

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: The Economics of Art Museums

Volume Author/Editor: Martin Feldstein, editor

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-24073-8

Volume URL: <http://www.nber.org/books/feld91-1>

Conference Date: Nov. 30 - Dec. 2, 1989

Publication Date: January 1991

Chapter Title: The Museum and the Government

Chapter Author: Andrew Oliver, Anne Hawley, Sir John Hale

Chapter URL: <http://www.nber.org/chapters/c11639>

Chapter pages in book: (p. 91 - 106)

The Museum and the Government

Andrew Oliver, Anne Hawley, and Sir John Hale

Andrew Oliver

This is a large subject, and I have made an attempt to cut it down to size. A few days ago I tore up everything I wrote, given the debate in Washington about public funding for the arts, so I intend to speak pretty much off the cuff. I will, however, try to give you some statistics. I was very pleased to have had an opportunity to meet with Charles Clotfelter earlier and to go over his paper (chap. 9 in this volume). I benefited from my conversation with him, and I am grateful to him in the first instance for spending some time with us in Washington.

Let me first say that, in my remarks, I will not comment on the tax laws through which the federal government allows tax-deductible donations to non-profits, and I will also ignore the effects of the recent tax reform act. Nor will I discuss the appropriation of government funds for the federal museums, though they constitute a major portion of the federal contribution to art museums. I will focus rather on the three federal agencies that are housed in the Old Post Office building on Pennsylvania Avenue and 12th Street, namely the National Endowments for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services. I am sure I cannot tell you anything you do not already know. Let me begin, however, with some statistics. I have glanced at the statistics in the background papers, and I believe some of them but do not accept all of them. I hope that you will be as skeptical of the ones I am about to deliver as I was of some of the ones that I read.

Now, what is the monetary value of the support that these three federal agencies give to art museums in America? And how does that monetary contribution relate to the total operating income of American art museums supported by the three federal agencies? In fiscal year 1988, the combined support to art museums by the Arts Endowment, the Humanities Endowment,

and the Institute of Museum Services, including challenge grants, was just over \$25 million. Now the total income of the 320 art museums that I view as being supported on a fairly regular basis by these three agencies is somewhere in the neighborhood of \$800 million. To arrive at this last figure, I started with the total fiscal 1988 income of the 199 museums reporting to the recent Association of Art Museum Director's survey. I subtracted 15 percent, which is the sum of the income of the Canadian and Smithsonian art museums listed in that survey, and then I added \$100 million, which represents 200 art museum budgets averaging \$500,000 a piece, which is not just a figure out of the air; it is based on a careful scrutiny of a great number of annual reports. And even if that budget of 200 art museums times \$500,000 is off by a factor of two in either direction, it does not radically alter the percentage figure. I judge federal support to be about 3.1 percent of the total. It might be as little as 2.9 percent, or it might be 3.3 percent. But it is somewhere in that neighborhood. You can be as skeptical of such figures as I often am. One should be. But the figure is not 10 percent, and is not 1 percent; it is 3.1 percent plus or minus a little bit. Now for any given museum, this percentage will vary. And it will obviously vary from year to year, largely because most of the grants given by the federal agencies (though not most of those by the Institute of Museum Services) are for projects, not for general operating support. So any one museum may go without federal support in one year and have a great deal the next. Also the larger the budget of the museum, the smaller the federal share is likely to be, and conversely, the smaller the budget, the larger the federal share is likely to be, provided the museum is a fairly regular applicant to government, and a regular recipient of grants. For a \$10 million budget museum, this would amount to about \$300,000, which in reality is probably a little high, and for a \$500,000 budget museum, this would amount to \$15,000, which likewise is probably a little low. Now 3.1 percent may seem at first glance to be an insignificant amount. Nevertheless, I think that everyone would agree that \$300,000 to one museum or \$15,000 to another is money that does not have to be raised from alternative sources. It is very real money.

More difficult to quantify are the intangible aspects of this federal support. I do not mean the leveraging or multiplier effect of the matching grant. Not that I underestimate this. Some would argue, however, that in many instances a government grant can be the last piece of a financial package, as well as the first piece, and that the leveraging effect is minimal. I can well appreciate the need and inclination for any member of the museum community to say in public testimony that the leveraging effect of the endowment grant is extremely important, but I am not certain that this is always the case. Yet what does the money mean? At the most basic level, it is the government setting an example, an endorsement by a panel of peers of the merits of a project. As a federal agency, the Arts Endowment should both be responsive to the needs of the art museum field and be an advocate for improvement and constructive

change. Such ventures must take place in the context of the mission of the agency, which is twofold: to promote excellence and diversity in the arts, and to bring the arts to the broadest possible audiences.

