

The PBS Foundation:

Soros Grantee Shields Public TV from Accountability

By Neil Maghami

Summary: *Liberals love PBS—and stick America’s taxpayers with the bill. While left-wing foundations and nonprofits think PBS deserves even more federal money, they also want more big private gifts. Has George Soros come up with yet another plan to make that happen?*

It’s no secret that liberals have a lot invested in retaining control of public broadcasting. That’s one reason they are so incensed over President George W. Bush’s decision in December to give Warren Bell, the Hollywood producer, a place on the Corporation for Public Broadcasting’s (CPB) board of directors.

As a White House spokesman pointed out, with nearly two decades of experience in television, Bell has much to contribute to CPB. Still, Senate Democrats went apoplectic over Bell’s nomination and stalled it for months. (That’s why, in the end, the president had to give Bell a recess appointment.) In the Democrats’ eyes, the fact that Bell has contributed to National Review Online and refuses to bow before liberal orthodoxy disqualifies him as a potential CPB board member.

The left seems as enraged by Bell’s nomination as it was by the president’s appointment of Kenneth Tomlinson as the CPB’s chairman. Tomlinson became a lightning rod for criticism from the left during his tenure as chairman. He resigned from the post in 2005. Critics accused him of trying to politicize public broadcasting content, an accusation he flatly denies. He has decided to leave public broadcasting altogether and write a



PBS star commentator Bill Moyers (above) blames corporate America for every crisis and targets politicians and big media for every cover-up.

book. “My critics will say this is an indicator that Ken Tomlinson is quitting public life,” he said last month. “But I’m just beginning to fight. This book will be a much more effective way to bring to light the injustices done to me.”

As the left stamps its feet to express its anger over Bell’s appointment, another story involving PBS is unfolding. And the stakes here are potentially much higher. Liberals are desperate to find more money for PBS. Public broadcasting can’t get it out of the taxpayer without Congress breathing down their necks. So the big foundations and George Soros have decided that philanthropy might be able to make up the difference. But before we review the latest developments, let’s go over some facts about PBS.

These days, “PBS” often stands for “Pretty Bland Stuff” or “Parade of Banal Schlock.” Once upon a time, the Public Broadcasting Service was a programmer of compelling historical documentaries (“The Civil War”) and dramatized literary classics (“Masterpiece Theatre”). But today PBS programming is more often awash in poorly made

February 2007 CONTENTS

The PBS Foundation
Page 1

Philanthropy Notes
Page 8

FoundationWatch

docudramas, “oldies” rock concerts, and dubious programs of financial advice (Suze Orman) and New Age therapy (Dr. Wayne Dyer), especially during its dreadful hat-in-hand ritual known as “Pledge Week.”

Yet the rap against PBS has always been its biased public affairs programming. Aside from the nightly “News Hour” with Jim Lehrer, most PBS news programs are little more than left-wing agitprop. The ominous sound track on the PBS series “Frontline” typically signals yet another tale of corporate malfeasance and political intrigue. The human interest stories on “Independent Lens” and “P.O.V.” are politically correct lamentations on social oppression or celebrations of “diversity.” The science program “Nova” frequently bemoans man’s destructive interference with nature. And the series “Now,” hosted by Bill Moyers (through 2004) and his successor, David Brancaccio, is dedicated to blaming corporate America for every crisis and targeting politicians and big media for every cover-up.

For instance, during the 2006 elections two episodes of “Now” ramped up paranoia about the U.S. electoral system. “Block the Vote” warned that voter security laws “supposedly designed to prevent voter fraud and avoid

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election-day debacles,” were actually likely to cause qualified voters “to be left out in the cold, especially minorities, the poor, the elderly and the disabled.” Another program, “Down for the Count,” raised fears that “new election machines, as mandated and funded by federal law, may create a new election debacle instead of correcting the old one.” The programs were shown coast to coast on the PBS member network of 348 non-commercial TV stations.

