50TH ANNIVERSARY REPORT

ROSENBERG FOUNDATION

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ROSENBERG FOUNDATION
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INTRODUCTION

Peter F. Sloss
President, Rosenberg Foundation

The Board of Directors of the Rosenberg Foundation thought we ought to do something to mark the 50th anniversary of the Foundation, and we were unanimous in wanting to avoid the usual sort of anniversary celebration. We felt that any organization that is fifty years old, and particularly one that has spent fifty years giving away money, can find people to say a few kind words about it, and that this doesn't really mean very much.

Rather than speeches of reminiscence or praise, we wanted something different. To use terms that many will recognize as favorites of this and other foundations, we wanted to do something **innovative, serious of purpose,** and **useful.**

We also liked the idea of bringing together people who have shared our vision and goals so that we could all visit with each other and talk about common interests. Those people assembled on November 18, 1985 at the St. Francis Hotel in San Francisco: community activists who have created new organizations and pioneered in new programs to make this state a better place; leaders of public and private institutions who have worked for change; our colleagues from foundations and corporate giving programs; and other friends of the Rosenberg Foundation. Their names are listed in the Appendix.

The program we planned made rather a full day. The morning was devoted to a look at the past in California. In the afternoon we attempted to look into the future at the changes that are now taking place and at what they portend, with particular emphasis on families and children, an abiding interest of the Rosenberg Foundation. In each segment of the program, the participants were asked to split up into small discussion groups and share some of their interests and concerns on these two major topics.

This report of the meeting includes condensed versions of the principal speeches and panel discussions. The closing summary by Lewis Butler, President of California Tomorrow and a past President of the Rosenberg Foundation, also gives some of the flavor of what went on in the small discussion groups.

THINKING ABOUT CALIFORNIA AND ITS CHANGING IMAGE

J.S. Holliday

The concept of image is common these days. Ad agencies are hired to create an image for a corporation or for one of its products, even for a nation. And we all know of the imagination and money invested by political candidates, especially Presidents, to establish their images.

I want to think with you about California's image, how it has changed and why; how that changing image has influenced immigration and consequently the size of this state and its power and character.

To start, consider a few statements that offer a preview of California's images.

First, from Wallace Stegner: "California is America, only more so."

And a **Washington Post** columnist who in March 1979 returned from Los Angeles and advised her readers: "Our most populous state is another country where there is no slush, no February, no struggle."

And a final image, from John Gregory Dunne:

> "The claim of Los Angeles to be the co-equal of New York could be dismissed as the braggadocio of a provincial metropolis except for one thing. Los Angeles has Hollywood, the dream factory that is both the manufacturer of a national idea and an interpreter of it . . . Hollywood, the most ridiculed and most envied cultural outpost of the century, bankrolled and nurtured by men who knew only one word of two syllables and that word was **fillum**."

These are a few of the images which have influenced our consciousness of California. I want to think with you about many more, from the first in a 16th century novel to those of the Gold Rush years when California competed with the old image of America as a place where man and his family could make a living. In 1849 California seemed to be a place where a man could make a fortune. A living vs. a fortune.

It all started with a Spanish novel published about 1510 which described an island where gold was the only metal and the ruler Queen Calafia with her sister warriors captured men for the purpose of procreation and then killed them, as well as any boy babies!

In the Spanish-Mexican era before the world rushed in, visitors to California often published their impressions of that remote and backward land. Richard Henry Dana in his book, **Two Years Before the Mast** (published in 1840) wrote that the women of California preferred fine clothes to clean homes, and he suspected they obtained their finery by immoral means. He added another anticipation of modern judgments of California. "There are no people to whom the newly invented Yankee word 'loafer' is more applicable than to the Californians."

Of all the images which have shaped national and world awareness of California, those from the gold rush years have been most persistent and influential. We are often reminded of the impressive economic and demographic statistics of that dramatic era. But I think we are unaware that it was during the gold rush years (when the gold-seekers left their families "back East") that California first offered its newcomers the **freedom of anonymity.** In that reckless anarchial society of transient men in a hurry, everyone felt safe, far removed from the curiosity and censure of hometown eyes. That freedom has survived. Millions of men and women still come to California knowing that here they will be free to ignore the expectations of parents and grandparents and the rules of Indianapolis and Philadelphia.

Another legacy of the gold rush: the exuberance of those years, the rambunctious energy and ambition of the gold-seekers became the hormonal source for California's confidence and optimism. Though thousands of gold-seekers failed to find a fortune, they saw on all sides a booming economy, and rather than return to "the picayunes of life back East," they chose to stay, amidst the opportunity and freedom of a California they had not expected. One of them wrote home in 1852: "The independence and liberality here and the excitement attending the rapid march of this country make one feel insignificant and sad at the prospect of returning to the old beaten path at home."

No other state, no nation had such a beginning, such a period of adolescent success and freedom. Think what it has meant to California's image, its spirit, its psyche to have the '49ers as Founding Fathers — compared to the Pilgrims. To have wild, robust, better yet sinful San Francisco as the Mother City — compared to Boston or Philadelphia.

For California the gold rush has been like the Civil War for the South, a romantic era proudly remembered, giving distinction and identity. As the defeated Soldier has symbolized the South and the shared burden of a great loss has created a feeling of misfortune and denial among Southerners, the ambitious Miner has symbolized California, and the shared sense that anything is possible has created a feeling of confidence and great expectation among Californians.

Beyond symbol, the Miner was important because his attitude became contagious in California. He saw the environment, Nature, as his antagonist to be subdued, broken into, by the use of whatever tool, device, machine or explosive force he could improvise or have manufactured. He established a pattern of exploitation which exceeded all previous misuse of America's natural environment, by cotton planters and logging companies. In the transient, impatient business of mining, in the jack-pot psychology of mining investors, Progress was equated to finding new mineral deposits and inventing new machines to extract the treasure — wherever, however. Like a virus, those get-ahead years infected California with the Miner's impatience and eager willingness to depend on Science and Technology to rearrange Nature.

Year by year those allies came forward with new devices, more powerful machines and more money, to assure continued Progress: blowers to force air into deep shafts where miners toiled in intense heat thousands of feet down, amid rock and danger; mighty pumping machines to keep underground rivers from flooding the mines; and great saw mills that cut entire forests into thousands of beams to support miles and miles of tunnels under Virginia City.

The image — California giving. The reality — Machines exploiting.

Not many spoke out against the images or the reality. One who did was Henry David Thoreau. He saw the get-rich-quick materialism, the speculative frenzy and

he called it The World's Raffle. He growled: "The rush to California . . . reflects the greatest disgrace on mankind. That so many are ready to live by luck and so get the means of commanding the labor of others less lucky, without contributing any value to society — and that's called enterprise!"

Of all California's enterprises, hydraulic mining best exemplified the Miner's ruthless quest for profits and his inventive genius for using technology to rearrange Nature for his purposes. By the 1870's mining companies had built an 8,000 mile network of wooden flumes, ditches and iron pipes to carry water from scores of man-made reservoirs in the western slopes of the Sierra down to an array of giant cast-iron nozzles in the foothills. From these "monitors" the water shot out under tremendous pressure to slam against mountains, foothills and bluffs, melting them into tumbling rocks, gravel, mud and sand which washed through sluices where mercury caught granules and specks of gold. Caught them indeed, to the extent that hydraulic mining produced $270 million in gold — and havoc downstream. Each year these operations washed millions of tons of slickens — the mix of gravel, mud and sand —into streams, creeks and rivers. The Yuba River's bed was raised thirty feet. Each spring the rivers flooded, burying miles of orchards and cultivated fields under a deep layer of muck. Years of legal battles attested to the anger of the farmers and the power of the mining companies. Finally in 1884 a Federal court ruled in favor of the farmers, a landmark decision which protected for the first time in American history the interests of the many against the previously inviolate rights of the corporation.

That 1884 decision gave a hint of change, an early warning that there would be new opponents, new voices against an attitude and value system that allowed, indeed directed the devastation of forests, rivers, wildlife and agriculture. In an eloquent forecast of the outrage of John Muir and others who would condemn the exploiters of California's natural resources, a visitor described the mining regions: "Nature here reminds one of a princess fallen into the hands of robbers who cut off her fingers for the sake of the jewels she wears."

Wherever the jewels could be found, the Miner was there, with ever more complicated Machines and processes to separate particles of gold from tons of crushed rock — chlorination, cyanidization, leaching, smelting, roasting and lixiviation. These advances produced profits and dumped tons of stinking, bubbling chemical wastes into streams and sinking ponds or spewed their fumes into mountain and desert air.

The industrialization of mining occurred in only a few years, from treasure hunting in 1849-50 to quartz or vein mining in the 1860's. Through the years of change and expansion, San Francisco was the catalyst, banker, supplier and source of know-how — the capital of a mining empire. Known as The City from Alaska to Arizona, this rough, masculine city-state controlled the wealth and the trade of the West.

Rudyard Kipling visited "The Queen of the Pacific" in 1889 and his smiling observation enriched her image:

> "Recklessness is in the air. I can't explain where it comes from, but there it is. The roaring winds off the Pacific make you drunk with it . . . The young men are experienced in business and embark on vast enterprises, take partners as experienced as themselves and go to pieces with as much splendor as their neighbors . . . As far as regards certain tough virtues, they are the pick of the earth. The inept or weakly died on route or went under in the days of construction."

With an imperial reach that managed fisheries in Alaska, sugar factories in Hawaii, steamboats on the Colorado River and a railroad across the Isthmus of Panama, San Francisco dominated national and world awareness of California. The two were synonymous. Then in the 1890's the image began to change. San Francisco continued to be the center of California wealth, culture and political power, and yet in that last decade of the 19th century and ever more rapidly and surely through the 20th century Los Angeles intruded for attention, sent out its own images, crowded into the picture and in time became the dominant city, the place that became synonymous with the name California. This change from the San Francisco-California image to the Los Angeles-California image is, it seems to me, the essence of 20th century California history.

Unlike San Francisco blessed with its location — at the shore of the greatest harbor on the Pacific coast, at the mouth of California's major river system, at the entrance to the world's greatest mining region, Los Angeles started without a single advantage: no harbor, no river, little rain and isolated by deserts and mountains. Yet beginning in the late 1880's that out-of-the-way town burst into national consciousness. The Southern Pacific Railroad and other real estate promoters launched one of the most intensive image-making campaigns in American history. Through handbills, posters, brochures, pamphlets, advertisements, magazine articles and books, they announced **Eden is for sale!** — a place of beauty, fertility and health. These three attributes were stressed by the promoters who idealized Southern California and thereby created an identity, an image for that region so long isolated from the rush, disorder and power of Northern California. They sold a climate which in contrast to the hostility of the climate back East offered sunshine, pure and healing; and no snow, ice, sleet or mud. A climate without discomforts, a Pacific utopia — with the orange as its symbol and its principal cash crop. To promote oranges, when most Americans had never seen one, the growers and packers developed an advertising campaign: "Oranges for Health, California for Wealth." Exported in refrigerated freight cars, this new kind of gold produced fabulous profits and the image of Southern California as an agricultural wonderland.