Now at this point, there is an item I must turn to to make this a current statement. I want to draw attention to the new character who has entered the stage, namely the language attached to the appropriations act for fiscal year 1990, which provides funding for the Arts Endowment. I will read it, because even though it may seem to have nothing to do with our money, it turns out to be important. It says that "none of the funds authorized to be appropriated for the National Endowment for the Arts . . . may be used to promote, disseminate, or produce materials, which in the judgment of the National Endowment for the Arts . . . may be considered obscene, including but not limited to, depictions of sado-masochism, homoeroticism, the sexual exploitation of children, or individuals engaged in sex acts and which, when taken as a whole, do not have serious literary, artistic, political, or scientific value." That is an ambiguous statement, to say the least, and I would like to report that my colleague who is head of the literature program at the Arts Endowment observed that because of the punctuation, the phrase "when taken as a whole, do not have serious literary, artistic, political, or scientific value" applies only to "individuals engaged in sex acts." This language and all else that has befallen us during the last ten months has had a chilling effect on the arts community.

We are pleased that a twelve-person commission is currently being appointed to examine the panel review process and to improve the public's perception of the process. John Frohnmayer has stated in a letter sent to the arts community that this commission will ask whether the standard for publicly funded art is different from that of private art. Who decides what is to be funded with public funds? In this country it is not Congress, nor is it a ministry of culture. On the federal level, it is a panel of peers recommending projects to the Arts Endowment staff and setting grant amounts. Peer review panels that look at all of the applications in all of the fields, both in the visual arts and in the performing arts. They decide what is art, which art projects merit government funding, and how much money should be allocated to each project. The presidentially appointed National Council on the Arts reviews the panel's recommendations and then, lastly, the chairman signs off on the grants. This is not as easy as it sounds, because just to say that the peer panels have the say as to what is art and what art merits federal funds leaves open the question as to who selects the peer panels. This is an issue that has been debated at some length and will continue to be discussed. In all of the programs, it is ultimately the program director who makes up a list of individuals who are considered the appropriate people to represent different interests, viewpoints, and tastes around the country on the peer panel. My own lists, in the museum program, have been reviewed by the chairman, who, I am happy to say, has generally regarded them favorably.

All kinds of problems can arise: What happens, for instance, if a panel is

capricious? What happens if an institution, a museum, once it receives a grant, goes beyond the stated project, either in the normal course of business—because all projects evolve from the time they came to us and are finally completed—or through deliberate provocation on the part of institution staff? The latter is a likely possibility in the next six to ten months. Here is another question that arises: Is there an edge beyond which it is inappropriate to go? If there is a limit, who decides where it is? Should we even be talking about an edge? Another kind of question coming to me and to my colleagues at the Arts Endowment, which I think is indicative of this chilling effect, often goes like this: “Will the project I have in mind fit within the new congressional language?” My answer is, “I won’t answer that question. You make a case that what you are proposing to the Arts Endowment is art, and let the peer panels be the judge of that. You don’t have to ask, as far as I am concerned, whether what you are doing is within the bounds of propriety or not.”

Why have I spent so much time dwelling on this issue? I think that it has a very real bearing on the direction our funding is to go in the next five years. Out of the \$25 million, that I said is the combined grant-making power of the three agencies, about one-third of it, something in the neighborhood of \$8 million, goes toward the presentation of art, that is, exhibitions and related projects. The balance goes toward the preservation of collections and buildings, toward documentation, research, and publication of art collections, and toward education. In this climate, and I think that the present climate will last for a while, I believe that Congress will more likely continue or increase funds to the three federal agencies not in the realm of presentation, but in the areas of preservation, documentation, and education. And I would say that this tends to fit in very closely with the scenario that we have seen developed by Neil Rudenstine (see chap. 3 in this volume). It is in these areas that Congress can ultimately take unqualified pride in supporting American art museums and helping to underwrite the preservation of American values.

Anne Hawley

I will discuss government relations to art museums from my vantage point as a former director of a state arts agency and as a recently appointed art museum director. I led the Massachusetts Council on the Arts and Humanities during a ten-year period of rapid expansion. A sudden political attack in 1989 threatened to cancel all its accomplishments and eliminate the agency and state support for cultural institutions. As a newly appointed museum director, I now face the decline of government support for the arts, and, like my colleagues, must plan for this loss.

