

Two areas of public concern deserve comment. First, although much recent interest in the arts and the humanities has dwelt on the budget process and its passage through the committees and houses of Congress, it was inappropriate for us as Presidential appointees to act as a lobby with Congress or to comment publicly. Second, although much attention has been focused on the programs and personnel of the Endowments, it was not within our time limitations or our charge to examine these areas, and we have not



done so. The burden of our charge was more than ample, and we leave more extensive examination of many of these questions to the reconstituted Federal Council on Arts and the Humanities.

The Task Force met in three plenary sessions—in Washington, D.C. (June 15, 1981); Los Angeles, California (August 16–17, 1981); and Washington, D.C. (September 16, 1981)—and in three regional sessions—Chicago, Illinois (July 9, 1981); Los Angeles, California (July 10, 1981); and Washington, D.C. (July 13, 1981). Each of these meetings was open to the public.

Task Force members and staff solicited comment on the issues posed by the President from individuals and organizations in both the public and private sector concerned with the arts and the humanities. The staff then prepared a series of draft reports to the Task Force on specific topics suggested by the members, related principally to the Federal role in support of the arts and the humanities, including matters of structure and the encouragement of private sector support. Aided by public comment, staff reports, and *ad hoc* discussion among members, the Task Force in public session adopted the recommendations described elsewhere in this Report.

We believe our deliberations have produced a gain beyond these recommendations—that we can begin to create a network of interaction which can include segments of the private sector most responsible for support of America's culture. We look forward to the development of these relationships.

THE HUMANITIES AND THE ARTS

The most difficult assignment for the Task Force was the charge to find ways not only to replace the Federal budgetary reduction with money from private sources—individual, corporate, and foundation—but also to be concerned about those needs of the arts and the humanities for which there is currently inadequate support. We have endeavored to address the joint problems of the arts and the humanities, cognizant of the differences between the two.

It should be noted that the humanities are usually less visible to most potential private donors than are the arts. By its very nature, a performing arts center is more likely to be successful in raising private funds than is, for example, the department of English at even a major university. This is not to imply that all arts thrive on private sector support while the humanities are left wanting. Rather, the arts are often conducted in a visible and public environment.

The work of the humanist—equally critical to the advancement of our culture—is only rarely so. Educational institutions and libraries—the humanities' principal structures—are rarely devoted solely to the humanities. Thus, support for these institutions, while ultimately essential to the advancement of the humanities, is usually of indirect benefit to them.

We recognize the local and international importance of the arts and the humanities beyond their inherent value to the nation. At the local level, we must acknowledge that culture, as an industry, creates opportunities for employment, and similarly contributes to the economic life of communities by creating an environment which attracts business.

Furthermore, we realize that the arts and the humanities in America cannot flourish in isolation from the rest of the world. We must continue to encourage our international cultural relations to allow for the widest possible development and diffusion of our nation's arts and humanities and to promote international understanding and harmony.

Finally, we have learned a vital truth—America's arts and humanities are vigorous in spirit, though frail in financial health. We acknowledge not only the critical importance of humanities research, of scholarship, and of learning, but also the precariousness of their well-being in a society where support is determined by the vagaries of private philanthropy and public budgets. Similarly, we renewed our awareness of the vitality of American arts, the ecumenism of their appeal to the whole of American audiences, and the lively spirit of their supporters.



RESOLUTION

PRESIDENTIAL LEADERSHIP

We welcome the President's continuing leadership on behalf of the arts and the humanities, and reaffirm our understanding of his abiding interest in these critical areas of American endeavor.

We believe recognition by the President of the importance of private contributions to the arts and the humanities will provide an impetus to increased private support. The honoring by the President of exemplary supporters of America's arts and humanities can, without direct exhortation, create an ideal pattern for private citizens and corporations. This recognition can be achieved through special awards; through invitations to the White House, with attendant publicity; and through special convocations called by the President to examine or honor America's cultural heritage.

Presidential leadership in behalf of the arts and humanities can be emulated by board members of corporations and cultural institutions to increase awareness of the responsibility of the private sector to promote our culture. Strong and innovative board leadership, especially among corporate directors who also serve as directors of arts and humanities institutions, is critical to increasing private support; the Task Force has found that the involvement of individual board members in cultural fundraising activities stimulates giving by their peers.

We also applaud such events initiated by the President as the Mozart and Hampton concerts and the Young Artists at the White House series. We believe these initiatives create an environment in which our culture may prosper. By demonstrating his commitment to the arts and humanities, the President can stimulate broader participation not only in giving but in attendance and personal involvement as well.

RECOMMENDATIONS

**RECOMMENDATION:
FEDERAL COUNCIL
ON THE ARTS
AND THE HUMANITIES**



The Federal Council on the Arts and the Humanities can play a significant role in research and in coordinating government support and policy for the arts and the humanities as mandated by its enabling legislation. We further believe that the Federal Council can assist in the development of private sector support. Properly constituted, the Council can have a unique continuing potential to assist the Congress, the executive branch, and the private sector in developing fundamental policy with respect to extending both the reach and the quality of the national effort in the arts and humanities.

Therefore, we recommend to the President that the Federal Council on the Arts and the Humanities be revitalized and reconstituted by all appropriate means, including specifically that:

- 1. The membership of the Federal Council should be changed to include private citizens.*
- 2. One of the Council's private citizens should be appointed to serve as Chairman.*
- 3. The Council should be instructed to meet on a regular basis and faithfully to carry out its obligation.*

It is the consensus of the Task Force that the Endowments have functioned well in their present structure. Indeed, the Endowments have proven to be effective vehicles for providing Federal support for the arts and humanities and we recommend that their basic structure be retained.