“Now” host Brancaccio has wondered aloud whether former Republican House Majority Leader Tom DeLay’s “favors to lobbyists led him from family values to supporting virtual slavery.” His idea of political balance is to pit Janeane Garofolo, the wildly left-wing anti-Bush actress, against former congressman Bob Barr, the anti-Bush libertarian.

Not for nothing did Bob Dole once complain that he felt “turned off and . . . fed up with the increasing lack of balance and the unrelenting liberal cheerleading I see and hear on the public airwaves.”

While its officials deny that PBS public affairs programming decisions are deliberately biased, what results is clearly the product of a left-wing political outlook. Large liberal foundations like Ford and Carnegie helped set up PBS in the late 1960s, and what they have created now sustains the elites responsible for what’s considered “progressive” culture and politics. (See inset box on pages 4 and 5.)

The Origins of “Public” Broadcasting

In 1967, President Lyndon Johnson proposed legislation to create a “corporation for public television authorized to provide support to non-commercial television and radio.” However, the Corporation for Public Broadcasting (CPB), despite its official-sounding name, is no government agency. Instead, CPB is a private nonprofit whose nine-member board of directors is appointed by the president to six-year terms after confirmation by the U.S. Senate. As its website explains, CPB “submits an annual request for federal funding of public broadcasting stations and programming” to Congress. It then distributes this funding to PBS stations across the country.

The question of how to sustain long-term funding has dogged public broadcasting ever since its inception. What has evolved is a complex stew of federal, state and local government support, individual donor contributions to over 1,000 public radio and television stations, corporate sponsorships and private foundation grants. These funds are variously channeled directly and indirectly to CPB, PBS member stations, and to well-connected independent production companies like those operated by Bill Moyers and the documentary filmmaker Ken Burns. This has made it very difficult for public broadcasting’s critics to “follow the money” in order to track the raising and spending of funds that may produce and distribute a controversial program appearing on public TV. Pity the researcher who tries to find out how many tax dollars have paid for an objectionable program and who’s to blame for authorizing their payment.

But PBS champions are often just as frustrated as critics by the complexity and diversity of public broadcasting’s funding sources. Their reasons, however, are very different: Public broadcasting supporters complain that there is no easy way for them to get their hands on all that money.

In the late 1960s the Ford Foundation and the Carnegie Corporation – two of America’s largest and richest foundations – proposed a solution: Congress should enact new taxes specifically targeted to fund public broadcasting.

A 1967 Carnegie-funded study proposed that “Congress provide the federal funds required [for what would become the CPB] through a manufacturer’s excise tax on television sets [beginning at 2% and rising to a ceiling of 5%]. The revenues should be made available to the Corporation through a trust fund.”

A year earlier, the Ford Foundation declared that “there appear to be major sources that might be used [to fund public broadcasting] . . . first [taxes on] the gross receipts of profits of the broadcasting industry; second, taxes or contributions by users and beneficiaries.”

The foundations failed. No taxes have been

enacted to directly support CPB, which continues to submit annual requests for money to Congress. In 1969, CPB received \$5 million in appropriations. For 2008, it is asking for \$430 million. That's a 33 % increase over the \$300 million it received in 2000. (For the history of CPB's congressional appropriations, see <http://www.cpb.org/aboutcpb/financials/appropriation/history.html>)

Not surprisingly, the far left, which is skeptical of the commercial media and yearns for more public broadcasting, finds CPB's dependency on congressional appropriations intolerable. Congressional oversight means the Corporation is vulnerable to political attack. The left continues to favor special taxes for public broadcasting.

A February 2006 article in *Sojourners*, a magazine of the Christian left, moans that the public's interest in broadcasting is poorly served. But the tired argument it makes is one common to all socialists: concentrate authority and collectivize control for the people's sake.