No wonder that Los Angeles and Southern California — the Land of Sunshine — attracted families in contrast to the single men who had populated San Francisco and the Land of Gold. The selling of Los Angeles and of Southern California succeeded not only because of its alluring images but even more because the cost of travel to the Mediterranean paradise became irresistibly cheap. In 1886-87 a rate war between Southern Pacific and its transcontinental rival the Atchison Topeka and Santa Fe Railroad drove prices of a one-way ticket from the mid-west to Los Angeles or San Diego down from $100 to $25 to $12 to $4 and finally in March 1887 to $1. The competing railroads delivered 12,000 eager tourists and settlers each month. Promoters built elaborate resort hotels and laid out sidewalks and streets; real estate agents sold thousands of lots in scores of instant towns.

Los Angeles' population soared, from 11,000 in 1880 to 50,000 in 1890 and by 1900 to more than 100,000. And quite unlike those who had rushed to the gold region, indeed, unlike those who had settled any other frontier, Southern California's immigrants came by train, by Pullman car — not by covered wagon or across the Isthmus of Panama. Most of them were merchants, bankers, professional men, invalids, farmers weary of winter, family people, retired couples lured by images of what we now call "California living."

Southern California became a new California, peaceful and domestic, blessed not only with sunshine in January but with the product of prehistoric sunshine. In 1892 the first oil well started flowing in Los Angeles. By 1907, three thousand wells were pumping wealth in backyards, between houses and from sites where homes had been removed.

Prosperous with oil, confident of its future, ambitious to compete with San Francisco, Los Angeles needed what every great coastal city had — a harbor. But Nature had provided only sandbars and mudflats. Not daunted, the city turned to its engineers and taxpayers to build and to pay for what would become a great, man-made access to the world.

As Los Angeles entered the 20th century with its reach to the ocean, San Francisco reached to the mountains, each to improve on Nature. San Francisco's engineers sought to create a reservoir for the city's water system by damming the Hetch Hetchy gorge near Yosemite. The destruction of this beautiful, granite-walled valley caused a bitter controversy — which introduced a new image of the Golden State.

It is a matter of importance, of irony and of rightness that the state which more than any other had advanced because of rampant exploitation of its natural resources should be the first to develop a well-articulated awareness of the need to protect the beauty and wonder of Nature's gifts. The person most responsible for the ideas, arguments and actions which formed California's conservationist-protectionist philosophy, the person whose articles and books best appreciated the wilderness as an antidote to the corruptions of civilization and as essential to man's well-being was John Muir. Beginning in 1871 his voice and writings pointed the way for dedicated Californians in the contest between the material needs of urban and industrial growth and the "belief that civilization might not prove worthwhile if it destroyed the natural world from which man himself had come." In this philosophical yet pragmatic debate, Muir defined his position, "I am on the side of Nature in any conflict with Man."

In the last years of the fight to save Hetch Hetchy (1908-13), Muir warned against the careless optimism that Man's errors could be fixed by Science and Technology or healed by Nature's bounty. To Californians, so confident of that bounty, he cried out that the growth of cities and the appetite of industries threatened their state's resources, beauty and beneficent environment. And thereby John Muir created a new image — the image of a fragile, endangered California.

That image was seen and believed by comparatively few in the first decades of the 20th century when Californians remained supremely confident that their cities' needs could be provided, that growth was the measure of progress.

Those needs and that growth centered primarily in Southern California where Los Angeles and its surrounding farmland depended upon, demanded water. In a region "God never intended to be anything but a desert," water for irrigation and for the sprawling growth of Los Angeles by 1910 came from some 15,000 pumps sucking deeper and deeper to reach the receding underground water. With everyone depending on continued growth, the leaders and the people of Los Angeles determined that a more secure and abundant source of water must be found beyond the city's arid basin.

In 1905 the Los Angeles Water Department announced plans to construct a 250-mile aqueduct to deliver 288 million gallons per day from the Owens River. In a phrase that perfectly reflected Los Angeles' impatience with Nature, the **Times** heralded the daring plan with this headline: "Titanic Project to Give the City a River."

When completed in 1913 (on time, within budget), that man-made river became the first example of what would be denounced by Owens Valley farmers, San Franciscans and many others as Los Angeles' "water imperialism." To extend that empire, engineers dug a canal to deliver water from the Colorado River to a forbidding desert east of Los Angeles. With abundant water and a new name — The Imperial Valley, this transformed wasteland was soon promoted as "The Winter Garden of the World."

By the mid-1920's the farmers of the Imperial Valley (most of them absentee owners) and the city planners of Los Angeles cited growth projections as proof of the need for more water. Encouraged by newly-elected President Herbert Hoover (a Californian), Congress in 1928 appropriated funds for construction of a dam across the Colorado River. As "the biggest dam ever built by anyone anywhere" rose between the canyon walls (under the supervision of two Californians who became synonymous with engineering genius — Henry J. Kaiser and W. A. Bechtel), the voters of Los Angeles and adjacent cities were asked in 1931 to approve a mammoth project to secure sufficient water for Southern California's future — an aqueduct to deliver Colorado River water across deserts, over and through mountains at a cost of $223 million. This is the summer of 1931, in the deepening depression, in the disaster of bankruptcies, bank failures and mortgage foreclosures.

How did the taxpayers respond to this proposed financial burden? They voted 5 to 1 for Colorado River water. Their decision was inevitable. By 1931 the image and reality of Southern California depended on the works of Man far more than the gifts of Nature. The voters understood that their cities and their agriculture depended on rearranging Nature.

And why not have confidence in such dependence? California in the decade of the '20s had attracted the largest internal migration in American history (up to that time): 2,250,000 newcomers and 72% of them settled in Southern California.

There were other California astonishments in the 1920's, especially in Southern California where a real estate boom described as frenzied was dwarfed by an oil boom described as fabulous. But the astonishment which most impressed the American people was Hollywood. A corps of columnists and magazine writers reported the movie peoples' dazzling salaries; their divorces, adulteries, seductions and wild parties; their yachts and private railroad cars, stucco mansions and sunken bathtubs. New words and images — bathing beauties and starlets, boudoir and bungalow — conveyed to millions of Americans new images of Southern California and new expectations for their own lives in Michigan and Maryland.

Because the movie-makers used Southern California locations, the old images became more vivid than ever. In scores of movies the American people saw palm-lined streets and lawn-fronted homes, romantic Spanish missions, broad ocean beaches, oil fields, orange groves, vineyards, farms, deserts, forests and mountains . . . California, a land different from Michigan and Maryland.

Different even during the Great Depression when the image of the Golden State — land of sunshine and year-round crops — attracted hundreds of thousands of destitute Americans who believed that such a bountiful state would provide jobs or at least an escape from cold and suffering.

The majority of those hopefuls in that ironic, sorrowful migration came from western and southern states where drought had transformed hundreds of counties into what was called the Dust Bowl. Three hundred and fifty thousand farmers fled this impoverished area, in boxcars and crowded jalopies, picturing in their minds irrigated orange groves and fruit-ladened orchards, lawns and cottages. Their arrival shocked Los Angeles. Advertisements and announcements published in newspapers around the country warned people **not** to come to Southern California! The Los Angeles city government went so far in February 1936 as to send its policemen to rail and highway entry points along the Arizona and Nevada border, to turn away hitch-hikers, boxcar riders, flivver families; anyone who might have "no definite purpose in coming into the state."

By the mid-thirties newspaper stories, magazine articles, newsreels, books and even movies reported the plight of the Dust Bowl refugees (so-called Okies and Arkies). Their rejection and suffering created a new image of California — of groves and orchards and irrigated fields where scores of thousands of American workers (men, women and children) survived in miserable hovels, tents and broken-down automobiles, without toilets, using water from irrigation ditches for washing and drinking. Of strikers fighting police and National Guardsmen, of beatings and arrests and the burning of pitiful labor camps.

The anger of the strikers, the misery of their families were reflected in the pictures of Dorothea Lange and other documentary photographers. Like television in a later time of agony, those images revealed to the nation a sad and wounded California.

Most of all, it was John Steinbeck's **The Grapes of Wrath**, first the book (1939) and then the movie (1940), that involved the American people emotionally, vicariously in the plight of California's agricultural workers. The story of the Joad family became part of the changing image of the Golden State.

Surrounded by the wonders of Nature and the works of Man, in the presence of natural abundance and great wealth, California's hundreds of thousands of unemployed could not understand why the owner-employers left tons of peaches, pears, tomatoes, onions, celery, oranges and other crops to rot in the fields. Something was wrong, something had to be changed.

Turning from the bankers, businessmen, engineers and politicians who gave them no hope, those most affected by the Great Depression (laborers and white-collar workers) listened to new leaders who talked of building a new society. Between 1932 and 1938 five successive reform movements gained enthusiastic support, especially in Southern California.

The first, Technocracy, assured each citizen his rightful share if the organization and operation of government were placed in the hands of technicians. Skillful publicity spread the Technocrats' slogan "Plenty-for-All".

This promise attracted more enthusiastic support in Los Angeles than any other community in the nation. But the leaders were unable to organize their thousands of followers and by mid-1933 the people's stubborn optimism focused on the Utopian Society. Offering a pension for everyone over the age of forty-five, this scheme by the summer of 1934 had attracted 500,000 members, most of them in Los Angeles. Again the promoters did not know how to direct the enthusiasm they had aroused and the movement soon collapsed.

In contrast to its predecessors, the next defiant political movement, End Poverty in California, or EPIC, not only had a well-organized program and skillful leadership, it undertook to achieve its far-reaching economic and social reforms by direct government action: Upton Sinclair, the founder and leader, would run for governor of California.

His plan (including state operation of idle factories, establishment of farm colonies for the unemployed, issuance of scrip currency, new taxes for corporations and the wealthy, a monthly pension for the widowed, aged and handicapped) and

his popularity (he won the Democratic nomination for governor in August '34) caused fear and loathing among the state's banks, corporations, newspapers, large landowners, capitalists, business leaders, Republicans and many Democrats.

Ridiculing EPIC as "Empty Promise in California" and organizing the Boy Scouts in a crusade to help prevent the horror of Sinclair as governor, the frightened Republican party (supported by thousands of conservative — frightened — Democrats) spent an estimated $10 million in organizing the first mass-media campaign in American politics. The anti-Sinclair forces plastered the state with roadside billboards, ran ads in newspapers and magazines, created radio "spots" and worked with the movie industry to produce "newsreels" and movie "shorts" that attacked Sinclair as a Socialist, Communist, vegetarian, anti-Christ and pacificist.