Nevertheless, we believe that there exists an urgent need to continue and to expand the work begun by the Task Force during its brief tenure. In our view, a revitalized Federal Council provides the best means to meet this need by performing such functions as:

- a. developing policy recommendations regarding federal support of the arts and the humanities;
- b. developing and implementing mechanisms for increased private support;
- c. assessing and analyzing well-documented data concerning all aspects of public and private funding of the arts and humanities, including the effect of the tax laws, in order to provide a base for future executive and legislative decisions regarding Federal cultural support;
- d. evaluating the effectiveness of Federal arts and humanities expenditures; and

- e. examining the work of Federal, State and local agencies with emphasis on eliminating unnecessary duplication and obtaining maximum return on government arts and humanities dollars.

A key element of our thinking is that it will not be necessary to establish a new Federal body or advisory panel to carry out this continued research and planning. The enabling legislation which established the Federal Council addresses directly the need which we believe exists.¹

Although the Federal Council has been in existence for many years, the Task Force is aware that this Council has not played a key role in planning and research in the past. We hope that the addition of private sector members and the President's interest in the Council's progress will ensure that it meets regularly and exercises the leadership role which we consider vital. Moreover, we believe the addition of private sector members will be of significant benefit in the Council's exploration of methods to increase private giving to the arts and humanities. In order to carry out its tasks independently, the Federal Council should be funded separately and adequately.

¹ "The Council shall—

(1) advise and consult with the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities on major problems arising in carrying out the purposes of the Foundation;

(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;

(3) coordinate, by advice and consultation, so far as is practicable, the policies and operations of the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services including joint support of activities, as appropriate;

(4) promote coordination between the programs and activities of the Foundation and the Institute of Museum Services and related programs and activities of other Federal agencies;

(5) plan and coordinate appropriate participation (including productions and projects) in major and historic national events; and

(6) undertake studies and make reports which address the state of the arts and humanities, particularly with respect to their economic needs and problems." 20 U.S.C. 958 (c).

The Task Force considered a number of alternatives before determining that the present structure of the Endowments and a reconstituted Federal Council best serve the national interest. Our considerations in this area were based on staff reports, regional meetings, and discussions with interested persons throughout the country.

After considerable and complex discussion, we concluded that the National Councils and the Endowment Chairmen should continue to seek a partnership in decision-making on policy matters and grant awards. We enjoin future Chairmen to take this endorsement seriously: a continuation of this vital working relationship is essential to the continued health of the Endowments.

Among the first assignments of the revitalized Federal Council, we would urge exploring: (1) a new Federal/State relationship in conjunction with the Endowments; and (2) Presidential Fellowships in the Arts and the Humanities.



RECOMMENDATION: *Under the direction of the Federal Council, the Endowments and the State Arts and the State Humanities Councils, with participation by local arts agencies, should work out a new Federal/State relationship that will take into account the complex nature of the current relationship and the need for more effective use of Federal funds.*

THE FEDERAL/STATE/LOCAL RELATIONSHIP

The Task Force reaffirms the principle of diverse sources of public funding for arts and humanities activities as expressed in the Endowments' enabling legislation. This legislation mandates yearly grants to the arts and the humanities agencies in the fifty states and six special jurisdictions. In partnership with the Endowments, these agencies have fostered the growth of established institutions and emerging organizations, young talent and mature practitioners alike.

This complex relationship prospers so long as it remains in a state of evolution, responsive to needs that vary with time and with shifting cultural and regional emphases. Questions about appropriate levels of funding, the quality of grant-making decisions, unique and shared roles of Federal and State government, and administrative costs naturally arise. The Task Force therefore recommends that the revitalized Federal Council provide an independent forum for identifying the most effective plan for public services, administrative oversight, and funding. Moreover, we recommend that the Federal Council, in its efforts to achieve greater harmony and coordination within the network for cultural support, consider the role of the local arts agencies.

In making its recommendations, the Task Force acknowledges the extent to which the existence of State and local agencies has increased funds available for cultural efforts. The dramatic growth of State and municipal appropriations for the arts over the last fifteen years demonstrates the ability of State and local counterparts of the National Endowment for the Arts to match Federal dollars and to generate matching funds of their own. Of course, the success of these agencies in stimulating funds depends on State and local priorities, the nature of agency programming, and the structure of the agency itself.

In contrast to State arts agencies, only four State humanities councils receive State appropriations. Although most arts agencies have State affiliations, humanities councils are private. The State

humanities councils currently rely upon the National Endowment for the Humanities for their administrative as well as grant-making funds. In contrast, State arts agencies are generally less dependent on Federal funds, and grants from the National Endowment for the Arts give these agencies flexibility to support certain projects or applicants (such as grants to individuals) which some States restrict.

In summary, we believe that the Federal Council can promote cooperation within the public network of cultural support in a manner that will allow Federal, State and local agencies to enhance their mission of service.



**RECOMMENDATION:
PRESIDENTIAL
FELLOWS IN THE ARTS
AND THE HUMANITIES**

The Federal Council on the Arts and the Humanities should seek to establish a nationwide program of Presidential Fellows in the Arts and the Humanities, to encourage and nurture able young artists and humanists at the most critical point of their need for support and recognition.

The Task Force believes in support for individual scholars and artists as a way of promoting and encouraging excellence and initiative. Individuals currently may be partially supported by a small number of private or public programs such as those provided by the Endowments. In the arts, however, even the best student may need support during training or when embarking on a professional career. In the humanities, the demise of foundation support for scholars, formerly provided by the Woodrow Wilson, Ford, and Danforth fellowship programs, has placed significant barriers before even the most capable young scholars who might enter graduate study leading to a career in the humanities. Current tax laws discourage individuals, corporations, and foundations from giving directly to artists and humanists.