"Most of our public broadcasting problems go back to the fact that, unlike its counterparts in other industrial democracies, the system was established without an independent funding stream. For instance, in Britain, people pay a fee of about \$215 per year per set for a 'television license.' The license fees go directly to the BBC, which uses the money to run eight interactive TV channels, 10 radio networks, more than 50 local TV and radio services, and the bbc.co.uk Web site. These produce a staggering array of news, arts, educational, and entertainment programming. All of this gives the British people access to the range of political viewpoints and cultural expression needed to nourish a democracy.

"Of course, the British system couldn't be translated to America. And the license fee system is a fairly regressive way to fund public broadcasting. But the principle of a dedicated revenue stream, coupled with oversight from citizens, educators, and artists—instead of political appointees—could cure much of what ails our system."

The article concludes:

"An organization called Citizens for Independent Public Broadcasting [CIPB], endorsed by a variety of journalists and activists, has put forward a proposal for a U.S. public broadcasting trust. CIPB estimates that it would cost \$1 billion per year to operate a public broadcasting system that could pose a true alternative to corporate media. The organization proposes that the money could be raised by modest taxes of 2 to 5% on factory sales of digital television sets, the sale or transfer of commercial broadcast licenses, or broadcast advertising fees. It's a place to start."

Tax Americans to support PBS: It's an old idea that never dies – or even fades away.

The "Broadcast Reform" Movement

The Pittsburgh-based Citizens for Independent Public Broadcasting [CIPB] was founded in 1999 with a \$175,000 grant from George Soros's Open Society Institute. OSI gave the group another \$200,000 in 2000. CIPB notes that it "generally favor[s] proposals that tax corporate profits rather than citizens and consumers for public broadcasting services." [www.cipbonline.org] Like other leftist foundation-funded "broadcast reform" groups, it attacks the commercial media as a servant of corporate interests that excludes "progressive" voices and blocks initiatives for social justice.

Writes CIPB executive director Jerold Starr:

"With the exception of Bill Moyers, no progressive has ever regularly guested on, let alone hosted, a PBS public affairs program. I include in this pantheon of outsiders, such as journalists, broadcasters and intellectuals as Barbara Ehrenreich, Amy Goodman, Ellen Goodman, Molly Ivins, Katrina vanden Heuvel, Phil Donohue, Jim Hightower,

Paul Krugman, Michael Moore, Cornell West, and Howard Zinn."

Starr denies claims of left-wing bias at PBS. The problem, he says, is that PBS is not far left *enough*:

— "The real scandal in PBS programming, routinely ignored by the conservative thought police who have been hounding [Bill] Moyers for years, is that labor unions and public interest groups are banned from underwriting PBS programs while corporations are not."

— "What you've got [at PBS], basically, is a system whereby those sources of money, corporate underwriting, conservative politicians, affluent, and I stress affluent, subscribers are the ones who control the purse strings and, as such, they are the ones who call the tune, and this has been demonstrated time and again in, in-depth studies of public broadcasting."

In 2005, Starr took the podium at the National Conference for Media Reform, a St. Louis, Missouri gathering of "progressives" concerned about public broadcasting. He denounced CPB's efforts to enlarge public broadcasting's ideological tent slightly by funding programs hosted by pundits Tucker Carlson and Paul Gigot. Starr ridiculed the idea that these "white male ideological conservatives...[who] run the corporations and government" should appear on PBS. For Starr, the need for "balance" on PBS means including differing points of view from the left all the way to the far, far left.

Starr even speculated that PBS's loss of one million viewers between 1995 and 2005 could be partially blamed on a supposed "proliferation of right wing talk programs" on public television.

For frequent updates on environmental groups, nonprofits, foundations, and labor unions, check out the CRC-Greenwatch Blog at

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Big Donors to the PBS Foundation

Skoll Foundation

In September 2006, the Skoll Foundation announced a \$2.5 million three-year grant to the PBS Foundation to create the PBS Foundation Social Entrepreneurship Fund.

“Social entrepreneurship” is the new buzzword. For the California-based grantmaker, social entrepreneurs are “the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches and creating sustainable solutions to change society for the better.”