When I was appointed to the Massachusetts Council on the Arts and Humanities in the late 1970s, my conversations with Governor Michael Dukakis,

with the chairman of the arts council board, with its members, and with leaders of the Boston business and cultural community, all shared the assumption that there would be expanding direct public support for the arts. We agreed that the expansion of the National Endowment for the Arts during the 1970s was one that the Commonwealth of Massachusetts should emulate, and further, that European models, particularly the French system, were something this country was now mature enough to strive for. With this implied mandate, I began my work in pursuit of substantial budget and program expansion.

Those of us toiling in this flinty soil could see across the Atlantic how the leadership of François Mitterrand dramatically increased government support for arts in France. By the end of his first term, Mitterrand had increased the budget for culture to the equivalent of \$1 billion for programs alone. His grand capital programs such as the Picasso Museum, the Musée d'Orsay, the Louvre pyramid, and new regional museums were in addition to this extraordinary support. Our budgets were increasing, but the French set the pace. We watched in envy, but we also began to realize that Mitterrand's government was being canny about how to ensure that this support would continue. In personal conversations with Jack Lang, the French Minister of Culture, I learned that 15 percent of his administrative budget went to communications and press relations in order to keep pressing the case for French cultural funding by keeping public discussion of issues in arts and culture alive. Mitterrand (and Pompidou before him, I should add) was acting in the grand tradition of French kings and emperors, but he was also being a wily, modern politician.

In the United States, by contrast, the 1980s brought federal support for the arts to a standstill. The action was at the state level, and state arts agencies nationwide showed the kind of dramatic budget increases that had characterized the expansion of the National Endowment for the Arts in the 1970s. State support rose from \$96 million in 1980 to nearly \$260 million in 1989. Adjusting for inflation, this was an increase of 79 percent over the decade. Arts museums benefited from this expansion; from 1986 to 1987 alone, total state funding for art museums rose by 49 percent.

In Massachusetts, this expansion was made possible by a healthy and growing economy, strong support from the governor and senate president, and a strong board of directors for the Massachusetts Arts Council consisting of prominent business leaders, artists, a Nobel Prize-winning economist, and a major newspaper publisher. By mobilizing this leadership, communicating needs in the press, and organizing a state-wide network of advocates, the arts council advanced its support for culture in dollars from \$2.3 million in 1978 to a high-water mark of nearly \$23 million in 1988.

The Massachusetts Council on the Arts and Humanities had a programmatic and legislative agenda to drive this increase in funding. State government responded to this agenda by passing six laws during this period aiding cultural organizations, particularly museums. Those laws affecting art museums were amendments to the state bonding authorities enabling museums

to qualify for tax-exempt revenue bonds which meant that capital projects could be financed by borrowing at interest rates below the prime rate. The Museum of Fine Arts in Boston used this device to help finance the new west wing. The most striking and controversial of this cultural lawmaking was the authorization of a \$35 million bond for the Massachusetts Museum of Contemporary Art (Mass MoCA), a new contemporary art museum in North Adams, Massachusetts. The leader of Mass MoCA convinced the state that the museum would create an economic revitalization of the commonwealth's most depressed area.

Yet state funding for the arts barely kept pace with public demand for cultural programs. In 1970, 11 million people attended cultural programs offered by organizations funded by the Massachusetts Arts Council. By 1988 this had grown to 20 million, an increase of 82 percent. This growth occurred within a state with a total population of 5.3 million that increased less than 1 percent during the same period.

This decade of rapid expansion came to a halt when the state House Ways and Means Committee, in its proposed 1990 budget, abolished the Massachusetts Council on the Arts and Humanities and completely removed all cultural funding from the state budget. The state had a much-publicized fiscal shortfall of 10 percent in revenue, but in a \$12.3 billion budget, the arts were the only function of state government targeted for elimination, a savings of one-tenth of 1 percent of the state budget.

Obviously, the arts took a symbolic hit, but it is interesting to review how the ensuing public debate was framed. The museum and cultural community rose up to assist with the fight to save the state funding. There was an effective lobbying effort; thousands of supporters poured out in a public demonstration at the state house, and thousands of letters were written. With few exceptions, the press, both print and electronic, ran positive editorials and human interest stories for over two weeks. But few advocates of continued state funding argued the intrinsic, ideal value of the arts. The museums in particular failed to mention the value of exhibitions, collecting, or even the very function of the museum in society. Instead, in an attempt not to appear elitist, they chose to emphasize two very functional areas. First, they discussed their material contributions in terms of the dollars they brought to the state's economy as employers, tourist attractions, and purchasers of services. Second, they pointed to the hundreds of thousands of children they served in an array of impressive educational programs.