As one mechanism to advance the principle of support for individuals, the Task Force suggests that a competitive program of Presidential Fellows be established to provide financial support and recognition for the most promising and exceptionally talented young artists and humanists. Based on a nationwide selection process, Fellows should be supported for at least two years. Such a program will enhance the quality of America's cultural life by creating a core of talented young artists and scholars, and will promote individual creativity and initiative.

**RECOMMENDATION:
PROFESSIONAL REVIEW**

The professional panel review process is an effective and fair method of recommending Endowment grants, and should be continued.

The Task Force reaffirms the panel review system as a tested principle and believes that our mandate to consider reliance on "the judgments of nongovernmental professionals, private sector groups, and individuals," is well served by professional panel review.

The Task Force endorses the continuation of this system which leaves decisions about artistic and scholarly merit to the judgment of respected professionals in the arts and the humanities. Panel review has proved to be a fair and effective system for grant-making at both Endowments.

The alternatives—placing the decision-making process within the purview of Federal employees or giving grants based solely on a predetermined formula—might be less costly, but the present system more successfully addresses the integrity and independence of the review process, while meeting the practical demands of fair decision-making.

The Task Force members who have served on Endowment panels recognize the profound influence panel evaluations exert upon individual artists and scholars, the institutions that support them, and the state of cultural life in this country. Given the panels' critical catalytic functions in encouraging private support and providing a stamp of approval, the responsibility for recommending recipients must reside with those most knowledgeable and competent in the specific disciplines.



TAXATION
The Tax System and
Private Initiative

Unlike most countries, the United States has long utilized the Federal tax system to encourage contributions to nonprofit charitable organizations. To foster support of such institutions, the Congress has authorized their exemption from the Federal income tax, and has enacted rules making charitable gifts deductible from the income of the donor. The use of the tax mechanism for support of charitable endeavors generally, and for the arts and humanities specifically, ensures choice of the recipient by the private donor. The tax system thus provides for pluralism, both through the range of arts and humanities activities supported and through the diversity of sources of such support.

Effect of the
Economic Recovery
Tax Act of 1981

The president charged us to seek ways to increase private support for the arts and the humanities. Subsequent to the establishment of the Task Force, Congress enacted the Economic Recovery Tax Act of 1981 (ERTA). We are concerned that this act may produce an unintended reduction in private support for cultural activities. Thus, our tax recommendations should be seen in light of our belief that the total spectrum of support for the arts and humanities must be expanded, through greater emphasis on private initiative.

The Task Force believes that, if past practice is a guide, the overall impact of the general income tax rate reductions may materially diminish private contributions to arts and humanities institutions. Past evidence would seem to support the proposition that donors give more on the basis of the marginal cost of giving than on the basis of additional income available. On the other hand, the past may not accurately predict future giving, and the reduction in tax rates may change giving patterns due to increased disposable personal income.

Nevertheless, under ERTA, potential contributors will find it more economically advantageous to *sell* appreciated property (from which they will net 80 percent of the gain after tax) rather than to *give* the property (from which they will net, at most, 50 percent of the gain).

Economic motivations for cash and testamentary contributions may also be negatively affected. Whereas previously a gift by a person in the highest (70 percent) income bracket would have an after-tax cost of 30 percent of the amount of the gift, under ERTA the after-tax cost of the gift will be 50 percent.

As part of ERTA, the Congress has authorized a limited deduction for charitable contributions by persons who elect the standard deduction on their income tax return. This statutory change reflects important support for charity generally. However, as the Task Force believes that most persons giving substantially to the arts and the humanities itemize deductions, the new rule will not produce significant sums in the short term for the arts and humanities.

Thus, while charitable giving in the aggregate may not diminish as a result of the additional deduction for non-itemizers, we believe that the arts and humanities' share of philanthropic donations will likely decline.

Tax Recommendations

In light of potential implications of the new tax law, the Task Force believes greater leadership in both the public and private sectors will be required if potential donors are to be encouraged to give to the arts and humanities. In addition, we propose changes in the tax code which will enhance the principle of private initiative through charitable giving. These recommendations are compatible with principles of sound tax policy, and the President and Congress must determine whether such proposals are desirable.

It should also be noted that these tax recommendations are applicable to the range of charitable activity rather than specific to the arts and the humanities. Although we were constituted as a Task Force by the President to suggest enhanced support of the arts and the humanities, we did not believe that we could, or should, place the arts and humanities above other areas of philanthropic endeavor.

Although the Task Force strongly believes that the Federal government's inducement of charitable contributions must be substantially strengthened, some considerable part of the donation must nevertheless represent the donor's own contribution. Thus, while our proposals provide that the after-tax cost of charitable contributions will be reduced, such philanthropy will continue to represent a substantial expense for the donor.

Because time precludes evaluation of the precise effect of both the ERTA changes and the modifications which would result from the Task Force recommendations, it is proposed that any new rules be made subject to the so-called "sunset" provisions. During this

period, the Treasury Department and the Internal Revenue Service would be directed to monitor the impact of these changes on the patterns of charitable giving, reporting promptly to the Congress, which can then judge the effectiveness of such changes over a longer term.