By the time of Sinclair's defeat in November 1934, another utopian plan had won the confidence of thousands of despairing "old folks" who had come to Southern California to retire and had seen their savings and property swept away by the Great Depression. Promoted by a retired physician from South Dakota, Dr. Francis E. Townsend, this vision centered on Old Age Revolving Pensions paying $200 monthly to every citizen aged 60 or more, each of whom would be required to spend that income within 30 days. By 1935 the elderly flocked by the thousands to hundreds of Townsend Clubs where they sang hymns, listened to speakers and made contributions so that "the good doctor" could continue his work. By the end of 1936 the crusade had faded, done in by passage of the Social Security program.

One more pension plan seduced and bedeviled California, this one founded in 1937 by a Los Angeles radio spell-binder who promoted payments to oldsters at the rate of "$30-Every-Thursday." In early 1938 a speaker proclaimed the plan would soon be as familiar as ham and eggs and the phrase became the movement's campaign slogan. By fall the "Ham-'n-Eggs" plan had 750,000 names on a petition which put the scheme on the statewide ballot. The fantastic proposal (a state bank issuing scrip to finance the pension payments) came close to winning: 1,398,000 opposed and 1,143,000 in favor.

But that was not the end. In 1939 the "Ham-'n-Eggs" organization (330,000 dues-paying members) succeeded in bringing about a special election to consider their millennial proposal. This time the opposition — everyone from William Randolph Hearst and Upton Sinclair to economists and clergymen — attacked the plan as a cruel hoax. In the November election $30-Every-Thursday was soundly defeated.

While frightening the Establishment and shaking up the political parties, the reformers and zealots projected a new image of California. Until the 1930's miners, bankers, shippers, railroaders, realtors, publishers, developers, engineers and politicians had been able (most of the time) to control the images sent out to America and the world. But in the disorder of the Great Depression, dreamers and schemers sold **their** visions, their projects, their California. Through their newspapers, books, speeches and spokesmen they envisioned a new and better California with increased production, equitable distribution, Plenty-for-All, an End to Poverty, pensions paid monthly, even weekly.

Because those images appealed to Californians by the hundreds of thousands, the rest of the nation saw the state as a land of crackpots, a place where quacks and charlatans bamboozled the voters and religious and cult leaders hypnotized the gullible. Responding to this image, a widely-read New York City columnist declared California incompetent and recommended a guardian. Other writers led the way in what soon became (and remains) the national pastime of scorning and

ridiculing Southern California. H.L. Mencken snorted: "The whole place stinks of orange blossoms."

More than any other state, California felt the impact of World War II, immediately and long-term. In February 1942, the U.S. Army removed 93,000 Japanese-Americans (most of them American citizens) from their farms and businesses to remote "relocation" camps. Through the four years of war the Federal government spent $35 billion in California. This incomparable stimulus revolutionized every aspect of the economy. Oil production soared, agricultural output tripled, industries expanded at a frenzied rate. Government billions built on San Francisco Bay the largest concentration of shipyards in the country and in Southern California the major arsenal to produce military aircraft.

The nation and the world soon had a new image of California — a place of prodigious productivity. The remembered images of sunshine and freedom and the new one of wartime opportunities attracted workers by the hundreds of thousands — 700,000 in 1943 alone. Where better to serve than in the Golden State where jobs in Henry J. Kaiser's shipyards or in San Diego's aircraft plants secured exemption from the draft? Government billions also paid for construction of Army, Navy, Marine and Air Force training camps, new harbors, repair facilities and air bases.

For millions of Americans in industry and in service, wartime California would never be forgotten — the temptations of San Francisco, the greatest "liberty town" in the country; the glamor of the Hollywood USO; bars open all night; unmarried women earning more than their fathers back home. The **San Francisco Chronicle** summed it up in 1943: "The second gold rush has hit the west coast."

Like that first boom, the wartime expansion of population and industry continued, even increased after V-J Day. When millions of servicemen and workers returned to their homes, they told of California's attractions, advantages, freedoms and opportunities — the same as the returning gold-seekers. They became promoters of the California image, and that image drew them, their families and friends. Why work in Michigan? News of jobs in Southern California, newspaper and magazine articles about "California living," old images and wartime memories increased the appeal of the Golden State year-by-year. By 1950 California's population totaled 10,500,000 — a 53% increase during the astonishing decade of the 1940's, which proved to be just a prelude.

In 1949 Russia exploded its own atom bomb. In 1950 the Korean War started. With Peace an endangered concept and the Department of Defense an ever more important employer and investor, California gained a new image in the 1950's — as the science center of the nation where Nobel Prize winners used modern physics to control atomic energy, where professors in their labs worked with generals in the Pentagon. The government spent millions upon millions to build research facilities for California's scientists. The British scientist and novelist C. P. Snow validated California's newest image when he exclaimed: "Think of the astonishing constellation of talent . . . from Berkeley and Stanford to Pasadena and Los Angeles. There is nothing like that concentration of scientists anywhere in the world."

Beyond military science, in the rich tradition of California's purest scientist Luther Burbank ("the farmer's Edison"), agricultural research created new vegetables and invented new machines to nurture an agricultural economy unlike that of any other state or nation — specialized, industrialized, mechanized, irrigated and prodigally productive. In photos, stories and statistics, California sent out the image of a fecund Eden, fertilized by the chemicals, machinery and money of the

Golden State's agri-business.

From the Sierra slopes of the Sacramento Valley to the desert reaches of the Coachella Valley, California's booming agricultural industry depended ever more obviously on man-delivered water. The engineering feat most important to America's greatest farm was known as the Central Valley Project. This ambitious rearrangement of Nature moved water from the rain-rich upper Sacramento Valley to the parched lower San Joaquin Valley. But as always with California water, what promised to be plenty proved to be not enough. In 1957 the Department of Water Resources issued the California Water Plan, a stupendous concept which included another massive dam at the upper end of the Sacramento Valley and a system of canals and pumping stations that would carry water over the Tehachapi Mountains and across the Mojave plateau to a terminus near Riverside — in all a 600-mile Mesopotamian marvel.

Whatever the final cost might be, the voters in 1960 approved a $1.75 billion bond issue in partial payment for the new water system. Major support came from Southern California voters who expected ever more water to be provided to sustain their way of life — their shopping mall fountains and sprinklered lawns and public and private swimming pools and man-made lakes, not to mention all the water needed to irrigate thousands of acres newly-planted, to make up for thousands of acres newly-covered with "planned communities" to house tens of thousands of newcomers who arrived each year: Iowa farmers, Chicago businessmen, Massachusetts scientists, retired couples from Buffalo, all of them eager to find their place in the freedom and sunshine of Southern California's oasis civilization. During the decade of the 1950's the population of metropolitan Los Angeles increased by 54% — and by 85% in San Diego.

Such statistics — proudly announced by promoters, Chambers of Commerce and the government in Sacramento — prepared California and the nation for that mystical moment in late 1962 when the population of the Golden State — more than 17 million — officially surpassed the population of the Empire State. Governor Pat Brown declared a four-day celebration.

The enthusiasm of the celebration and the boasts and promises of promoters and builders were shouted aside in the 1960's by angry voices echoing the warnings so futilely expressed long ago by John Muir. The Sierra Club, California Tomorrow, the Save the Redwoods League; environmentalists, ecologists, radio and newspaper commentators, professors and thousands of students made known their anxiety about California as a fragile, endangered environment. Books such as **Eden in Jeopardy** and **California, Going, Going** . . . took the lead in making Californians think about their partnership in the degradation of what had been so long and so boastfully called the Golden State.

That degradation became familiar in newspaper and magazine photographs and especially on television: smog obscuring downtown Los Angeles, loops and twists of freeways cutting through cities and across farmland, aerial views of sprawling suburbs (slurbs) covering entire valleys; bulldozers crushing orange groves and walnut orchards to clear the way for long rows of new tract houses.

Rather than complain or despair, many took action. To curb the power of the State Division of Highways with its plan to build 12,500 miles of additional freeways, San Francisco led the way by preventing construction of a cross-town freeway, while to the north anger at the proposed destruction of ancient redwoods forced the rerouting of another freeway. But in Southern California (with a ratio of one car for every 1.3 people) freeways reached out like a "Cement Octopus". In the

image of historian Tom Watkins "enough freeway concrete was poured in Southern California to pave the State of Rhode Island. Rhode Island would have objected. Southern California loved it."

Important as it was for California to lead the American people in a reassessment of the environmental cost of Growth and Progress, it proved to be more important for California to assess the human cost among agricultural workers, racial minorities and students, all of whom demanded reforms in the 1960's and '70s. Because of television, those demands and response to them commanded national attention.

In agriculture the drama created a folk hero and redefined the image of California poverty and anger. Cesar Chavez organized a few thousand "stoop laborers" living in rural slums on the outskirts of farm towns and in 1965 his National Farm Workers Association (later the United Farm Workers Union) dared to strike the giant corporations that produced wine grapes. "Huelga" — strike! — became a word known across America. Newspapers, politicians and national emotions sided with Chavez. In 1966 the corporations signed contracts with his union.

The next year Chavez's call for a boycott of California table grapes created a social issue of national concern. There followed his Ghandi-like fast as a plea for non-violence, his imprisonment in 1970, visits by the widows of Robert Kennedy and Martin Luther King and the victories of his union, all played out in national headlines and nightly TV images and in the growing realization that California would one day have to break free from its peculiar institution (dependence on migrant farm workers) by turning to the machines being invented in the state's agricultural research labs.

California's migrant workers carried on their struggle over a period of years. The anger and hatred that fueled the riots in Watts — the black city within the city of Los Angeles — flared and burned for six days and four nights in August 1965. A horrified nation saw rioters roving the streets, smashing and looting and torching buildings. Fourteen thousand National Guardsmen battling snipers. Guerrilla war in alleys, on roof tops. Armored cars, molotov cocktails and shoot-outs. When the rioting subsided and the TV cameras surveyed the devastation, announcers reported the inevitable statics — property damage, dead, wounded and arrested. From the fear and meanness of it all, there emerged an image of black Americans filled with despair and hate in a land of Health and Wealth, in America — only more so.

Seen as a disturbed and threatening place, California in the late 1960's seemed to be the source not only of black anger (which raged for three summers in ghettos across the nation), but also of student defiance and rebellion. Though judged by many to be spoiled rowdies with nothing to complain about, the students at the University of California at Berkeley started the Free Speech Movement, called a strike and occupied the administration building. Called "Berkeley fallout" by one historian, sit-ins, assaults and arson disrupted campuses from Stanford to Columbia.