Meanwhile, the leaders of the anticulture faction effectively and stridently countered these arguments through the *Boston Herald* newspaper and radio talk shows. The point man for the whole effort was Richard Voke, chairman of the House Ways and Means Committee, who polarized the debate by characterizing state expenditure for the arts as a frivolous subsidy for the rich, while programs for welfare mothers and pregnant teenagers were being cut. He continually pressed the argument that funding for arts should be private,

and in a presumably expansive gesture, sent a \$1,000 check to the Charleston Working Theatre, a struggling organization in his own district.

Not to be left out, the *Boston Herald* trumpeted its hostility to culture. It listed the annual operating budgets of prominent museums and performing arts groups, and estimated their endowments and net worths to be in the billions. Decrying state money for these rich and elitist institutions, it proposed the sale of assets for self-financing, and personally attacked some leaders of those institutions.

After much sound and fury, the proposed elimination of the Massachusetts Arts Council came to a vote in the House of Representatives. During the debate, Voke took the floor and, in a theatrically affected English accent with crescendoing shouts, denounced the public expenditure for the arts and condemned the arts council as elitist. In a final volley of rage, he accused the museums of "hiding behind the children" to gain public support. Despite his later claims to the contrary, Voke's hatred, and perhaps envy, for the so-called cultural class was palpable. Once again the Massachusetts legislature scarified the scabs of old enmities. The house voted to restore only 50 percent of the funds, and by summer's end, hundreds of staff at museums and performing arts organizations had been laid off.

During the early nineteenth century, American artists struggled to find an acceptable role beyond painting portraits of successful merchants and their families. For the artist, the times were rugged and characterized by a contemporary as "the dilemma of a land with neither a legendary past nor a poetic present."¹ Yet that same dilemma rings as plangently true at the end of the twentieth century as it did then. Our cultural memory is thin, and it is still by no means homogeneous. Our institutions remain dependent on private, individual support, and our flirtation with French-style cultural largess was abortive and fleeting.

De Tocqueville observed during his tour of America during the early nineteenth century that in a democracy the visual arts tend toward the mediocre. Without an enlightened and discriminating patron class, the artist had to serve larger numbers of citizens, most of whom were not discriminating. It is an old debate whether excellence is possible in a democratic system, but the Massachusetts Council on the Arts and Humanities had sought excellence anyway by emphasizing that only programs and institutions of high quality should be funded. Peer review panels, not legislators, made funding decisions. Compromises were not part of the process. This created a totally different culture of decision making than that of legislative compromise. The Massachusetts Arts Council's insistence on quality looked to many legislators like elitism, or worse, rejection of the amateur participation in the arts that boosted community pride through marching bands, community theater, and Sunday painting.

1. From *The diary of George Templeton Strong*, as cited by Neil Harris in *The artist in American society* (Chicago: University of Chicago Press, 1982).

While the arts council consciously worked to address these community art issues through programs in folk arts, education, touring performances, and exhibitions, these programs were never acknowledged by the politicians as important contributions. The lightning rod was always funding to “professional” and “high quality.”

In thinking about this extreme swing in public support, I have reflected upon how the policies were made for the various programs the Massachusetts Arts Council planned and administered to support museums and performing arts organizations. For example, one program providing operating support gave grants up to \$300,000 for the basic programs of museums; an education program granted substantial amounts, with several museums receiving over \$400,000 a year for these services; an historical conservation program conserved important objects of painting, sculpture, and decorative arts. These three programs were planned by the arts council with major guidance from the museum community. And although public hearings were held to invite public participation, those attending were always the professional constituency being served, with little if any representation from the general public.

This pattern was common in other fields of the arts and it is safe to say that the Massachusetts Arts Council’s major programs were jointly conceived by the funded constituency and the council. Was this then part of the problem? Would it have been wiser to have public policy formulated much more broadly, done through the legislative process rather than through professionals in the field who were advising and structuring programs?

A real dilemma for public funding is the public’s total lack of understanding regarding the financing of cultural organizations. During the funding crisis in Massachusetts, the public demonstrated ignorance regarding who financed what; some thought these institutions were self-financing, others thought the entry ticket underwrote the costs, still others believed the city was paying fully to operate the museums, when in fact the city of Boston gives no support to any cultural organization. In the case of the museum education programs which the Massachusetts Arts Council was so heavily funding (one-third of the council’s budget went to education programs), parents had no knowledge that the arts council was funding these programs. Why? Because schools resisted sending parents notes saying their child’s museum education program was supported by this council.