Donations of Works by Creators

The 1969 amendment to the tax code governing charitable gifts of creative works by artists, writers and composers should be amended as follows:

- 1. that the creators of these works shall receive the same tax treatment, as a result of the charitable contribution of such work, available to a collector or other donor giving a purchased work or manuscript;*
- 2. that the value of the contribution shall be governed by the most recent arms-length sale, by the creator, of a comparable work, or by another appropriate appraisal mechanism.*

Current tax law allows the creator of a work who donates the work to a charitable institution to deduct only the value of the materials that were used in creating the literary, musical, or artistic work. A donor who is *not* the creator may deduct the fair market value of the work. Donations of works to institutions such as museums and libraries by living artists and authors have been substantially reduced since this provision was instituted. The dispersion of collections of creators' works has had a deleterious effect on the availability of research materials for scholarly activity.

There are three immediate benefits from this proposal. First, museums and libraries will be able to acquire works of art without cost. Second, artists and authors will be able to choose the institutions where their best work will be displayed. Third, the public will benefit from the presence in public institutions of the works of living artists and writers.

Furthermore, since the Internal Revenue Service now has a panel which monitors the value of artistic works for tax purposes, and as the revenue loss for similar legislative proposals has been estimated at no more than \$5 million annually, such a modest change in the tax code appears reasonable.

Individual and Corporate Contributions



A tax credit of 25 percent, supplementing the normal deduction for charitable contributions, should be provided for the second \$1000 of philanthropic contributions by individuals, and the first \$100,000 of such giving by corporations. These credits would be effective beginning in the 1982 tax year, and would decline by 5 percent annually until phased out by 1987.

Recent tax law changes, by reducing personal marginal income tax rates and accelerating corporate depreciation of plant and capital equipment, may inadvertently reduce economic incentives for charitable giving by individuals and corporations.

Available data indicate that individuals, in the aggregate, are the greatest benefactors of the humanities and the arts. Individual giving to the humanities and the arts is derived principally from higher bracket taxpayers, who will experience the greatest reduction in marginal tax rates and thus will find an increased cost in giving.

Although corporate giving is not broadly based—it is estimated that 6 percent of corporations provide 50 percent of all corporate philanthropic support—corporations tend to devote proportionately more of their philanthropic activity to the arts and the humanities than do individuals. Whether those corporations which will be able to take advantage of the accelerated depreciation incentives are those which support the arts and humanities in their charitable programs is uncertain. If so, the reduction of corporate taxable income through this mechanism could have serious repercussions on corporate support by removing the tax advantages of charitable deductions.

Tax credits for corporations and individuals such as those proposed here will reinforce the economic incentives for individual and corporate giving and will broaden the base of such support. Furthermore, by re-establishing private incentives for support of the arts and humanities—and philanthropy in general—the tax credit mechanism allows for individual initiative and choice of which institutions to support. Thus, this tax credit proposal underscores our belief that most cultural financing decisions are best left to local and individual initiative.

Deductibility Limitations *The Task Force recommends that the 50 percent limitation on gifts to public charities be eliminated (although still subject to minimum tax provisions); that the 20 percent limitation on gifts to private foundations be raised to 50 percent; and that the 30 percent limitation respecting gifts of appreciated property be raised to 50 percent.*

Present law contains restrictions on charitable giving which inhibit philanthropy, particularly in the case of major donations. The first of these applies generally to the percentage of income which may be given to public charities and private foundations. In the case of a gift to a public charity, the amount which may be deducted in any taxable year may not exceed 50 percent of income. In the case of a gift to a private foundation, a person may deduct not more than 20 percent of income.

Additionally, if a gift is made in appreciated property, such as stock or securities, the amount which may be deducted may not exceed 30 percent of taxable income.

These limitations restrict charitable giving and restrain major gifts. Changes in carryover provisions recommended by the Task Force will not entirely remedy this problem. Notwithstanding the amount of the percentage limitations, a person giving property or money to a charity bears a considerable expense in making such donations.

The Task Force believes that incentives for charitable giving should be strengthened in every way possible to encourage philanthropy.

Charitable Contribution Carryover *The charitable contribution carryover period should be extended from 5 to 15 years.*

Present law provides that, in the case of gifts to public charities which exceed 50 percent of the donor's income, and gifts of appreciated property which exceed 30 percent of income of the donor, the excess over the stated percentage (not deductible in the year of contribution) may be deducted in each of the five succeeding taxable years of contribution.

Under ERTA, operating loss carryovers for businesses have been extended from 7 to 15 years. The Task Force believes that this precedent established in connection with net operating losses for

businesses should be applied to charitable contributions. Particularly in the case of large donations, the taxpayer cannot always forecast that the contribution can be absorbed through tax deductions in 5 succeeding years. An additional 10-year extension should serve to assist in inducing major contributions.

Donative Sale *The amount of the charitable contribution for a donative sale should be determined by reference to the excess of the value of property over the sales price, without diminution by any taxable gain amount. A person electing to use this mechanism for charitable donations would not, however, be able to use the 25 percent tax credit with respect to the same gift.*

Under present law, if property is sold to a charity for an amount less than its value, the determination of the amount of gain realized by the contributor is made by reference to a portion (rather than 100 percent) of the donor's original cost of the property. This provision has had the effect of reducing charitable sales of property at below actual value and could be rectified by the change recommended above.

Contributions to Private Foundations *Contributions to a private foundation made in appreciated property should be treated, for a donor's tax purposes, in the same manner as cash gifts to a private foundation. 5 percent of the value of the property, determined annually, would continue to be paid to public charities as a "qualifying distribution" under the Internal Revenue Code.*

In 1969, to assure that private foundations would continuously produce funds for the nonprofit sector, two rules were enacted: (a) Each private foundation must make an annual "payout" to public charities in an amount not less than 5 percent of the annual value of the foundation's assets; and (b) when a donor contributes appreciated property to a private foundation, in order for such donor to receive a deduction for the appreciated value, the foundation must redistribute an amount equal to the value of the contribution. Under ERTA, the option that the annual payout equal the greater of 5 percent or the total annual income was repealed.