Founder Jeff Skoll made his money as president of eBay, the wildly-successful Internet-based auction service. He expects that PBS “will use the funds to enable filmmakers, documentarians and other journalists to produce work that promotes large-scale public awareness of social entrepreneurship, and highlights individuals who are pioneering innovative approaches that address far-reaching social issues.”

What all that means is obscure and it could signal support for charities that help people help themselves. Indeed, Skoll funded a PBS program called “The New Heroes” that features the work of doctors who set up eye clinics in India, opponents of sex-trafficking in Thailand, and financiers who create micro-loan programs for the world’s poor. (See March 2006 *Foundation Watch* on Jeff Skoll.) But Skoll’s giving also has a less entrepreneurial side. In 2006, the foundation awarded \$525,000 over three years to Ceres, a nonprofit that bamboozles large investors into going along with the radical left’s “environmental sustainability” mantra. Ceres credits itself with launching an “Investor Network on Climate Risk” (INCR), a group of more than 50 leading institutional investors with collective assets of over \$3 trillion who have joined the green crusade against “global warming.” Ceres’s goal is to ensure that capital markets accept the green agenda.

Skoll’s interest in media is evident in his personal funding of major Hollywood films through his company, Participant Productions. The company is the producer of *Syriana* starring actor George Clooney, an indictment of the oil industry; *Good Night and Good Luck*, also with George Clooney, a celebration of journalist Edward R. Murrow, slayer of Senator Joseph McCarthy; and *North Country*, starring Charlize Theron, a feminist attack on job discrimination against women in the mining industry.

Knight Foundation

In September 2005, the Miami-based John S. and James L. Knight Foundation unveiled a \$3 million, three-year grant to support what it described as “interactive public affairs programming on public television.” The new service, “PBS Engage,” invites web users to create their own content on PBS’s popular website (www.pbs.org) by sharing stories and taking quizzes about PBS programs. The Knight Foundation hopes the online program will increase the number of viewers of PBS programs.

It’s worth noting that Free Press, the Boston-based non-profit group which organized the conference, received \$400,000 worth of funding for the event in 2003-2004 from George Soros’s Open Society Institute. Free Press’s 2007 media reform conference was held January 12-14 in Memphis.

Starr’s is no fringe voice. Consider the panel on the “Digital Future Initiative,” co-chaired by former Clinton FCC chairman Reed Hundt and James Barksdale, a director of Time Warner and the former CEO of Netscape. Their report on the future of PBS, released in December 2005 and funded by the John D. and Catherine T. MacArthur Foundation, praises the United Kingdom, Germany, Australia, Japan and Canada for using license fees and taxes to fund public broadcasting. The report also complains:

“Most leading industrialized countries have long-standing traditions of public broadcasting – and considerably greater levels of public funding...[T]he public broadcasting systems in many advanced nations have funding

streams that are allowing them to make a more robust transition to new digital formats and services. By comparison, America’s public broadcasting system receives very limited support from mandated fees or federal appropriations.” (p.113 at http://www.pbs.org/about/pbs/news/dfi/Digital_Future_Initiative_Report.pdf)

The fact that foreign coverage of the news is filtered through government-subsidized agencies apparently does not trouble the panel’s members, who include former Reagan chief of staff Ken Duberstein and American Enterprise Institute scholar Norman Ornstein.

CIPB is a member of the “Public Interest, Public Airwaves Coalition,” which wants more stringent regulation of the commercial media, a greater role for left-wing advocacy journalism, and lots more money for public broadcasting. [See www.mediachannel.org/new] The Coalition includes the Benton Foundation, the Hollywood-centered Center for Creative Voices in Media, Center for Digital Democracy, Common Cause, the aforemen-

tioned Free Press, MediaChannel.org, Media Access Project, MoveOn.org, the Naderite Public Citizen and U.S. PIRG groups, the National Council of Churches and the U.S. Conference of Catholic Bishops.