Thus the Massachusetts Council on the Arts and Humanities failed to create informed public understanding of the reasons for the public tax support and its uses. It was never able to grab the media attention necessary to do this. It was always backstage, invisible in the panoply of cultural offerings. In a poll done by the *Boston Globe* on 12 March 1989, asking the public where cuts could be made in state spending, 47 percent said the Massachusetts Arts Council could take “a” cut; 43 percent said it should not. The closing of a much-loved museum due to financial failure would elicit public response, but the eradication of a public funding body that is not widely comprehended is an easy political victory in a time of fiscal crisis.

François Mitterrand's government is worth examining in this respect. In his first presidential campaign, a major increase of funding to the arts was part of the campaign platform. Jack Lang, his minister of culture, has related how important the cultural program was to the presidential campaign and reported that much attention was given to it. We can contrast that with how little attention was recently paid in the American presidential campaign to the arts policy positions of each candidate. In fact, we know that the positions were developed only in response to active lobbying for them on the part of the arts constituency.

Given this, and given what we know about the human condition in general, I fall back to the position that we must develop leadership in the public sector that supports the cause of funding the arts. Without support from the top—the president, the governor, the mayor—public support for our work will not develop. It will stagnate at best, and at worst be eliminated. I know from experience how far you can sail when you have the serious committed support of the chief executive in government. It makes it possible to accomplish extraordinary programs.

But perhaps in a culture so dominated by commercial culture—movies, rock, television—it will never be possible to have a public consciousness or commitment to the role the arts can play in the citizens' life. Certainly to judge by the stagnation of federal support and the miniscule nature of its size, the public policy is one of neglect. Compared to the growth of the National Science Foundation (NSF) during the last decade, the National Endowment for the Arts withers in comparison. The NSF budget, which was nearly \$1 billion in 1982, had doubled to almost \$2 billion by 1989, with 95 percent going directly to grants.

Several questions linger from this attack on the public funding at the state level that the arts community needs to try to answer and take action to address:

- Why was the attack so violent, so extreme? The state fiscal crisis, to put it in context, was facing a budget 10 percent out of balance.
- How can the public become informed about the need for public funding?
- What does this mean to art museums in planning their public programs?
- Where are we headed with public support for art museums and culture in American society?
- Is privatization of our cultural heritage really what the majority wants?

Sir John Hale

I would like to start by raising an issue that lay outside the brief not only of Rosemary Clarke's admirably crisp and thorough survey (in this volume) but also of the other background papers: the subject of cultural politics.

In their papers, Charles Clotfelter, Andrew Oliver, and Anne Hawley have

opened my eyes to the extent of direct and indirect public funding in this country. In Britain we think of America in terms of the still lively creation and dispersal of collections—the background from which our own public collections sprang; the tax advantages that still have a sizable edge over ours; the high profile of your museum directors among the wealthy and influential members of their communities. Even after the gloomy session on museum finances, it is still clear that our own museums cannot draw on so continuous a tradition of private support and are forced to depend, directly or indirectly, more on the public purse. Now in both our countries, allocations from that purse pass through the filter of the choices and preferences of legislators and the representatives of public bodies. These men and women are all part of a political nexus. They have culture as part of their care. This is where political culture comes in.

In the United Kingdom, museums are in competition with the arts as a whole. Just to look at the center, the Minister for the Arts has a budget which has to service not just the national museums and the well-nigh insatiable new British Library, but the rate support grant for local authority spending on leisure-cum-cultural activities, and the Arts Council, with its responsibility to subsidize noncommercial theatres, opera and ballet companies, and non-museum centers for exhibitions of works of art. And within the museum sector, arts museums represent only one character in a crowded and clamorous cast. Nationwide, the rapid overall increase in museum visits is due largely to the appeal of the sciences and a nostalgia to identify with how people lived and worked in the past. The success of museumized open sites like Ironbridge Gorge in Shropshire or Beamish in County Durham arises from environmental and human interest issues that have soared past the fairly static enticement towards painting, sculpture, and the decorative arts. They offer an interest for which no previous intellectual preparation is seen to be required, from which no age, no race, no class, no educational background need feel excluded. Of course, precisely the same is true of the fine arts. Nonetheless, there is a perceived, if not a real, frontier there. You can see it operating in mixed collections with a fine arts component alongside the more popular archaeological, natural sciences, and historical displays. And the arts museum is further challenged by the growing cult of the fine house, where works of art are seen in the context of a way of life.