Throughout the upheavals of the 1960's, the media focused on California's revolution — the Black Revolt, the Student Revolt, the Sexual Revolution and, most of all, the revolutionary "lifestyles" of the hippies with their drug LSD that spread the Psychedelic Revolution.

Reaction to these "revolutions" also emanated from California. When Ronald Reagan ran for governor in 1966 he characterized rebellious students as "a minority of malcontents, beatniks and filthy-speech advocates." Declaring he was "sick of the sick-ins, the teach-ins and walkouts," he promised "when I am elected governor I

will organize a throw-out." Re-elected governor in 1970, Reagan briefly shut-down every state college and university campus. Applauded for his leadership by some, there were many people in other states who smiled to see California tormented. They felt it was about time for the Golden State, with its free and easy ways, to have its comeuppance. They enjoyed seeing Californians suffer for a change, even though that suffering might be a forewarning for other states.

Certainly California's environmental problems warned the nation of impending dangers. As new words — Californification, uglification and slurbanization — created new images; as the pall of yellow-brown smog became as much a part of Los Angeles' image as Hollywood, the Golden State exemplified the contrasts between Man's careless abuse of his environment and his evolving realization that survival depends on protecting the environment. By the 1970's the victories of environmentalists and ecologists had placed California in the forefront of the Environmental Movement. In one year, 1972, the Sierra Club prevented Walt Disney Enterprises from exploiting a pristine wilderness area, California voters passed an initiative that created the Coastal Zone Conservation Commission to control development along the Pacific shore and the town of Petaluma established landmark legislation to limit growth.

More than ever before, California during the 1970's attracted the nation's attention and curiosity. Radio commentators, newspaper editors, syndicated columnists and television analysts wrote and talked about California as "America's laboratory for social change" and as "an exaggerated mirror of the American dream." Publishers brought out scores of books to meet the demand for more intensive exploration of what had become — judged by its gross economic product — the sixth nation in the world. Like America itself, the phenomenon was scorned by many: "The oranges in California are on the ground because the people are in the trees." Others expressed respect: "California is comparable to Elizabethan London in terms of its impact on the nation."

By the mid-1970's Hollywood had long-since displaced New York City as the "fantasy factory" for the production of television shows — cowboy dramas, game shows, family comedies, sit-coms and soap operas. Los Angeles had become the national and world capital of the entertainment or mass culture industry: television, movies and records. And its impact? A public opinion survey found that on the night when **Dallas** was scheduled to reveal "who shot J.R.," more Americans watched that program than voted for Carter and Ford in the 1980 election.

Another place in California has become as familiar as it is powerful — Silicon Valley. In this industrial park south of San Francisco, scientists working for America's fastest-growing companies have invented products indispensable to the nation's technological development — integrated circuits, semi-conductors, digital computers, electronic discs, laser beams and other more advanced wonders.

So different yet almost as famous as Hollywood, this hi-tech center has a special appeal because the American people love science, success and surprise. Newspaper, magazine and television interviewers feature young men and women whose arcane knowledge puts them more in charge of the future than politicians. These stars of Silicon Valley are scientists of a new kind — California entrepreneurs who drive sportscars, live in mansions, sponsor rock concerts and get divorced, all of which gives them the aura of celebrities worthy of **People** magazine and sometimes the cover of **Time.**

No wonder California has such an appeal to young people. Where else are daring dreams so welcomed and rewarded? All around the United States men and

women compare California to their home cities and regions. They know the layers of inherited problems in the older states — the economic, social, political obstacles to "making it". In contrast there is the Golden State. However bad the smog and traffic jams may be, however dismaying the cost of a house or condominiums, Los Angeles and San Francisco are attractive because they are experimental cities, open, less burdened with tradition and generational authority. With the freedom to make a new life and the opportunity to work for success in a wildly diversified economy, California is the place to take risks, to try what is new, "to embark on vast enterprises" as Kipling observed in 1889. And if you fail, it will be without the shame you would feel back home — and certainly with more chance to try again.

That's the bottom line — the risk-taking, go-for-it spirit of California. And yet in the midst of such a spirit and widespread feeling of confidence and optimism, there are many immigrants and born-in-California natives who feel they have not had their chance. For them California has failed to fulfill its promise. For them the Golden State has proved to be gray, indeed a smoggy place.

But the disappointed stay, not only because their economic plight makes leaving difficult. There is another reason no exodus has occurred as it did from the Old South, from Oklahoma and Arkansas and in recent years from the depressed industrial states. The explanation comes from that gold miner who failed to make his fortune and wrote home in 1852: "The independence and liberality here and the excitement attending the rapid march of this country make one feel insignificant and sad at the prospect of returning to the old beaten path at home."

HERMAN E. GALLEGOS, Response

On the occasion of this meeting sponsored by what I consider one of the most distinguished of American foundations, I was moved to listen to Jim Holliday's account of gains made in the past fifty years. I agree that indeed there has been great progress for most Californians in achieving a better quality of life.

As I settled comfortably into my chair, however, I was reminded of the late Bishop James Pike of California, who was fond of saying that the role of the preacher is not only to comfort the afflicted but to afflict the comfortable. Although I did not come here to preach to you, I must say that I was troubled by the way in which progress has come about. I have no qualms about enjoying the beauty of this state, but as I listened to the account of the 49er psychology and the way in which people have been displaced by machines, I felt that perhaps in my response I might comment on two issues that I think are consequences of this psychology and this displacement.

The first is the continued presence of poverty in this state, and the second, our response to the changing demographics taking place in the state. As one looks at the statistics, one shouldn't be alarmed or surprised that we've had change in this state from the days of its inception. I think we need to give more attention to the men who were displaced. What happened to the Hindustanis, Chinese, Filipinos, Mexicans, West Indians, and blacks who were brought here to work in the mines and fields?

I think the facts challenge all of the doers and givers here today. It's true that the standard of living of Californians has increased dramatically over the past fifty years. And yet, as a nation, we remain plagued by poverty. More than 33 million Americans are poor; another 20 to 30 million are needy. Although the recent recovery has brought about a slight decline in the poverty rate, the general trend seems to indicate continued increases in poverty. In 1979 and 1983, using the government definition of poverty, the number of poor people increased by over 9 million. The 1985 rate of unemployment in excess of seven percent would have been regarded as intolerable only a short time ago. Is this progress?

You will have heard these and other statistics before. One out of every nine white Americans is poor; one out of three blacks and Native Americans is poor; one out of every four Hispanics is poor. Even more alarming, and particularly alarming to those here today, is the large increase in the number of women and children living in poverty. Is this progress?

Today, children are the single largest group among the poor. According to one recent Congressional report, over 12 million U.S. children lived in poverty in the United States last year.

Given these facts, I suggest that our unfinished agenda must continue to focus on the issue of poverty. It must be a sustained interest and a continuing action by the people of this state and this nation. The ultimate cost is too high for us to do otherwise.

The National Conference of Catholic Bishops in their recent pastoral letter on the U.S. economy have raised courageous concern about the problem of poverty, adding their voices to the public debate on the subject and the direction in which the U.S. economy should be moving. And while the bishops do not provide a blueprint for economic reform nor definitive solutions to the problem of poverty, they do present a serious moral analysis of economic justice. I quote from the pastoral letter: "Alleviating poverty will require fundamental changes in social and economic structures that perpetuate glaring inequalities that cut off millions of citizens from full participation in the economic and social life of the nation."

How much of a change are we willing to structure? How deeply do we need to

examine the economy before we come to grips with the reality of poverty in this country? Or are we willing to have progress at the same expense — the same **human** expense — we've had in the last fifty years?

Our experience over the past fifty years shows that we can reduce poverty. During the 1960s and 1970s, we proved that we could cut poverty in half, not only by having a healthy economy but by making responsible public policy decisions that improved income transfer programs and created just and effective public policies. We have learned that private charity and voluntary action in and of themselves are not sufficient. And so as we look to the past and the wonderful work performed by the voluntary sector, we must ask ourselves what role it can and should play in the future? We know that by itself it can't do it all.

I'm hoping that at this meeting we will have a chance to discuss various options for eliminating poverty: a healthy economy that provides adequate numbers of jobs at decent wages; tax reform; child care; and the removal of the serious economic distortions caused by the arms race, which disastrously impedes society's ability to care for the poor and needy.

But let me proceed to another area where I don't think we have managed the human resources of our society in a manner of which we can be proud. Poverty, we know, is not merely the lack of adequate financial resources. Poverty entails a more profound deprivation, the denial of full participation in the economic, social, and political life of society that breeds an inability to influence decisions that affect one's life. It is in the context of full participation that California's demographic trends present major educational, economic, and social challenges. These challenges promise to make the next fifty years every bit as eventful as the past. You've heard the statistics that in the next twenty-five years the majority of the state's population will consist of minorities. For example, by the year 2030 the state's Hispanic population alone will equal the number of Anglos.

If you don't think the changes are upon us, I must tell you that recently I went to a fund-raising dinner honoring one of San Francisco's notable civic citizens, and at the dinner table there were party favors. These included small bottles of perfume and cologne, and, among other things, bags of jalapeno jelly beans. Change manifests itself in small and subtle ways. But aside from tacos and jalapeno jelly beans, how else will society respond to demographic challenge in a human way? What are the implications of the growth of minority populations for the economies of the state? To what extent are institutions ready and willing to make systemic changes? And what significant improvements in the lives of minorities are likely to occur?

Many people look at the changing demographics as a problem to be solved and see the solution as very simple. In their opinion, all the immigrants, the "minorities," need to do is replicate the cultural patterns predominating in the state. Others fortunately recognize that to be made in the image and likeness of God does not require the finishing touches of an Anglo-American melting pot assimilation.

The ultimate injustice is for a person or group of people to be actively treated or passively abandoned as if they were non-members of the human race. To treat people in this way is in effect to say that they simply don't count as human beings. Now, despite the gains that have been made toward racial equality, prejudice and discrimination in our own time, as well as the effects of past discrimination, continue to exclude many non-whites and other minorities from the mainstream of American life. Minorities are not asking for paternalistic programs, but rather that social institutions be ordered in a way that guarantees all persons the ability to participate actively in the economic, political, and cultural life of society. I'm not talking about tokenism, but the

opportunity for full participation for all.

I have a special word to my colleagues in philanthropy: if philanthropy is to reach the diverse segments of our society, then broader interests must be represented in decision-making positions. Without such representation there exists a danger that paternalistic practices will prevail. Simple social justice requires that all persons have the opportunity to work in ways that express their distinctive capacities for action; that help meet human needs, not just of their own group but of other groups; and that make true contributions to the common good of the human community. Unless we do that, we will have a kind of social apartheid in which Anglo whites are afraid to share power and resources, the kind of situation that prevails in South Africa. The longer this situation continues, the harder it will be to change it.