Enter the PBS Foundation

In May 2005, the Ford Foundation announced that it would give grants of \$50 million over five years for public television and radio. Of that amount \$10 million would go directly to PBS and \$7.5 million to National Public Radio (NPR). The New York Times put the grants in context, noting that from 1951 to 1996, Ford gave “more than \$400 million to public media.”

According to the Times, the Ford money “will also help pay the operating expenses of the new PBS Foundation, set up to capture the donations of wealthy individuals.” Since the fall of 2005, the PBS Foundation has raised at least \$17 million.

The PBS Foundation’s executive director is a veteran Democratic Party political operative. Cheri Carter previously worked for the

Big Donors (*continued*)

In December 2005, Knight announced an additional three-year, \$2.5 million grant to PBS to assist its “on-air, online 24/7 digital service dedicated to non-fiction programming and the promotion of public engagement.”

Knight Foundation president and CEO Alberto Ibarguen, is a former publisher of the Miami Times and a former chairman of the board of PBS.

Ford Foundation

Ford’s \$10 million gift to the PBS Foundation has impressive strings attached. The Current, a pro-public broadcasting newsletter, reported in May 2005:

“Ford, like other politically progressive groups, hopes to integrate public TV and radio into a broader ‘public media’ sector, including local cable access centers, community media centers, low-power FM stations and organizations using the Internet and satellites.”

The strategy has led Ford to strike up an alliance with George Soros. The Current article noted that in May 2005 Ford made a \$5 million grant to the Sundance Documentary Fund, itself a grantmaking body created by Soros’s Open Society Institute (OSI) four years earlier. The grant will allow Sundance to “assist more human rights films and add projects on cultural topics,” the Current reported—and these programs might eventually be broadcast on PBS.

Will Soros’s OSI eventually make its own large donation to the PBS Foundation? In a June 2005 op-ed, Gara LaMarche, vice president and director of U.S. Programs for the institute, decried Republican criticism of public broadcasting.

“National Public Radio and the Public Broadcasting System have been targets for years not only because of the quality and relative diversity of their programming, but because government funds provide part of their support, *leaving them vulnerable to Congressional pressure.*” [emphasis added]

What better way to insulate public broadcasting from “Congressional pressure” than to help PBS build a private endowment?

PBS critics, such as L. Brent Bozell of the Media Research Center, have attacked the endowment idea. In a February 2005 article, Bozell argued that “we need a public broadcasting system that is held more accountable to the taxpayers who fund it, not less. An endowment would only make PBS more insular, and the PBS bureaucracy is already as insular as the Harvard faculty lounge.”

--Neil Maghami

late Ron Brown as his director of external affairs in the Commerce Department during the first Clinton administration. She was subsequently chief of staff in the White House office of public liaison (1996-1999) and chief operating officer for the 2000 Democratic National Convention. Prior to joining PBS she was a principal fundraiser for the Elizabeth Glaser Pediatric AIDS Foundation.

Carter owes her job to Pat Mitchell, president and CEO of PBS until early 2006. The foundation is, in effect, a fundraising tool for the Public Broadcasting Service, itself a non-profit service provider to the 354 PBS member stations. In 2004, PBS received about a quarter of its operating revenue from taxpayers through CPB – \$80 million of \$333 million. In 2005, that amount declined to about 20% (\$70 million of \$340 million). (<http://www.pbs.org/aboutpbs/content/annualreport/2005/2005financialhighlights.pdf>)

The PBS Foundation is the consequence of PBS’s constant and never-ending search for money. As the Washington Times noted in May 2006, Mitchell’s successor, Paula

Kerger, wants PBS to participate in the “digital revolution” gripping the media world. This will require tens of millions of dollars to acquire expensive new technology.

PBS also knows that its taxpayer funding is always in danger. In February 2006, President Bush proposed to reduce a \$400 million ap-

propriation for the Corporation for Public Broadcasting (CPB) by \$53.5 million. In 2005, Republicans proposed but eventually backed away from a plan to cut CPB’s funding by 25%. Democratic control of Congress probably now lessens the chances that CPB’s taxpayer funding will be reduced, but the federal budget deficit will make it increas-

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ingly difficult to secure more government funds.