This mood is, of course, picked up by the councillors who are primarily responsible for the majority of our museums, and who are, moreover, begged to contribute to the impressive growth of independent museums, nearly all of which have an industrial, archaeological, or social history *raison d'être*.

Those who work in local government are, without doubt, respectful of their inheritance of museums which may include notable works of art. But only a minority have acquired, from family background or education, an empathic familiarity with them: British education starts with an indulgent paroxysm of self-expression and then stops save for the few who later take up the history

of art. And it has yet to be demonstrated how widely art history leads to a love of art.

So the local authority sector is tempted, by its mind-set and the signals received by its political antennae, to go slow in its support—though of course, a domineering and attractive museum director can persuade them to go fast.

In moving to members of both Houses of Parliament, to ministers and their civil servants, we ask the same question: What, across the broad spectrum of activities and experiences summed up as “the arts,” do they actually *like*? What have they been brought up to like and have time to like (for museum opening hours are calculated to appeal chiefly to the old, the unemployed, students and tourists)? And here we find another set of dice loaded against us.

For the liking element within parliamentary cultural politics extends primarily toward the arts that move or emit sounds, that is, that perform in a physical way denied to the mute, still objects on our own walls and plinths. Legislators prefer theater, opera, and ballet to the voiceless and indeed, non-voting representatives of the arts. They prefer a socially shared artistic experience rather than a one-to-one communion. Mrs. Thatcher is quoted as saying, when she opened the commercially sponsored Design Museum, with its plans to move with the product volatility of the times, that it was misleadingly named because “a museum is something that is really rather dead.” And this state of mind makes it particularly difficult for politicians to sympathize with the archival function of collections like the Victoria and Albert Museum (the V & A) or the British Museum and the Tate, and the accompanying costs of storage, documentation, conservation, and staff time.

A preference for the arts that perform, and do it in the evenings, does not, however, lead to preferential subsidies. Personal liking does not erode the puritanical custodianship of the public purse when cultural matters are concerned, whether it is a question of universities, theaters and opera companies, or museums. There is, nonetheless, an especially dour, joyless sense of responsibility toward museums, an emphasis on the status quo, on good house-keeping, on keeping the fabric intact—rather than on the restoration of curatorial staffing levels or the support of acquisitions—that is dispiriting. Great concern is expressed for the taxpayer’s money through scrutiny by Select Committees of the Commons, by the Public Accounts Committee and the National Audit Office. But when praise is, rarely, expressed, it is for administrative competence rather than for the acquisition of a masterpiece, or a feat of scholarship, or an increase in visitors. It is symptomatic that the recently announced hike in the triennial grants to national museums and galleries is to help them keep up with pay awards and maintain fabric. Purchase grants remain frozen. And this hits arts museums the hardest. It is a familiar British story: duty before conviction. Receiving funds from government is akin to being asked to a party because, oh dear, you’ve got to be there, rather than because you are welcome.

To turn to one of the topics raised by Rosemary Clarke, I have had the good fortune to have become, from 1973, a semi-professional trustee, first at the National Gallery, then at the Victoria and Albert, now at the British Museum. That an academic historian with neither a stock nor a share to his name could have such luck says something about our system. The polite incredulity that has greeted this aspect of my career in this country says something about yours.

Now the greatest number of trustees is appointed by the prime minister: all save one at the National Gallery, for instance; all at the V & A; 14 out of 25 at the British Museum, which, because of its long history, is a special case; and all the Museums and Galleries Commissioners.

In the past, the filling of vacancies was worked out by a carefully researched comparison of a short-list presented by the chairman to No. 10 and the proposals worked out by the prime minister's patronage secretary. No. 10 had the advantage of knowing what the board wanted, the board that of access to a wider trawl. It then suggested three names in order of preference and usually got the first one.

It is widely suspected that this intricate and careful mating dance is being interrupted by peremptory orders as to the choice of partners, chiefly those whose expertise in accounting, marketing, or civil-service common-sensicalness can inject into our furred veins the revivifying adrenalin of cost-effectiveness. There is something in this suspicion. It started, for me, in 1980 when I had put in, as chairman of the National Gallery, our usual list of who we wanted and who we didn't, and shortly afterwards received a phone call from one of the rejects saying he'd had a letter of appointment and could he come to see me to find out what the Gallery was all about? From a reverse viewpoint, it recurred when I received my own invitation from No. 10 to join the Museums and Galleries Commission three years later. A number of directors of national institutions, all friends, sent me Dear John letters saying "nothing personal, but we are contesting government's infringement in our traditional right to nominate to that particular commissionership." More interesting, though, than whether it is happening, is what good or harm it does.