I think the Rosenberg Foundation is a superb example of philanthropy at its best. A handful of progressive foundations like Rosenberg moved long ago to include minorities as trustees. I was one so honored, and I will always be proud of my association with such a pre-eminent American institution.

Yes, there has been great progress in the quality and quantity of grantmaking that affects minorities and women. But the fact remains that the majority of boards clearly lack the kind of diversity that could further enlarge foundation perceptions about what the 1970 Peterson Commission on Foundations and Private Philanthropy referred to as the "raw surge of American life."

And so I say to you that the future will require that all institutions reexamine themselves and become forerunners, and not laggards, in acknowledging and furthering the dignity and equality of all people and races in American life. Along with utilizing the talents of our diverse population, we must increase support for those programs that nurture a renewal of individual and community self-help. Foundations and other institutions, if they are to be a significant force in bringing about our concept of a democratic society, must continually ask whether they indeed act as flexible and innovative agents for social change, or whether they are counting that problems will be solved eventually through incremental change. Business corporations should also continue to do their part to close the gap between the rhetoric of the American promise and the reality of economic justice for all. We can help corporations understand that in partnership with voluntary nonprofit groups they can be instrumental in creating a new kind of effective citizenship and participation and cooperation to shape the economic and social life of our nation.

I've been intrigued with the question, Why is it that in certain areas of our community life we have had progress, human progress, and progressive advancement for the alleviation of human suffering and for the development of people? I thought about this in relation to this meeting and recalled that we can learn valuable lessons from the Rosenberg Foundation itself. There were times, before farmworkers were organized, that the Rosenberg Foundation brought together growers and those concerned with the issues of farmworkers, just for discussions; there was no set agenda. No major agreements resulted, but one cannot help but feel that there were genuine benefits simply from bringing people together when they needed to be brought together.

I also recall the work of Saul Alinsky and Fred Ross, Sr. for example, who helped to organize Mexican-Americans. They had a tremendous amount to do with developing leadership.

The Rosenberg Foundation, Saul Alinsky, and Fred Ross offer us important examples of how to bring people together for social change and to train leadership in ways that respect the dignity and worth of the individual and the right of communities

for self-determination. We need to learn from the past to help prepare the next generation of leaders. Where will they come from? Maybe they're here in this room. I think each of us can recall the crucial difference made by people who have mentored, encouraged, supported, or in some way helped make it possible for us to do something more with our lives than simply be victims of oppression.

The bottom line for all of this, it seems, is that each of us has a role to play. Given the increased diversity of our population and the presence of culturally and racially diverse people, we must place an emphasis on identifying and encouraging individuals of talent, leadership, and promise and then inspire and motivate them to contribute, not only to the communities from which they spring, but to promote the common good of all humankind.

In conclusion, I thought about how change has come about — the 49er psychology, the industrialization of mining; the new ethics of growth — and I thought to myself, "Is this how we're going to achieve progress in the next fifty years?" What happened to people in the past could well happen to new groups of people. And that would be a waste. Yes, there has been progress, but I hope that the "progress" of the next fifty years will not be as costly to human beings as it has been in the past.

HERMA HILL KAY, Response

Herman Gallegos outlined a goal that I found very intriguing. He said that what we want is not just the old model of assimilation, that what we want is an approach that will allow people to realize their own potential to make distinctive contributions not just to their own ethnic groups or cultural backgrounds but to the broader society, benefitting all of us. I agree that that's the ultimate goal.

What concerns me is that implies the need for a new definition of what constitutes excellence. And I say this in the context, for example, of education. We've made a great commitment to education in California. We've spent a lot of our resources on building a system of higher education that makes free public education available to most Californians. We have the university that's considered the best public university in the country and yet, as we all know, if you look at the people there — the professors, administrators, and, by and large, the students at the University of California — you see primarily reflections of the same people who've been there and been available all along. You see women and minorities coming in very slowly, and that when they come in, their standard of success, of excellence, is how well they adapt to standards for the white male model. Is there a way to use California's universities as a kind of microcosm for sharing power in institutions so that we can recognize a concept of excellence that breaks out of a narrow mold?

J. HERMAN BLAKE, Response

As Dr. Holliday made his presentation, a number of images and ideas came to me that I'd like to share with you. First of all, we do indeed interpret phenomena in terms of our own images as well as our own reality. My remarks now cannot help but be influenced by some of the images I've been dealing with recently and very intensely. It was just this time a year ago that as a result of my work with Save the Children Federation I became deeply involved with famine relief in Ethiopia. I, and others, worked hard to relieve that desperate situation which commanded the attention of the world. In March I'll spend ten days in an area where we've been working with 400,000 Ethiopians, a place where we've been able to reduce the infant mortality rate from about 100 per 1000 to 10 per 1000. A few weeks ago I met with another group to begin providing earthquake relief in Mexico City. As I watched workers bring people out of buildings, I noticed that the people gathered together waiting would all stand with their fingers crossed, making the sign of the cross and praying that the victims were still alive. Then you'd hear the cheers of joy or the cries of sorrow. This morning I spent time on the phone with people on the East Coast putting together a team headed for Colombia, where we are once more faced with tragedy; the death toll from the earthquake now stands at about 25,000.

These images — from Ethiopia, Mexico, and Colombia — haunt me when I think of my experience in California, an experience which has been marked by many of the qualities Professor Holliday mentioned. The thought that came to me was when a friend and I planned to return to California from Chicago. We'd spent some time in Chicago, and we were both coming back because we loved it here. I was on the plane; he wasn't. Just as I thought he'd missed the plane, he showed up. I asked, "What happened?" and he said, "When I arrived they were taking away the jetway, so I came right on down, and I said, 'Put it back. Soul takes precedence over technology.' " In terms of my own experience and the kinds of things I find myself grappling with right now — Mexico City, Colombia, Ethiopia — I keep searching for the kind of technology that will allow our souls to continue to grow and thrive.

As I listened to Professor Holliday's counterpoising Los Angeles and San Francisco, and cities in California to cities in other places, and the comparative images we often use, my thought about California as we look to the future is that this state probably has the potential to provide guidance and leadership to the world, not only to places where there is tragedy and suffering, but also to places where there is great hope and desire, as in Geneva today, because it has the capacity for soul.

I perceived this capacity for soul when I worked with young people from the San Joaquin Valley, young people from the **barrios** of East Los Angeles, young people from San Francisco, young people from Beverly Hills, who came together seeking a philosophy and a strategy for building a future that they knew would be theirs. When one gave them the opportunity to think creatively and worry less about available resources and — what is there for me as compared to what is there for you — they began to develop ideas that enabled them to break through constricting mindsets. These young people became ready not only to grasp the struggle for the rights of women but to recognize it as ultimately not a **woman's** struggle but a **human** struggle. These young people became ready to apply this perception generally, recognizing that what is important is not gender or ethnicity or race but the human soul and how it can be brought forward in its greatest degree.

And so, listening to Professor Holliday and reflecting upon his experience, I would say that while it is true that the future is not what it used to be, my experience in California says that the future is not smog or urban congestion — the future is in the hopefulness of young people, who have an understanding that the twenty-first century is theirs. Our obligation is to inspire them to use their minds in the most creative ways, to transcend whatever selfishness may have been characteristic of us in our grasp for technology, whether as miners or urbanists or farmers, and recognize that technology is secondary to our humanity and must remain so.

As we approach a point in our state — and I can say "our state," because I still consider myself a part of California — where over half of the population will be among those who were formerly considered minorities, California has the opportunity to look to the assets of its soul in terms of immigrants or other groups and to begin to develop a new psychology that derives from that population. Such a psychology is desperately needed, for the world is approaching the point where the "have's" and "have-not's" are more clearly delineated, and the terror that we are able to visit upon one another in international terms, thanks to our technology, means that if our souls do not control the technology, we will have on an international scale the Hatfields versus the McCoys, instead of a world in which people understand that nationality is no longer a viable concept.

If we understand the history of California and draw upon the creative present, it is my conviction that California cannot only serve as a model for the future of the United States, but for the future of the world. It seems to me that what the Rosenberg Foundation has done in the past and will promote in the future offers us an opportunity to help this come to pass.

AMERICAN FAMILIES: NEW CHOICES, NEW CONSTRAINTS

Isabel V. Sawhill

If we could all climb into a time machine and propel ourselves into the year 2000, what kind of a nation would we find? In particular, how would the political, social, economic, and demographic landscape have been affected by intervening trends and events and with what consequences for American families and their children?

Unfortunately, a time machine has not yet been invented, so any attempt to discern tomorrow's landscape must be made from today's armchairs with the assistance of a few existing social science maps. I am going to be bold in my speculations in the hope that this will provoke a more useful debate about the issues. Of course, I may be wrong. Fortunately for me, no one will know **how** wrong for another 15 or 20 years. Then, too, some parts of the forecast are relatively uncontroversial, for they involve nothing other than an examination of the shadow cast by existing demographic realities.

One other preliminary comment is in order. The American landscape is broad and diverse from sea to shining sea and so are the American families who inhabit it. My portrait of this landscape is of necessity both broad-brush and highly selective. Many of you will think of other mountains, trees, and villages — in short, other topics — that should have been included. So I apologize in advance for all of the sins of omission and commission that I am about to commit.

Let's begin with the most solid part of the terrain, and that is demography.

The main facts here are so well known — having been reported countless times in the popular media — that we needn't linger long.

Point one is that the graying of America is underway. The elderly (those over 65) represented 7 percent of the population in 1940, 11 percent in 1980, and are projected to be 13 percent by the year 2000. Female mortality has improved more rapidly than male, so the feminization of the elderly population is also occurring. The imbalance in the sex ratio, together with the tendency of men to marry younger women, means that there are now more than 5 widows for every widower. Whereas in a previous era, these elderly widows often lived with their children, such shared living arrangements are becoming increasingly rare. This is primarily the result of greater affluence, including more generous social security benefits, which allow the elderly to live more independently than formerly. While the value of increased privacy and autonomy for both the older and the younger generation should not be ignored, one wonders if there are not less costly and more humane ways for senior citizens to live. Being totally alone, or else in a nursing home, at the end of one's life is surely a depressing prospect even when it is an economically viable one. Developing a much greater variety of congregate housing arrangements and retirement communities, including more options for those of modest means and those with significant but not severe health problems, would surely improve the quality of life at the turn of the century.

Turning to the nonelderly population, I think there are three trends — the decline in fertility, the increased labor force participation of women, and the growth of single-parent families — that are very likely to continue. The pace of change, however, is likely to slow, for the simple reason that if it did not, at some point early in the next century, 100 percent of all women would be at work, all marriages would end in divorce, and the size of the population would be declining at an alarming rate. Currently, about 70 percent of women between the ages of 20 and 45 are working, about half of all marriages end in divorce, and about one-fifth of all births (and almost three-fifths of births to black women) occur to those who are unmarried. The fertility rate has been below the replacement level since 1973. Our population is growing only because of immigration and recent sharp increases in the number of women of childbearing age.