But perhaps the most immediate reason for setting up the PBS Foundation is that PBS is green with envy over how well its sister organization, National Public Radio (NPR) has done in soliciting major private gifts. NPR, also funded by CPB, performs a function for public radio stations comparable to PBS. But unlike PBS, NPR has had its own foundation since 1993. The NPR Foundation came in handy in 2003 when NPR was notified that it was the recipient of a \$200 million bequest from Joan Kroc, widow of McDonald's founder Ray Kroc.

As reported by the Washington Post (Nov. 7, 2003), the Kroc bequest was "deposited primarily in a trust fund operated by the NPR Foundation. NPR will receive income from the trust fund...Based on a 5% return, the donation will spin off roughly \$10 million a year in cash."

Joan Kroc "loved NPR and its unfiltered presentation of the news...It wasn't liberal and it wasn't conservative. It was as objective as you're going to find," Kroc spokesman Dick Starmann told the Post. (Let's leave aside for the moment this alarmingly naïve assessment of the media outlet that launched Nina Totenberg to national fame.)

In May 2005, Starmann told the New York Times that Mrs. Kroc had wanted to make a donation to PBS as well but couldn't reach anyone who could take her money. He said he called PBS on her behalf, and "got into the electronic queue and I never got through to anyone live." Pat Mitchell's response: "I can assure you that if the call came in today, it would go to the PBS Foundation." Asked by the Chronicle of Philanthropy whether PBS was "ready now for a Joan Kroc-type gift," PBS Foundation head Cheri Carter replied,

To find out more about foundations profiled in *Foundation Watch*, visit our online database at www.capitalresearch.org

"I'm always ready for a Joan Kroc gift."

If the PBS Foundation receives a Kroc-sized donation, where might it come from? One candidate may be Lewis B. Cullman, a wealthy New York City investor who now sits



The acclaimed documentary *Free to Choose* featuring Milton Friedman (above) was a free market response to an anti-market PBS documentary.

on the board of the PBS Foundation. Cullman ~~is the author of~~ *You Can't Take It With You: The Art of Making and Giving Money* (2004). His website (www.lewiscullman.com) claims that "to date, he and his wife Dorothy have given away over \$223 million to the arts, sciences and education." The 87-year-old Cullman, a man whom George Soros has called a "pioneer in finance," is credited with introducing to Wall Street the concept of the leveraged buy-out.

More importantly, Cullman has been identified as a member of Soros's Democracy Alliance, the behind-the-scenes network that seeks to fund and entrench a network of left-wing nonprofits into American political life. (See "George Soros's Democracy Alliance: In Search Of A Permanent Democratic Majority" by James Dellinger and Matthew Vadum in the December 2006 edition of *Foundation Watch*.) In 2003, Soros and Cullman co-sponsored full-page ads in major U.S. newspapers challenging the truthfulness of the Bush administration's case for war in Iraq. It's estimated that the ads cost \$185,000. In 2004 he gave \$2.6 million to the principal anti-Bush 527 political committees (Joint Victory Committee—\$2 million, America Coming Together—\$501,000, MoveOn.org—\$100,000). In 2004, Cullman and Soros were also \$100,000-plus donors to Human Rights Watch, a harsh critic of Bush's foreign policies.

While Cullman's personal interests may lean to PBS support for documentaries on the Broadway musical and comedy, his presence on the PBS Foundation board also serves as a signal to left-wing donors: Your money—and ideas—are welcome.

Conclusion

For those who know a bit of the history of PBS, its rush to create a foundation to capture large donations carries a particular irony.