Tycoon trouble-shooters brought in on an individual basis quickly see that the lack of business acumen within a museum is largely a myth. Contact with their colleagues shows them that museums are not on all fours with industries or retail networks or government departments. They then, having sensed a different ethos, pitch in to support it. With rare exceptions, however, the rich do not suddenly change the habits of a lifetime and pour money into a new interest, and the ex-ministers and former heads of civil service departments find their influence in the corridors of power suddenly zero-rated.

Where the changed attitude to trustee selection has turned out to be harmful, at least in the short term, is at the V & A. There, in the wake of its independence from the tutelage of the Department of the Environment, a whole board was created which was overloaded in terms of business know-

how, bushy-tailed about imposing efficiency, and not very perceptive about how to do it. It was not a board on which I felt at home and I'm afraid I left as soon as I decently could.

To sum up, the trustee apparatus has become, rather more than it was, a supplementary honors system for rewarding enterprise, and a reflection of government's feeling that museums are not very good at running themselves. But I don't think, with the V & A as an exception, that this change of emphasis has become a malign one. Poachers turn game keepers with remarkable celerity. In British eyes, the real danger to museums from a politically supported enterprise culture lies less in the appointment of trustees than in the influences brought to bear on the choice of directors.

Outside the national institutions, government's reach into the museum system is most directly through another arm's length body, the Museums and Galleries Commission. The interest here lies in the recent delegation to it by government of activities previously its own preserve, notably the running of the indemnity scheme which has transformed exhibitions at home and abroad, and the operation of the system whereby public collections can acquire works of art accepted in lieu of tax liabilities on an estate. In these ways, as in the transferring of responsibility for the maintenance of their buildings to trustees, government is cutting its own staff, pushing across inadequate sums to pay for their substitutes, and relying more and more on unpaid services, while retaining the financial power that can make it all work.

As a result, coupled with delegation is pressure on museums to become more self-sufficient. As neither tradition nor fiscal policies encourage enough private-sector support, they are left to imitate that sector's values, to be productive, to charge, to cut into their scholarly base, to compete, and to lower their sights to compete with other attractions. We are being invited—as are our government-funded universities—to commit that most heinous of academic crimes: *la trahison des clercs*.

Yielding in 1980 to great pressure, government's sense of duty did lead it to the creation of the National Heritage Memorial Fund with a budget today of £3 million, and access to the Contingency Fund in cases of exceptional urgency. The Memorial Fund has helped to save works of art from dispersal including those—like the Cuyt recently acquired for the National Gallery—born abroad but domiciled in the United Kingdom from an early date. But it was set up to preserve the overall heritage men and women had died for in war. The fine arts compete with landscape, wildlife, and great buildings. And as its purchasing power wanes, “heritage” will have to be construed more narrowly as works of art actually produced in the United Kingdom, to the detriment of the more international representation aimed at by museums. This makes the role of the National Art Collections Fund, a private body run by people who do have a commitment to the fine arts, more urgent than ever. But its constituency is United Kingdom-wide, and it has only £2 million per annum to spend. What will happen when internal customs barriers wither within

the European Economic Community from 1992 can only be guessed at. But if nations, as seems likely, are allowed, at least for a while, to retain their own export laws and are able to make them work, what is the use if what is stopped cannot be bought?

We have, then, two converging problems.

On the one hand: how do we educate our funding masters—whether politicians, or, indeed, those who control corporations, or foundations without a specific fine-arts remit—to take joy in our silent witnesses to mankind's creative genius?

And on the other hand: because funding bodies are capable of responding to public taste, how do we alter the growing bias of museum visitors toward nonart collections or installations? For we certainly cannot judge the health of the arts sector by measuring the lines round the block for blockbusters, or visits to institutions whose appeal is as much due to their status as monuments as to what they contain.

Or is history itself voting against adequate support for arts museums?

Summary of Discussion

Richard N. Rosett began the session by raising three questions. First, do state-funded museums in France have the freedom to present exhibits like the Mapplethorpe show that caused the recent controversy in the United States, and if so, have they ever taken advantage of that freedom? Second, do our federal museums have that kind of freedom, and have they exercised it? Third, will elected officials ever neglect opportunities to win votes?