These trends are not unrelated. Women are working more because they have more employment opportunities and more ability to control the size of their families. But these market opportunities have raised the cost of taking time off to care for children, causing people to opt for smaller families. In addition, the ability to earn a living has made divorce and single parenthood a more feasible or attractive option for women.

The upshot is that the so-called traditional family is becoming a virtual anachronism and is being replaced by a far greater pluralism in living arrangements. In 1984, only 11 percent of all households consisted of married couples in which the wife stayed home to care for one or more minor children. By the year 2000, the number will almost surely be smaller still.

These trends raise a number of issues, some of which are quite familiar to you but no less important for that reason. First, what happens to children in a world where their parents do not have the time to nurture them and where almost half are going to spend some time in a single-parent family? Is this really good for their development, and if not, what are the alternatives? I doubt that the trends we have been discussing are reversible, yet our social institutions have been slow to adjust to the changes that have already taken place. On the other hand, as the pace of change slows, as I predict it will, the change itself should become more digestible. Nor is the picture all bad. By having smaller families, parents are investing more of their available time in each child and, where possible, they are purchasing high-quality market substitutes for their own time. For example, nursery school enrollments have quadrupled in the last dozen years. Moreover, studies of what happens to children with working mothers, or to those with only one parent, have turned up little in the way of adverse effects. Perhaps parents really are coping, or children are even more resilient than we thought. Still, there are some negative findings in the research literature, and there are enough stories about latchkey children, teenage drugs and suicides, and children who spend 60 hours a week watching television to give one pause. We can welcome the greater choices available to adults but still worry about the consequences for children.

Finally, if the decline in fertility rates begins to shrink the size of the U.S. population, one could see a very different set of attitudes emerge both with respect to immigration and such pro-natalist policies as providing children's allowances or outlawing abortion. In another decade, it won't be possible to argue that immi-

grants are taking jobs from Americans, because there won't be many Americans entering the labor market. Rather, concern is likely to shift increasingly to **who** is immigrating into the country and **who** is having children and what this portends for the future composition of the population, its social stability, and its social service needs. While Americans have always been reasonably tolerant of diversity, it would be easy for a new streak of racism or ethnic conflict to emerge in such an environment. We had better be prepared to deal with it, perhaps by emphasizing the positive contributions that such diversity has produced in the past.

I want to turn now from demography to the economy. Long-term forecasts of the economy are notoriously poor, so let me begin by grounding this discussion firmly in the present and in the recent past. As we all know, the economy performed poorly in the 1970s. The inflation-adjusted income of the average family was little higher at the end of the decade than it was at the beginning. Moreover, what improvement occurred was mainly accomplished by sending a second earner into the labor force. So if people had a little more income they also had less time. Similarly, the incidence of poverty, which fell sharply in the 1960s, leveled off in the 1970s.

President Reagan was elected in 1980 with a promise to improve on this record. So far he has not done so. For all of the talk about the vigor of the recent economic recovery, the fact remains that strong recoveries always follow deep recessions. In 1984, according to the Census Bureau, the typical family's inflation-adjusted income was no higher than it had been in 1980 and, indeed, with the exception of the recession years 1981-83, lower than in any year since 1972. So, if it's "morning in America," it's not because people are objectively better off but because they feel better about their lives. Perhaps the President's sunny disposition and optimism about the future are contagious. Whining about one's own situation is **out;** doing something about someone else's situation — the situation of someone less fortunate — is also **out**, and that I find troubling.

This brings me to another aspect of the economic picture and that is, what has been happening to the distribution of income and the incidence of poverty? While the incomes of the most affluent Americans (those in the top one-fifth of the income distribution) increased by 9 percent between 1980 and 1984, the incomes of the least affluent (the bottom one-fifth) declined by 8 percent over this same period. And the proportion of the population that was poor in 1984 stood at 14.4 percent — higher than it was in any year during the 1970s. Two-fifths of those poor were children.

Poverty has increased rapidly in the last five years chiefly as the result of inflation, recession, and reductions in government spending on the poor. It is particularly high among minority children. About two-fifths of all Hispanic children and half of all black children are poor compared to 15 percent of nonminority children. Experts predict that the poverty rate is unlikely to fall again to the level of the 1970s over the remainder of this decade, assuming that we have moderate economic growth, that fiscal constraints make an increase in federal spending on the poor highly unlikely, and that growth in the number of single-parent families continues at current rates.

What can be done to reverse this trend in the absence of a new infusion of federal money? Based on all the evidence I have seen, the most promising strategies would include greater efforts to prevent teenage pregnancies, the collection of more child support from absent fathers, and greater work opportunities for mothers on welfare, including those with young children. I noted with interest the recent decision of the California legislature to enact a statewide workfare program. Certainly the preliminary results from an evaluation of how such a program is working in San Diego look promising. The evidence suggests that welfare recipients are quite willing to work and consider a work requirement entirely fair. Many of them are quite employable and only need a little help in negotiating the labor market. The greatest difficulty will be in finding enough jobs for them and in providing substitute care for their children.

I think providing jobs to welfare mothers has some intangible benefits that may have been overlooked. Research on the consequences of poverty in a country like ours, where even the poor are quite well off in terms of the real necessities of life (such as food, shelter, and health care), shows that having a low income is a psychological problem as much as a physical one. People who are poor do not feel good about themselves and do not feel in control of their environment. They pass on this lack of self-worth and personal efficacy to their children. I suspect that holding a job can change this somewhat, with benefits for both the adults and the children in such families.

So far, I have only touched on the difficult subject of what is likely to happen to the economy and to family economic well-being over the longer-run. Now I want to be bold and address this issue head on, in part because it is critical to the nation's well-being and in part because my colleagues and I at The Urban Institute have done a lot of work on this issue.

Our research suggests that the economy is going to grow, and living standards improve, at a rather slow pace over the next decade or two. The primary reason is — in a word — deficits. Relative to some other nations, Americans do not save a very high proportion of their income, and recently they have been saving even less than usual in spite of new tax incentives that were intended to encourage greater saving. About two-thirds of this saving is being absorbed by the federal government to finance current deficits. This leaves very little for private investment — a major source of productivity, growth, and future improvements in standards of living. So far, investment has not been adversely affected by deficits, because we are importing enough savings from abroad to finance both the deficits and domestic investment. But some portion of our future incomes is going to have to be earmarked to pay the interest on this accumulation of foreign debt. It will be like a new tax that we have not had to bear before, at least in this century. Moreover, if and when foreigners stop sending us their savings, domestic investment will have to be sharply curtailed, with major implications for productivity and growth. In short, we are on a consumption binge now, but we are going to have to pay for it later. Rudy Penner, the Director of the Congressional Budget Office, calls this "fiscal child abuse." It is an apt description and one that is particularly pertinent when thinking about the future of American families. So our economic future does not look very bright from the perspective of 1985. While the average family's income is likely to continue to grow over the next several decades, I predict that it will be at a slower pace than during most of the postwar period.

Finally, let me turn to some of the possible political and social ramifications of the economic and demographic trends we have been discussing.

Put most simply, I think we can no longer look to Washington for solutions to our economic and social problems. It will take years to solve the current fiscal crisis, and there will be no room for new spending on social programs over that period. While taxes could be raised to pay for such initiatives, the public has shown little willingness to pay higher taxes, and any new taxes will probably be dedicated

to reducing existing deficits. Moreover, I think the country's mood is likely to remain somewhat conservative. There could well be a rejection of the current administration's specific policies once people realize the economic damage they have done, but I think the President's basic argument that the federal government is not the solution to all of our problems may have found a receptive audience across the country. Certainly, we are seeing a burst of new activity and leadership at the community level, as local governments and nonprofit organizations attempt to fill the gap left by the federal withdrawal. While there are fiscal constraints for these entities as well, the community-level response to the Reagan retrenchment has been far greater than most of us predicted a few years ago. For example, an increase in private giving and in fees for services has replaced much of the federal money withdrawn from the nonprofit sector. However, the impact has been rather uneven, with organizations supporting cultural activities and health services faring better, for example, than those serving the disadvantaged. What this means, in a nutshell, is that the future lies, more than ever, in the hands of the kinds of people who are assembled here today. Those of you who are community leaders cannot solve the fiscal crisis or end the arms race; at a minimum, these must remain national responsibilities. But you may be called upon increasingly to address other problems. I have touched on several that I believe will loom large in the future: (1) poverty among our children and especially our minority children, and (2) the lack of social support mechanisms for the growing number of older people and for two-earner or single parent families with children. It is a heavy burden to ask you to bear. There are no easy solutions. Resources are scarce, but local creativity is surely needed.

In summary, the American public has made a number of critical choices. They have rejected the traditional family and opted for a much greater pluralism in living arrangements and lifestyles. They have rejected further growth in the centralized welfare state and opted for the greater pluralism of community-level and private sector or individual responses to many social problems. Along with these new choices, America's families face new constraints imposed by shortages of time and shortages of money — the first brought about by the absorption of most prime-age women into the labor force and the second by the failure of the economy to grow as rapidly as it has in the past. Lest I end up sounding too pessimistic, let me note that we have already achieved a level of affluence that is the envy of most of the world and have the talents and resources to do better. So if these are not the best of times, neither are they the worst of times.

Thank you so much for inviting me to be with you today. If I have done no more than provoke your own thinking about the future, I will be quite satisfied, and I look forward to hearing the comments of my fellow panelists.

ANTONIA HERNANDEZ, Response

In listening to the presentation I kept thinking, "All these controversial issues, all these contentious issues are going to impact my interest, my community, the Latino community." In essence, that is really what I foresee for the future of the Latino community. I must confess to you that every time I make a public presentation I have to keep in mind where I am. I was in New Mexico last week, where there is an Hispanic community. The week before I was in Texas, which has a Mexican-American community. I lived for five years in Washington, D.C., where nobody knows us except as Hispanics. When I returned to California recently, I was told that in San Francisco, it's a Latino community. So in this forum I will address the concerns of the Latino community.

In our community the issues of poverty and of the family are inseparable. Dr. Sawhill talked about the rejection by society of some values that in our community are very important. It seems the United States has rejected the traditional family. As you all know, in the Latino community the traditional family is the foundation of our community. Dr. Sawhill rejected the federal government as the source of a solution to our problems just when we were beginning to look to the federal government to provide a remedy and a solution. And then Dr. Sawhill went on to discuss future conflicts. One of the major ones is poverty. As you know, the Latino community is one of the poorest communities in the country.