Although the Task Force fully agrees with the principle that private foundations should be required to make continuous payments to active public charities, it also believes that the 5 percent

payout constitutes a sufficient assurance that this will occur.

The "appreciated property redistribution" rule, on the other hand, does not appear to achieve a comparable objective, since a donor contemplating a major endowment gift to perpetuate his charitable objectives may defer the gift until death to avoid the consequences of the rule. The serious decline in the lifetime formation of private foundations which has occurred since enactment of the appreciated property redistribution rule underscores its deleterious effect on charitable giving.



ISSUES FOR FURTHER CONSIDERATION BY THE FEDERAL COUNCIL

The recommendations offered by the Task Force touch certain threads in a vast fabric of cultural support. Several issues, though well within our charge, were not resolved; further examination of these and other matters is left to the revitalized Federal Council.

Among the questions posed during the Task Force's deliberations which should be addressed further by the Federal Council are: (a) Should the programs of the Institute for Museum Services be in some fashion joined with the Endowments?, and (b) What should be done to develop the full potential of the Endowments' grant mechanisms to encourage greater private support?

With respect to the first question, several Federal agencies fund arts and humanities activities. Among these, the Institute for Museum Services, currently housed within the Department of Education, received considerable attention by the Task Force. Some members felt that the Institute should become a third branch of the National Foundation on the Arts and the Humanities while others preferred that its general operating support program be merged with the museums programs of the Endowments. Still others thought the subject should be examined as part of a comprehensive study of overlap among Federally funded arts and humanities programs.

Regarding the second matter, members strongly agreed that methods should be found for Federal grants to encourage greater private support. Some felt that the Challenge Grant program should require a fixed private/Federal match greater than 3:1, particularly from institutions with strong fundraising capabilities, or a variable match based upon such capacity. Others believed that the Challenge Grant concept should be extended to Endowment program funding. Members also wanted to find ways to make the Treasury Fund mechanism more productive. Some questioned whether cost-sharing without any cash requirement should be considered sufficient match from grant recipients. Most agreed that new matching programs could be more productive if devised together with foundation and corporate funding sources.

Implicit in our consideration of the revitalized Federal Council was the belief that the Council should vigorously reinforce existing methods of philanthropy and stimulate new funding mechanisms. Among tax proposals before the Task Force deserving further in-



vestigation, the Federal Council should consider:

- a. a tax credit of 70 percent of the fair market value to the donor of qualifying real property to an arts or humanities institution, with a 20% annual credit limit. The recipient institution would pay an excise tax of 20 percent of the property's net capital gain and would resell the property at a price lower than the fair market value. Proponents of this proposal suggest that this would energize the real estate market and would add tax revenues not otherwise anticipated.
- b. a tax checkoff, similar to the \$1 checkoff for Presidential elections, allowing the designation of a portion of tax payment to the National Endowments. Variations of this concept would include an addition to tax liability (or a reduction in the Federal tax refund) for designation to the Endowments. Certain members of the Task Force expressed reservations whether such a proposal represented sound policy, as the checkoff mechanism appeared to use the tax system to circumvent the direct appropriation authority of Congress.

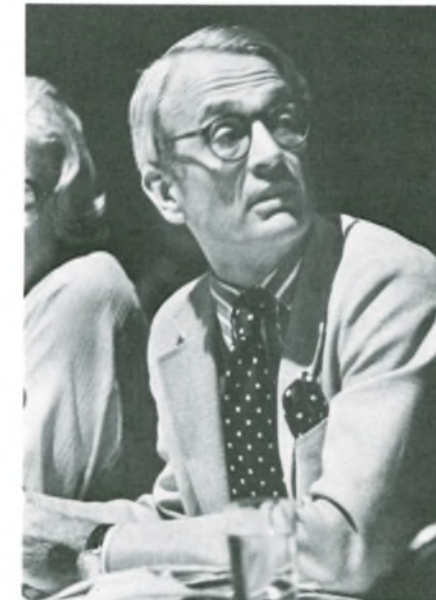
Several members addressed themselves to the idea of a nationwide fundraising program to supplement the diminished funds of the Endowments. Principal among these suggestions was a national matching fund which would attempt to stimulate private giving to the arts and humanities by offering a Federal match for each donation. During the course of our discussions, several ideas were offered as to the prospective recipients of both private giving and the Federal matching fund, including the Endowments' general appropriated funds, individual disciplines, or specifically designated recipients. Since several members expressed reservations about the impact such a program might have on local fundraising for the arts and humanities, our general consensus is that the Federal Council should undertake a comprehensive study of this question.

Other suggestions of additional funding mechanisms for consideration by the Federal Council include:

1. Extension of corporate matching gift programs for employee donations to the arts and the humanities.
2. Expansion of employee payroll deduction plans for the benefit of local cultural institutions.
3. Lending of executives, of office space and equipment, as well as donations of equipment, to cultural groups. Many business

associations now promote these efforts; we urge their broader extension, including the greater use of retired executives, and official recognition of their importance.

Finally, we hope that the Federal Council and the Endowments will work to enhance giving to the arts and the humanities through effective *local* action. We have observed that most support for cultural activities—from individuals, corporations, and foundations—is locally oriented and is intended to improve the quality of life in the local community. Enlisting the help of local leaders in an intensive campaign to strengthen the financial and administrative capacity of cultural institutions and to increase public understanding of the importance of our cultural heritage should be a principal undertaking of the reconstituted Federal Council.