In 1977, PBS broadcast *Age of Uncertainty*, a widely-panned documentary hosted by economist John Kenneth Galbraith that attacked capitalism and capitalists. Robert Chitester, president of a small Erie, Pennsylvania-based public TV channel, felt compelled to respond to the Galbraith program. He did so by teaming up with Milton Friedman of the University of Chicago, and the response they crafted was entitled *Free to Choose*.

When it was shown on PBS in 1980, Barron's described the now-celebrated program, hosted by Friedman, as "an exposition of the free market approach to economic and social issues." It noted that "in contrast to the way public television usually operates, [Chitester] was determined to [make the series] solely with private contributions from corporations and foundations...[He] succeeded in raising \$3 million from private sources, headed by the Sarah Scaife Foundation, Reader's Digest, Getty Oil, the John M. Olin Foundation and FMC Foundation."

Some PBS purists still snarl at *Free to Choose*, citing it as an example of how public media gives in to pressure for political "balance." But it's worthwhile to observe that Chitester and Friedman turned to private sources of funding, not taxpayers, to get their message across – they acted as independent producers when they wanted to rebuke Galbraith's noxious message.

Perhaps the creation of the PBS Foundation can stand as a grudging tribute to the two men.

Neil Maghami is a freelance researcher and writer with a special interest in non-profit groups and tax-exempt foundations.

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PUBLIC BROADCASTING'S LIBERAL ORIGINS

[The January 1997 Foundation Watch featured "A Television Network of Their Own: How the Great Foundations Established PBS," by then-Foundation Watch editor Laurence Jarvik. Jarvik drew upon his book, *PBS: Behind the Screen* (Prima, 1996) to describe how foundation officials at Ford and Carnegie underwrote the creation of PBS in 1967. The following excerpt examines how PBS helped create a new social elite.]

...In his best-selling 1967 memoir, *Due to Circumstances Beyond Our Control*, Ford Foundation television consultant Fred Friendly called for the establishment of National Educational Television – what would become PBS – by postulating a conflict between "common stock" and "the common weal." Friendly claimed that ratings, commercials and the profit motive were obstacles to first-rate television coverage and argued that television would never live up to its potential until it abandoned its connection to the commercial marketplace.

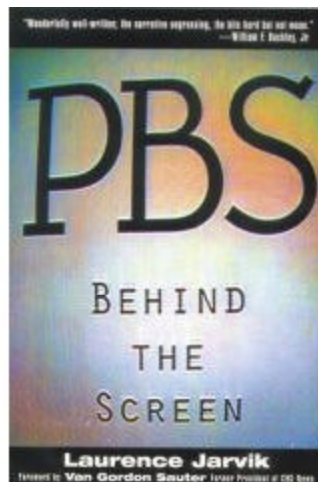
...Simply put, Friendly wanted to replace popular and entertaining shows with programs acceptable to his personal taste and notions of quality. He even boasted to readers that Ford Foundation president McGeorge Bundy recently had hired him to develop projects in "public service" broadcasting in opposition to the principles of commercial television.

As president from 1966 to 1979, Bundy authorized the expenditure of hundreds of millions of dollars for television – for projects selected and overseen by Friendly.

Like many of [his contemporaries], Bundy could not have helped but be affected by John W. Gardner's *Excel-*

lence: Can We Be Equal and Excellent Too? which appeared in 1961. Gardner was a foundation man, too, heading up the Carnegie Corporation.

In his book, Gardner argued that



America's leadership class at the close of the 1950s was inadequate for a great world power...Gardner was appalled by what he perceived as the middle-brow mediocrity of Eisenhower's America...Gardner wanted to make a clean break with middle-class values in order to properly organize America's "natural aristocracy."

Because leadership responsibility in America was too widely dispersed among different interest groups at different social levels, Gardner argued that leaders were failing to recognize the "obligations which they have incurred as a result of the eminence they have achieved." Lacking badges of rank, they could not recognize one another let alone claim "their responsibility to the larger community."