Dr. Sawhill spoke of the issue of migration, and I will address that a little later on. In this society today, and in the foreseeable future, you will be talking about the migration of brown people — people from Latin America, South America, Central America. If you talk about the issue of change in demography — the aging white society, the majority, and the growth in the minority Latino community — you're talking about conflict of interest. In fact, we are beginning to see this as the majority of society becomes older; their interests no longer coincide with our needs: the need for education, for child care, for the family. So in listening, I said to myself, "My God. The Mexican-American Legal Defense Fund is in for a fight."

I'm very happy to be here today for several reasons. One of them is that it's the first time I've addressed a group of people in the foundation world. It's good to be up here and have you down there, instead of simply coming to you and asking you for money. It also makes me feel good, because I believe that my presence here reflects an awakening in the philanthropic world to the concerns of the Latino community. As you know, a problem we have had in the past is the lack of receptiveness and understanding of our concerns by the philanthropic world. It gives me great pleasure to be able to tell you how important Latino concerns are.

I think the issues that are going to be faced by Latinos here in California are ones our society in general will have to face. They are no longer just Latino issues. The future of California, economic and otherwise, rests upon the majority of society looking at what is happening within the Latino community, within the black community.

I did an analysis of how the changing economy was going to affect the Latino community, and I called it, "The Year 2000." It looks like a very, very dim future for us. The change from an industrial economy into a service, information economy is going to impact everybody adversely but hit Latinos especially hard.

In exploring how I was going to bring my concern for the Latino community to the attention of the corporate community, the philanthropic community, I literally stumbled upon the fact that these communities share a mutual interest: the

future of this economy is going to depend to a large degree on the Latino community, both migrants coming into California and those of us who have been here a long time. No longer can California look away and say that this vital resource is no longer needed. Interestingly enough, the business community is beginning to understand this. They wonder, "Where are we going to get our workers?" One of the interesting statements made by Dr. Sawhill was that in the near future American society will no longer be able to view migration negatively. Migration is and has always been a good thing for California. The fact that society does not want to pay the social consequence is a different story, but, economically, the migration of Mexican people and Latin people into California has been beneficial. Most studies show that if California is to remain a vibrant economy, it will need those migrant workers, those Latino and Mexican workers.

There are many misconceptions about migration. A lot of us think of immigrants as farmworkers, the **braceros.** In reality, 85 percent of migrant undocumented people are urban. These people are providing the labor in many of the industries that make California an economic leader.

What does all this have to do with the family? For an ethnic community, family is vitally important. If we are to leave the spiral of poverty plaguing our community, our only avenue is education. Secondly, the Latino family must be given assistance and support and credibility. Right or wrong, there's been an assumption that the traditional family is no longer valuable or necessary. In fact, in our community it is. Dr. Sawhill spoke of women entering the work force and making a difference. It might be so for some of us who have a choice of whether to work or not, but for the majority of women in the Latino family, working for wages is a necessity, and even then you're still in poverty. We talk about the growing need for and availability of child care for the non-traditional Anglo family. Economic reality precludes our community from providing adequate child care to those forced to work. This is a major problem for women entering an economy by taking a low-paying, repetitive job that doesn't even pay enough to pay for child care. If, at the same time, women are being asked to reject the very values that have served as the foundation of their existence, there is really no choice as to what to do. You talk about the rates of pregnancy, of suicide, of children not having proper child care during the day: these are matters that hit hardest on the poor, on the Latino family. They are issues of great concern to me, to my organization, and I trust, to you.

The problems of the poor, the family needs of the poor, differ from those of the middle class and the affluent. I can afford alternative child care that is adequate; poor people cannot. I can afford to choose between having a career or staying home; poor people in the Latino community cannot.

Finally, I want to speak of certain issues regarding migration that one does not often talk about: the fears, the phobias. Migration has provoked a fear that our society and our culture are going to be changing. In fact, they have changed already. For people to say, "We should do something to prevent it," shows that they are not looking at what is happening today in our society. Take the media. You can hear discussion of immigration and sense fears of Latinos coming, "hordes" of Latinos. The fear of the changing complexion of our society is, among other things, a fear literally of changing the complexion of our society. This is a concern for all of us, because migration is going to play a very important role in our future. The migration of people from the Third World — whether from Asia, Mexico, Central or South America — will continue, regardless of what we do, we must prepare for it. We are going to have to accept it — we have no choice. The

best thing to do is deal with it honestly, forthrightly, and accept the benefits those migrants bring.

As American-Anglo society grows older, who is going to support all those older people if it isn't the work, the resources, of younger people? As indicated, Anglo fertility is dropping. So it is going to be the work and resources of migrants.

Even so, we must change our perception of people coming into our country as just an economic resource. We are not bringing in machines; we are bringing in people, people who are going to remain with us, to **become** "us." It is in our interest to accept those people and to integrate them into our society as soon as possible. The sooner we accept that challenge, the sooner California can lead the way. California has shown this country how we have done it in the past. We can do it in the future; whether we like it or not, we Californians are going to be the guinea pigs.

ROBERT H. MNOOKIN, Response

There's a real sense of continuity here today. It's a wonderful anniversary and wonderful to realize that Mr. Sloss is the third Sloss who has headed this foundation. Mr. May's charming introduction and the renewed commitment of the Rosenberg Foundation make me feel guardedly optimistic, not withstanding the sobering statistics of our speaker, Isabel Sawhill.

The fact that Rosenberg has made it for fifty years and that Mr. May insists that the first fifty are the hardest, reminds me of a story I'm sure you've heard about Molly and Herman Goldberg. Herman was 93, Molly was 90, and Molly filed for divorce. They went before a trial judge who asked the obvious question, "Mrs. Goldberg, you've been married fifty years. I'm sure all marriages have their problems, but why now? Why have you filed for divorce?" And Mrs. Goldberg said, "We were waiting for the children to die." To the credit of the Rosenberg Foundation, at fifty years it's still going strong. Far from waiting for the children to die, they've renewed and refocused their energies once again on children and families and particularly on poor children and families. I commend you on that recommitment.

Now I'd like to make two observations, both of which relate to Isabel Sawhill's very stimulating talk. The first has to do with what I see as a central issue of democratic theory, and the second with a central policy concern, teenage pregnancy.

Let me begin with kind of a high falutin' issue of democratic theory. I'd like to pose the question of who speaks for children? I am troubled, because in a democracy, policy is made by legislators, and I don't think it's any accident that in the last twenty years there has been the most remarkable march out of poverty by the elderly in this country at a time when children, particularly children of the poor, have suffered increasingly. I think this has something to do with democratic theory and demography. The proportion of our population who are elderly is rising, and it's going to continue to rise, and the elderly vote. The proportion of our population who are children is declining and is going to continue to decline. The proportion of our adult population who currently have children who are dependents is shrinking. So, to the extent that parents are speaking for children, they make up a smaller proportion of our population, even before Proposition 13. Indeed, Proposition 13 perhaps reflects this fact to some degree. People who are involved in local educational policy can tell you how tough it was to pass bond issues as the school population shrank. Who speaks for the children, and who's going to speak for the children?

I have a modest proposal, with Swiftian overtones. Imagine a world where we gave the vote to children, too. I don't mean this entirely as a Swiftian notion, but with some seriousness. Suppose children could vote: what would happen? What would be the objections? One objection would be that children are too immature to participate in the political process, that they wouldn't know what their own interests are. Perhaps. I think many teenagers could identify their own interests pretty well. Younger kids — who knows? I know many adults who have some trouble identifying their own interests. I think that a more serious concern might be how they voted. A vote might be too dominated by their parents' attitudes. My response to that would be, that may not be a bad thing. A single mother with three kids would get four votes if her kids followed her instructions at the ballot box. Having a fifteen-year-old and an eighteen-year-old myself, I know it's foolhardy to think

our children will necessarily follow our instructions.

Yet there is a real problem in terms of democratic theory with respect to children, a problem that we haven't focused on, and one exacerbated by the demographic shifts. I do not think the voting age will soon be lowered from eighteen to three or to one. Indeed, part of the problem, particularly with respect to Antonia Hernandez' constituency, is that many adults can't vote either. I found very interesting Ms. Hernandez' point that part of the willingness to accept immigrants must be a willingness to accelerate the pace at which, if they choose, they can become citizens and voters. In the meantime, what to do?

Two points seem important to make. First, I think it is very important for those of us concerned with the interests of children and minorities and families, and particularly poor families, to recognize the obvious, and that is that we're operating in a political environment, in a political community. Given the status of children and minorities, it's probably profoundly important that we build coalitions and try to define both the interests of our constituency and the interests of the broader community.

Second, I think it's critically important, and it's consonant with our being a democracy, that these groups and children have access to lawyers and courts. Courts are in a sense very undemocratic institutions. Judges, federal judges at least, are appointed for life. Given the reality that children, in particular, can't participate in the electoral process, I think it is absolutely essential that we have some non-democratic institutions that can occasionally put a thumb on the scale when the political balance is being struck.

Now let me turn to a very easy problem, that of teenage pregnancy. For the last couple of years I've participated on a panel of the National Academy of Sciences that's been trying to grapple with the problem of adolescent pregnancy and what to do about it. I can assure you I don't know of any silver bullets at all. Nevertheless, I do want to mention what I see as a few promising signs. First, I think the legislation that was strengthened last year in terms of support enforcement is a terribly important step, not only for pregnant teenagers but for divorced women and single women of any age. As a lawyer and as a man, I simply find scandalous the data on the extent to which fathers are not meeting their support obligations after divorce, not to speak of fathers who were never married to the mother of their child. This is an issue that we liberals particularly have ignored for too long, and I believe there are likely to be very promising results of stricter enforcement of support obligations.

It's striking that when one looks at the issue of teenage pregnancy, it is always defined as the young woman's problem. In terms of economics and the long-run consequences, there is considerable truth in defining it that way. There haven't been many studies of unwed fathers and the economic consequences for them. But, at least when I was in high school, it took two to tango, and I think it still does. If you look at the difference in incentive structures for males and females that have occurred in the last twenty years, partly as a result of some good liberal reform — the women's movement and the notion that the decision on abortion is the woman's — I fear that one unintended consequence of the ideology and the rhetoric is that guys feel, "It's your problem, baby — and mother. Contraception is your problem, not my problem." That's got to change. While I hope that stricter support enforcement may make a small difference, I think there should be much more discussion of the role of males in this process and what could be done to change male attitudes and feelings of responsibility towards these children — who are **their** children.

A second essential element in addressing this problem is to improve the job market for young males. One reason a high proportion of pregnant young women who will bear a child do not marry the father is that the young man's prospects in the labor market are often very bleak. Until we can come to grips with improving the job market for young males, I'm not sure we're going to see very radical changes in the proportion of minority children born out-of-wedlock. Otherwise, we're left on the horns of a terrible dilemma. We either provide greater public support of mother and child, thereby allowing conservatives, not without some justification, to claim we are creating greater incentives for more unwed teenagers to bear children. Or, we can refuse to increase that support, and thereby relegate an ever-increasing proportion of children to poverty.