James N. Wood reported on an exhibition being sent from the Chicago Art Institute to the Pompidou Center in France. The exhibit originally included a portrait of Adolf Hitler, but Wood had been told that the portrait could not be shown in France. *Anne Hawley* said that she had seen many shows in France that were provocative. She felt that it was striking that one individual such as Senator Helms can have such a large effect in our democratic system.

As regards the Mapplethorpe show, *Alberta Arthurs* pointed out that it had been very popular before the mass of publicity, and that the arrangements for the show included protection of the images that offended some people. She felt that the attack on the show ignored the care with which it had been put in place and greatly exaggerated the obscene content.

Rosett said that economists often believe that if they could teach politicians economics, the politicians would not do bad things to the economy. *Rosett* felt that was a false view; if we want politicians to be tolerant of controversial art, we must first teach the voters to be tolerant. Politicians do what the voters want them to do.

Roger G. Kennedy said he was disturbed by too much passivity in dealing

with the government. He said that the National Museum of American History is supported because it works hard to persuade particular representatives and senators to like some of the things the museum wants do do.

J. Carter Brown explained that the National Gallery of Art receives 80 percent of its funding from the government but is controlled by a board of trustees of which a majority are not officers of the United States government. Andrew Mellon wanted to insulate the museum from politics, so the board consists of four government trustees and five others. However, the budget does go through the regular appropriation process including review by the Office of Management and Budget. Brown felt that the museum had been fortunate in budget hearings and had, in the main received the funds they had requested.

Martin Feldstein raised the more general topic of how the National Endowment for the Arts affects the kinds of exhibitions that museums choose to mount. He wondered whether museums seek to do shows on subjects that the funding panels tend to support rather than other kinds of shows.

Wood felt that most federal money has gone to projects that are the hardest to fund in any other way, such as more scholarly shows. *Richard E. Oldenburg* added that the most important visible effect of the NEA, in addition to scholarly shows, had been supporting contemporary art shows, which is the area for which corporate support is the most difficult to get. *Bruce H. Evans* said that the NEA funds provide great leverage for smaller institutions, because they demonstrate to potential sponsors that the project has been approved by other museum directors.

Andrew Oliver agreed that the NEA is the biggest help to institutions that have less access to alternative sources of funding, in terms of both the cash provided and the "statement" made by winning a grant. He continued that the purchasing power of the NEA grants had fallen more slowly during the Reagan years than it had during the Carter years, but the real decline that occurred had affected art museums' ability to put on exhibitions over the last decade. He believed that the same proportion of applications for exhibiting historical art have been funded as applications for exhibiting contemporary art.

Neil Rudenstine asked whether the Massachusetts situation described by Anne Hawley was idiosyncratic, or whether arts councils throughout the country are being affected in similar ways.

Hawley answered that when states have financial crises, the arts are held up as a "lamb to be slaughtered," and she mentioned previous episodes in Alaska and Illinois. *William H. Luers* described the "political theater" devised to protect the New York State Arts Council from threatened cuts by the New York State Legislature in its budget several years ago. Council Chairperson Kitty Carlisle Hart was extremely effective in leading the legislative hearings to support the council, there was a behind-the-scenes compromise on some projects, but there was no legislation passed to limit or restrict the distribution of funds by the council to arts groups. This episode dramatized the need for a more aggressive political strategy, on the part of art museums and other arts

groups, with states and in Washington. Luers felt that directors, presidents, and particularly trustees can have tremendous political influence and can do a lot of consciousness-raising with politicians about their true political interests.

Feldstein shifted the focus of the discussion to the financial impact of the tax laws, which the background papers noted are much more important in terms of total dollars than direct grants are, especially excluding federal funding for the museums in Washington. What is the effect of the unrelated business income tax (UBIT) on, say, the Metropolitan Museum? *Luers* said that some changes in the tax proposed in the House of Representatives could cost the Metropolitan Museum as much as \$1 million per year.

Don Fullerton felt that the current tax law, which says that some items being sold in museum gift shops are subject to tax while other items are not, must be almost unmanageable. He asked whether sales from outlet stores that are not located on the museum premises are subject to the same tax rules.

Luers said that the Metropolitan Museum cooperates with the Internal Revenue Service concerning the UBIT law because they think the current law is a good one. He said that the tax paid should not depend on where the object is sold because the educational outreach of the museum stores is very important for the promotion of knowledge about the fine arts and about the Metropolitan Museum.