APPENDIX

ACKNOWLEDGMENTS

We wish to express our deep gratitude to the many organizations and individuals who aided the work of the Task Force. Deserving special recognition are members of the Task Force and others who so graciously donated resources, personnel, and facilities, in the spirit of the Presidential charge:

The American Council of Learned Societies
The American Film Institute
Baldwin-United Corporation
The Chase Manhattan Bank (N.A.)
Davis Polk and Wardwell
The Federal Reserve Board
Bertrand Honea
Hunter College
The Library of Congress
The Los Angeles Music Center
The Mobil Corporation
The National Endowment for the Arts
The National Endowment for the Humanities
The National Gallery of Art
New York Community Trust
Edward John Noble Foundation
Patton, Boggs, and Blow
The Readers Digest Association, Inc.
Princeton University
Silverstein and Mullens
The Honorable Robert T. Stafford, U.S. Senate
The Standard Oil Company (Indiana)
The Supreme Court of the United States
The Times-Mirror Corporation
The White House Preservation Fund
Edward Wilson

MEMBER BIOGRAPHIES

Co-Chairman for the Arts: CHARLTON HESTON—An actor, Mr. Heston is a former member of the National Council on the Arts and the President's Council on Youth Opportunities. He has received two awards from the American Academy of Motion Picture Arts and Sciences: the Oscar in 1959 for his role in Ben Hur, and in 1978, the Jean Hersholt award as humanitarian of the year. He is a former Chairman of The American Film Institute and the Center Theatre Group in Los Angeles, and is a former President of the Screen Actors' Guild.

Co-Chairman for the Humanities: HANNA H. GRAY—President of the University of Chicago since 1978, Dr. Gray is a former member of the National Council on the Humanities. Following her tenure as Dean of Northwestern University, she served as Provost and Professor of History and then as acting President of Yale University. Dr. Gray currently serves as trustee of Bryn Mawr College and the Andrew W. Mellon Foundation.

Co-Chairman for Government: DANIEL J. TERRA—Ambassador at Large for Cultural Affairs, Mr. Terra is the President's representative at major national and international cultural events, and is his advisor for government cultural agencies and departments. The founder, Chairman, and Chief Executive Officer of Lawter International, Inc. in Chicago, Mr. Terra also founded and donated to the public the Terra Museum of American Art in Evanston, Illinois.

Vice-Chairman: BARNABAS MCHENRY—Mr. McHenry has served as General Counsel to The Readers Digest Association, Inc. in New York City since 1962. He is a trustee of the Metropolitan Museum of Art, the Metropolitan Opera Association, Inc., and the Supreme Court Historical Society. Mr. McHenry is a former Chairman of the Commission for Cultural Affairs of New York City.

MARGO ALBERT—An actress, Ms. Albert is Vice President and Artistic Director of Plaza de la Raza in Los Angeles. She is a member of the National Council on the Arts, the California Council on the Arts and the Task Force on Hispanic American Arts. Ms. Albert is a member of the Board of Trustees for the Center Theatre Group, the Music Center in Los Angeles, and PBS-KCET, also in Los Angeles.

EDWARD BANFIELD—Dr. Banfield, educator and author at the Littauer Center of Harvard University, is currently making a study of public support of the visual arts for the Twentieth Century Fund. A professor of political science, he is a former faculty member of the University of Chicago and the University of Pennsylvania.

MRS. SID R. BASS—Mrs. Bass is Vice President of the Fort Worth Art Museum in Fort Worth, Texas, and Chairman of the Museum's Acquisitions Committee. Mrs. Bass is Vice President of the Executive Committee of the Fort Worth Symphony and Secretary of the Van Cliburn International Piano Competition. She is a member of the International Council Museum of Modern Art, the International Committee of New York City Ballet and the Collections Committee of the National Gallery of Art.

DANIEL J. BOORSTIN—Librarian of Congress since 1975, Dr. Boorstin is the former Director of the National Museum of History and Technology at the Smithsonian Institution. An historian, he is a former professor at Harvard University and Harvard Law School, Swarthmore College, and the University of Chicago, and currently serves as trustee of Colonial Williamsburg and the John F. Kennedy Center for the Performing Arts. In 1974 he was awarded the Pulitzer Prize for *The Americans: The Democratic Experience*.

WILLIAM G. BOWEN—President of Princeton University, Dr. Bowen has served Princeton as a faculty member since 1958, as Provost and as Director of the Graduate Program of the Woodrow Wilson School of Public and International Affairs. He is currently a Citizen Regent of the Smithsonian Institution and is co-author with W. J. Baumol of *Performing Arts: The Economic Dilemma*.

JOSEPH COORS—Mr. Coors is President and Director of the Adolph Coors Company in Golden, Colorado, and Director of the Adolph Coors Foundation. He is Director of the Heritage Foundation, Vice Chairman of the National Legal Center for Public Interest, and Director and past Chairman of the Mountain States Legal Foundation. He is a member of the Board of Overseers of the Hoover Institution and of the Advisory Board of the National Strategy Information Center.

ARMAND DEUTSCH—A film director and producer, Mr. Deutsch is Chairman of the Board of the Starwood Corporation in Los Angeles. He has served as President and Co-Chairman of the Center Theater Group of the Los Angeles Music Center and has been a member of the Performing Arts Council and the Music Center Operating Company.

VIRGINIA DUNCAN—A television producer and corporate executive, Ms. Duncan is Manager of Development and Operations, Executive Services, with the Bechtel Group of Companies in San Francisco. She is a Director of The First Interstate Bank of California, the James Irvine Foundation, and is a former Director of the Corporation for Public Broadcasting. Ms. Duncan has served as a media consultant for the National Endowment for the Arts and the National Science Foundation, and received an Emmy Award for her work in television in 1971.