Opposed to notions of middle-class individualism, Gardner sought ways to encourage opinion leaders "to help a society achieve the best that is in it." One way was clearly to establish a broadcasting system dedicated to "public service" and aimed at a target audience of the social strata that ought to hold sway in society. Watching such a network would be a marker of respectability.

To learn more about PBS, Capital Research Center recommends Laurence Jarvik's masterful *PBS: Behind the Screen* (1996), available through Amazon.com.

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Thank you for your support.

Terrence Scanlon, President

PhilanthropyNotes

U.S. Treasury Secretary **Henry Paulson**, an ardent environmentalist, intends to give away almost all of his \$800 million fortune to charity, Financial News reported. Last year Paulson transferred \$100 million in stock to his environmental charity, the **Bobolink Foundation**. Paulson was chairman of the **Nature Conservancy** and CEO of **Goldman Sachs** until he stepped down to join President **George W. Bush's** cabinet last summer. At Goldman Sachs, he was criticized for donating 680,000 acres of land in Chile that was owned by the company to the **Wildlife Conservation Society**. At the time, Paulson's son, Merritt, was a trustee of the WCS.

Tithing –the practice of donating 10% of one's earnings to the church— is becoming a more complicated practice, according to the New York Times. Customs such as passing the weekly collection plate are becoming passé now that donations can be automatically deposited into a church's bank account at regular intervals, and some churches are asking congregation members to complete tithing questionnaires online. Heightened competition for charity dollars is forcing potential recipients to take a more systematic approach, according to **Tim D. Stone**, head of **NewTithing Group**, which urges donors to calculate tithes based on income plus total assets. **New Covenant Funds**, a group of Presbyterian mutual funds, offers clients a plan that automatically transfers their funds to their church or to the church's own New Covenant mutual fund account, if it has one. "Tithing is growing up," said **Eric Kessler**, founding principal of Washington, D.C.-based **Arabella Philanthropic Investment Advisors**.

Speaking of tithing, as of the tax year that began January 1, the **IRS** now requires taxpayers to provide receipts for all charitable donations, including gifts to churches. Without the receipts or other proof acceptable to the IRS, deductions for charitable donations will be disallowed. The tax law change was included in the Pension Protection Act of 2006, which President Bush signed into law last year.

The \$32 billion-plus **Bill & Melinda Gates Foundation** is gearing up for a systematic review of its investment portfolio to determine whether its funds are in companies that harm society, the Seattle Times reported January 10. The foundation's current approach to investing is "not 100% effective," Chief Operating Officer **Cheryl Scott** said. The announcement came after newspaper stories highlighted how the foundation had invested in companies whose activities aggravate problems the foundation is trying to solve. For example, it invested in an Italian oil concern accused of polluting Nigeria's environment and causing the same medical problems the foundation is attempting to address through its grant making.

Fairfax County, Virginia, has backed away from a controversial policy that barred residents from donating home- or church-prepared food to the poor, unless the county first approved the kitchen in which the food was prepared. Although a top county health bureaucrat had argued the measure imposing restaurant-like standards was needed to protect "a medically fragile population...more susceptible to food-borne illnesses than the general population," the chairman of the Fairfax County Board of Supervisors killed the policy after it was revealed on the front page of the Washington Post. **Gerald E. Connolly** blamed overzealous county officials for acting beyond their scope. "For goodness sake, the tradition of church suppers – whether for the homeless or for the congregation – goes back hundreds of years. We're not going to outlaw that in Fairfax County."

A probate judge has given trustees of the **Janirve Foundation** permission to stay in business an extra three years, a move that violates the express donor intent of the married couple that founded the grant-making organization, the Palm Beach (Florida) Post reported. The trust was founded by **Irving Reuter** and his wife **Jeanette**, and was to spend itself out of existence 25 years after the death of the last survivor. Mr. Reuter died in 1972 and Mrs. Reuter died in 1984, which created a giveaway deadline of 2009. Things got complicated because trustees apparently dragged their heels in disbursing the funds and the rising stock market boosted the foundation's remaining portfolio, now estimated at \$40 million.