ROBERT FRYER—As artistic Director of the Center Theatre Group at the Ahmanson Theatre in Los Angeles, Mr. Fryer is the recipient of 3 Tony Awards and 30 Los Angeles Drama Critics Circle Awards. Mr. Fryer has been awarded Tony and Academy Awards for his work as an independent producer of plays and film, and currently serves on the Board of Governors of the League of New York Theatres.

HENRY GELDZAHLE—Mr. Geldzahler, Commissioner of Cultural Affairs in New York City, is a former curator of the Department of 20th Century Art at the Metropolitan Museum in New York. From 1966–69, he was Program Director of the Visual Arts Program at the National Endowment for the Arts, and in 1966 he was U.S. Commissioner for the Venice Biennale.

GORDON HANES—Mr. Hanes, retired Chairman of the Hanes Corporation in Winston-Salem, North Carolina, was a founder of the North Carolina School of the Arts, the Winston-Salem Arts and Crafts Association, and the Southeastern Center for Contemporary Art. Mr. Hanes is Chairman of the Board of Trustees of the North Carolina Museum of Art and serves as an Associate Director of the Smithsonian Institution.

NANCY HANKS—Miss Hanks, Vice-Chairman of the Rockefeller Brothers Fund, was Chairman of the National Endowment for the Arts from 1969 to 1977, and served as President of the American Council for the Arts from 1967 to 1969. She is a Director of Conoco, Inc., the Equitable Life Assurance Society of the United States, Scholastic, Inc., and numerous non-profit organizations.

PAUL R. HANNA—Senior Research Fellow of the Hoover Institution, Dr. Hanna has served as a consultant to the U. S. Office of Education. He is a former Director of the Stanford International Development Education Center, and former Director of Stanford University Services, and served as a member of the International Relations Committee of the American Council on Education.

ERNEST J. KUMP—An architect, Mr. Kump was a member of the Design and Visual Arts Committee at Harvard University and is currently a member of the National Advisory Council on School Building Problems. He has received a number of awards for his work as an architect, including five Progressive Architecture Awards; and the Firm of the Year Award.

JUNE NOBLE LARKIN—Mrs. Larkin, Chairman of the Edward John Noble Foundation in New York City, is Vice President of the Museum of Modern Art and a trustee of the Juilliard School, the New York Philharmonic, and the Cultural Assistance Center. She is a former chairman of the Board of Sarah Lawrence College and a former member of the Mayor's Committee on Cultural Policy for New York City, and is currently an honorary trustee of St. Lawrence College.

ROBERT M. LUMIANSKY—President of the American Council of Learned Societies, Dr. Lumiansky is a former Chairman of the English Department at the University of Pennsylvania. He is a professor of English at New York University and a trustee of Duke University and the National Humanities Center. Dr. Lumiansky is a former chairman of the Board of Visitors at Tulane University and was a member of the National Council on the Humanities from 1965 to 1967.

ANGUS MacDONALD—President of Angus MacDonald and Co., Inc., in Greenwich, Connecticut, Mr. MacDonald was a founder and Co-Chairman of the MIT Council for the Arts and a founder of the Festival Orchestra Society, Inc., in New York City. He is currently president of the MIT Alumni Association. Mr. MacDonald is also the author of *Middle Ground*, an autobiographical novel.

NANCY MEHTA—Mrs. Mehta is a patron and advocate for the arts in California and New York. She was a founder of the Los Angeles Music Center and served as Honorary Vice President of "Blue Ribbon 400". Mrs. Mehta is currently a fundraiser for both the Los Angeles and the New York Philharmonic Orchestras.

ARTHUR MITCHELL—Founder and Executive Director of the Dance Theatre of Harlem in New York City, Mr. Mitchell has served on the dance panels of the U.S. Department of State and the New York State Council on the Arts. Mr. Mitchell is currently a member of the New York State Council on the Arts and is a former member of the National Conference on Social Welfare and the National Society of Literature and Arts.

FRANKLIN D. MURPHY—Chairman of the Executive Committee of the Times Mirror Co. in Los Angeles, Dr. Murphy is a trustee of the National Gallery of Art, the Los Angeles County Museum of Art, and the J. Paul Getty Museum. Dr. Murphy, a former professor of medicine, was formerly Chancellor of the University of Kansas, and of the University of California at Los Angeles.

DAVID PACKARD—Chairman and co-founder of the Hewlett-Packard Co., Mr. Packard is a trustee of the National Symphony Association and the Herbert Hoover Foundation. He is a past President of the Board of Trustees of Stanford University, and was a Director of the Stanford Research Institute and the National Merit Scholarship Corporation. Mr. Packard served as the United States Deputy Secretary of Defense from 1969 to 1971.

EDMUND P. PILLSBURY—Prior to assuming his current position as Director of the Kimball Art Museum in Fort Worth, Texas, Dr. Pillsbury was Director of the Yale Center for British Art and Professor-Adjunct of Art History at Yale University. He is also a member of the Professional Development Committee of the American Association of Museum Directors.

GEORGE C. ROCHE III—President of Hillsdale College, Dr. Roche is a former faculty member of the University of Colorado and the Colorado School of Mines. He is a member of the American Historical Association, the American Academy of Politics and Social Sciences, and the American Association of Presidents of Independent Colleges and Universities.

RICHARD M. SCAIFE—Mr. Scaife has been Publisher and Chairman of the Board of Tribune Review Publishing Co. since 1970. He is a Director of the Sierra Publishing Company, and Vice Chairman of the Sarah Scaife Foundation. Mr. Scaife currently serves as trustee of Deerfield Academy, the Brandywine Conservatory, and the Historical Society of Western Pennsylvania.

FRANKLIN J. SCHAFFNER—Mr. Schaffner, a film producer and director, is a member of the National Academy of TV Arts and Sciences, and the American Academy of Motion Picture Arts and Sciences. The recipient of Emmy awards in 1954, 1955, and 1962, he also a Director of the Directors Guild of America.

Presidential Documents

Executive Order 12308 of June 5, 1981

Presidential Task Force on the Arts and Humanities

By the authority vested in me as President by the Constitution of the United States of America, and to establish in accordance with the provisions of the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), an advisory committee on arts and humanities of the United States, it is hereby ordered as follows:

SECTION 1. *Establishment.* (a) There is hereby established the Presidential Task Force on the Arts and Humanities. The Task Force shall be composed of no more than 38 members appointed by the President. No more than one member shall be a full-time Federal officer or employee. The remaining members shall not represent Executive agencies.

(b) The President shall designate three Cochairmen and one Vice Chairman from among the members of the Task Force.

SEC. 2. *Functions.* (a) The Task Force shall advise the President with respect to:

- (1) methods to increase private support for the arts and humanities;
- (2) ways in which Federal decisions regarding arts and humanities projects can rely more on the judgments of nongovernmental professionals, private sector groups, and individuals; and
- (3) potential improvements in the management, organization and structure of (i) the National Foundation on the Arts and the Humanities (including the National Endowment for the Arts, the National Endowment for the Humanities and the Federal Council on the Arts and the Humanities) and (ii) other Federal arts and humanities programs.

(b) The Task Force shall report its findings and recommendations to the President, the Chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities.

SEC. 3. *Administration.* (a) The heads of Executive agencies shall, to the extent permitted by law, provide the Task Force with such information with respect to arts and humanities issues as may be necessary for the effective performance of its functions.

BEVERLY SILLS—General Director of the New York City Opera, Miss Sills has performed with opera companies and as a soloist throughout the United States, Europe, and South America. She is a former member of the National Council on the Arts and currently serves as Chairman of the National Foundation, March of Dimes, Mothers' March on Birth Defects.

LEONARD L. SILVERSTEIN—President of the National Symphony Orchestra Association, Mr. Silverstein is a Partner with the law firm Silverstein and Mullens in Washington. He served as Executive Director of the Commission on Private Philanthropy and Public Needs from 1973 to 1977, and has been a trustee of the Corcoran Gallery of Art in Washington since 1974. Mr. Silverstein is also Chairman of the U.S. Advisory Commission on Public Diplomacy.

ROBERT I. SMITH—Mr. Smith is President of the Glenmede Trust Company, trustee for the Pew Charitable Trusts in Philadelphia. He is a Member at Large of the Yale University Council, a member of the Communications Board, Executive Committee and Development Review Committee at Yale, and is an associate fellow of the Timothy Dwight College at the same university.

ROGER L. STEVENS—Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts since 1961, Mr. Stevens served as the first Chairman of the National Endowment for the Arts. He is a former President of the National Opera Institute, and currently serves as trustee of the American Shakespeare Theatre and Academy and as a Director of the Metropolitan Opera Association.

JOHN E. SWEARINGEN—Mr. Swearingen, Chairman of the Board and Chief Executive Officer of the Standard Oil Company (Indiana), serves as a trustee at Carnegie Mellon University. He is a Director of the Lockheed Corporation, the Chase Manhattan Corporation, and is a former trustee of the McGraw Wildlife Foundation, the Orchestra Association of Chicago and De Pauw University.

RAWLEIGH WARNER, JR.—Chairman of the Board and Chief Executive Officer of the Mobil Corporation since 1969, Mr. Warner is Vice Chairman of the Corporate Fund at the John F. Kennedy Center for the Performing Arts and Chairman of the Business Committee for the Arts. He serves as Director of a number of corporations, including Chemical Bank, AT&T, and the American Express International Banking Company.

LUCIEN WULSIN—Prior to assuming the position of Chairman of the Colorado Council on the Arts and Humanities, Mr. Wulsin was a Director of the Denver Symphony Association and the Music Association of Aspen. He is a former Chairman of the Contemporary Arts Center in Cincinnati and the Cincinnati Symphony. Mr. Wulsin currently serves as Chairman of Baldwin-United Corporation.

(b) Members of the Task Force shall receive no compensation for their work on the Task Force. However, while engaged in the work of the Task Force, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5 U.S.C. 5701-5707).

(c) The National Endowment for the Humanities shall, to the extent permitted by law and subject to the availability of funds, provide the Task Force with such administrative services, funds, facilities, staff and other support services as may be necessary for the effective performance of its functions.

SEC. 4. *General Provisions.* (a) Notwithstanding the provisions of any other Executive order, the responsibilities of the President under the Federal Advisory Committee Act, as amended, except that of reporting annually to the Congress, which are applicable to the advisory committee established by this Order, shall be performed by the Chairman of the National Endowment for the Humanities, in accordance with the guidelines and procedures established by the Administrator of General Services.

(b) The Task Force shall terminate on September 30, 1981, unless sooner extended.

Ronald Reagan

THE WHITE HOUSE,
June 5, 1981.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 6, 1981

STATEMENT BY THE PRESIDENT
Task Force on the Arts and Humanities

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.

PHOTO CREDITS

Pages 1, 3, 5, 6, 26, 27 left: The Los Angeles Times; Page 11: Denver Symphony/Roger Whitacre; Page 13: New York City Ballet/Paul Kolnik; Page 15: Hirshhorn Museum/John Tennant; Page 17: Morton Broffman; Page 21: Marcia Sartwell; Page 24: Bob Serating; Page 27 right: The Washington Dossier/John Whitman

Designed by Maria Josephy Schoolman