Yet another element of the dilemma has to do with abortion. The hard truth is that abortion has become the primary means of contraception for the youngest group of teenagers. For pregnant teens under sixteen, more than half terminate their pregnancies through abortion. In my view, it would be catastrophic to block their access to abortions. On the other hand, the prevalence of abortion certainly doesn't lessen the social tensions. I don't see any easy answers. Frankly, I do not believe that more contraceptive instructions and a few more clinics on corners are going to make a huge dent in the problem of teenage pregnancy. The evidence we have suggests that younger teens particularly are not very successful with contraception. I don't know how we're going to change that.

The most promising sign I see is that in the communities themselves the issue of adolescent pregnancy has now been identified as centrally important and critical, and people in the community are focusing their attention on it. I think that for change to occur, it's going to have to come from those most directly affected. I don't think that this problem is one that's going to be solved easily by a new federal program. I certainly hope the Rosenberg Foundation continues to support these local efforts. Let me therefore echo Isabel Sawhill's message concerning the importance of nongovernmental players, including foundations.

I want again to wish the Rosenberg Foundation a very happy anniversary. You're not like the Goldbergs: you're sticking it out; you're going to help the children, not wait for them to die.

M. FRANCES VAN LOO, Response

As you can tell from the introduction, I'm normally dealing with students, and although I am in a business school, my specialty has to do with nonprofit organizations. I talk with people who want to learn how to be directors of symphony orchestras or how to become involved with the mentally retarded or how to help people in various different types of organizations that we generally call nonprofits. The keynote address was given by an economist, so I thought it might be useful for me to concentrate on one of the more economic questions that could be raised, in particular, one that links up with my interest in nonprofits. I've had a very distinguished set of predecessors in the area of the law who have had various different areas of expertise, but I thought that what might be helpful is my concentrating on an area a little bit different. In order to do so, I'd like to tell you a bit about nonprofits.

Historically, nonprofit organizations have preceded government in the area of involvement. If you think about our welfare system, you'll know that the Red Cross and church groups and the Salvation Army existed long before we had government programs. If you start thinking about other areas in which the government is now involved, you will realize that usually nonprofits have preceded government involvement. This is not an accident but, in general, reflects the fact that in a democratic society a majority of people must vote positively in order to place an issue into the public arena. And in order to do that, oftentimes we have to identify an issue by having a great many people doing things about particular problems around the country. So, although I'm not particularly happy about what's been happening in the recent past with the decline of federal interest and to some extent state and local interest in some of the problems that concern us, what I'm saying is that it may simply be a fact of life for a while and that, moreover, this is how such matters have usually evolved.

What our true job may be is to identify the problems and find creative solutions for them and then capture the popular imagination, which may be necessary for bringing about greater government involvement. I'm, not necessarily saying that government is always the answer. As an economist, I'm very interested in incentive systems, and government provision may prevent their development. Sometimes it is useful to have many different groups addressing a particular concern; when we must persuade people that it's more important to support our way of solving a particular problem than another group's way of solving it, we end up by finding some highly creative and highly unusual and successful ways of doing things. In the course of our solicitation, we also educate the public.

When I have students come from Europe, I'm struck by the fact that they're intrigued with some of the solutions we've found in areas such as health care, neighborhood clinics, or things that we do in a very different way from their government-supplied counterparts.

Lest I leave you with the impression that I think that nonprofits can provide easy answers to our problems, let me underscore that economic theory also points out that there is a big problem with fundraising, and that, as you all know, there is something known as the "free rider." Generally, a "free rider" is someone who derives a benefit from something without having to pay for it. If we can get something for nothing, many of us choose to do just that. I think of public television stations, such as KQED here in San Francisco, which is watched by many who don't pay for it. I usually ask students to raise their hands to determine what per-

cent of the class is watching and what percent is paying. Free riders are endemic in the area of nonprofits. We enjoy the benefits without contributing. This occurs in areas that may seem remote. Personally, I am **affected** when I see someone walking down the street who is not getting adequate drug rehabilitation. So if I'm not contributing to drug rehabilitation, essentially I'm a free rider on the coattails of people who are contributing. I think some of the areas of nonprofit theory can offer valuable insights about what foundations need to do.

First of all, I think one thing that we can do is to pay very close attention to making people feel more part of the community. I'm not sure how many of you have read Robert Bellah's recent book, **Habits of the Heart: Individuality and Commitment in American Life.** I think it is a very important book, because it stresses the importance of community. I'm a strong believer in the importance of community, because I think that when people feel themselves part of a community, they are more likely to give to organizations that serve the community. There may be no mentally retarded person in my family, but if, in fact, I feel a sense of commonality with a community that includes mentally retarded people, I'm more likely to support the mentally retarded. I'm more likely to care about what's happening to migrant farm workers if I feel part of the community of California, rather than seeing myself as just someone living in an urban part of the Bay Area. So, in this way, I think development of community can be very important. By "community," I have in mind more than just neighborhoods, more even than cities; I have in mind states and nations. When communities define themselves broadly enough, they will contribute the kind of money that's needed to initiate the creative solutions that we economists think are more likely to succeed when they are supported by several different organizations.

The second thing is that we need to pay careful attention to what kind of world we want to have. I was very struck with Antonia's characterization that we are all benefitting from the immigration that's occurring, and that we need to be concerned about what's happening to people who are recent immigrants here, because these people do not just contribute economically but are becoming part of our society. I think we have to pay careful attention to the life experience of teenage pregnancy, including the father, and ask what it means when fathers do not take on parental responsibility? What kind of co-workers do people make when they are not being taught within the family that it's important to take responsibility for their actions? Attitudes about personal responsibility affect the way you work, the way you are with casual friends, the way you are in intimate relationships. So I think that in the proposals that you write, it's important to keep in mind the way you want the world to evolve.

Many of you know that one of the roles that foundations have played in American history has been to target areas of specific concern and lead the way. Part of the job of those of you who write grant proposals is to give foundations the opportunity of funding you. They need creative ideas. You who are out there dealing with specific concerns are oftentimes in the best position of all to come up with some creative solutions, much better off than we in academia or people who typically judge grant proposals. You know the problems; you're very likely to arrive at some of their solutions. And, incidentally, that is what I mean by the notion of trying to see if we can't identify the strengths of having nonprofits solve some of our problems. I wish that we could have more government funding, but if we're not going to have it — and I tend to agree with you, Dr. Sawhill, that we're not — then let's see how creative we can be in writing our grant proposals to try to solve some of these problems.

From watching history and understanding this theory of nonprofits, I have a sense that it's going to be from nonprofits that we're going to get started solving some of these longer-term problems. So I leave you with a real challenge. It is very frustrating not to have a higher level of governmental support for problems so acute — I think this is particularly true for those recent immigrants, the immigrants from Latin America and the immigrants from Asia as well — but also for black Americans who've been here a long time and still live in poverty. So in dealing with these problems I want to emphasize the need for creativity.

CLOSING REMARKS

Lewis H. Butler

This occasion comes round only once every fifty years and, since most of us will not be here for the next one, some things have to be said. To state the obvious, this Foundation exists through and for its grantees, a few of whom we have just honored. (See the Appendix.) If the Foundation has had any success, it's been because of their success and their dedication. But the fact is that we never would have known of or had anything to do with these grantees if it hadn't been for three extraordinary people. In fifty years, just three people have been the link between those grantees and the Foundation. Those three people, with the grantees, are in every sense of the word the history of this Foundation.

The first was Leslie Ganyard. When it was not a common thing to do, she quietly made her way around California looking for exceptional individuals who were doing exceptional things.

Happily, the other two are here. Together they represent almost thirty years of the history of this Foundation. A whole speech could be made and probably ought to be made about each one of them. I thought about doing so. But I wouldn't know where the words are to describe the gratitude, respect, and affection that we feel for them. If I had found the words, I am absolutely sure I never would have been able to get them out standing here in front of all of you. So for those of us who have been honored to serve and who have enjoyed serving as directors of this Foundation, we just want to say simply — thank you, Kirke Wilson and Ruth Chance. There's also a friend of theirs here, who for almost twenty of those years has been their partner and the administrative heart of this Foundation, Betty Bettell.

To summarize the discussion in the small groups today, I think there was not only understanding of but appreciation for the description of the major trends identified by the speakers. Clearly, there are demographic, economic, and social forces that are of a proportion that we're just not used to, and those were described extremely well by the speakers.

There was also an understanding of something else, which in some of the groups came to be called "greed," and an understanding that a lot of the history of California that Jim Holliday described was marked by a big hunk of greed. In some of the groups we began to hear references back to Tocqueville and the time-honored problem of a democracy, of how do you summon enough commitment to a common good to balance the individualism and enterprise and, if you want to use the word, greed, in such a vibrant society?

And so there was a call for community. There was also difficulty in defining

what community means in a place as big as California; what it means even in our cities, which are so diverse; what it means when there's such mobility and transiency. All the dynamism so characteristic of California in a way works against a sense of community.

In one of the sessions there was discussion of the "new polarity," which seemed like a good way to focus on things. From this discussion two different points of view emerged. You could describe them as optimistic and pessimistic, although the more I listened, the more they seemed to me almost identical. My own interpretation, which is probably what I arrived with and not what I heard, is that the optimists are just that; and that the pessimists are also optimists, because otherwise they wouldn't have been doing with their lives what they have been doing, but that they insist on pointing out the enormous obstacles there are now to moving forward. You might call that being realistic.

This discussion of polarity raised the terrible, divisive elements which are real in this society: the conflicting needs — at least from the standpoint of public policy — of the elderly versus the young; the arguments over scarce resources among different groups of the poor that set one group against another; the failures in public policy and the advice that everybody should turn to the private sector for their funds, at which point people are squabbling over what I would describe as crumbs, although I did not hear that word used in the discussion. If you want to think about pessimistic aspects, there was a lot of talk about how difficult it is and will be to carry on if the combination of circumstances described by the major speakers is really accurate and going to be accurate. This includes the problems with the economy and the shrinking pie, the problems stemming from changing family structure, and the problems of an absence of governmental public initiative.

A lot of detail, and wonderfully rich detail, went into these discussions. I might try to sum them up by quoting a member of one of the groups, who said, "The civil rights movement was wonderful. The glorious '60s. We were told we could get up to the lunch counter. Now that we're up there, we don't have the money to buy a hamburger." We heard the statistics on poverty, and I think that there's a lot of truth to them.

On the optimistic side, we have heard from an enormous variety of people, and amazing things are still being done, at the community level, in individual organizations, in some cases against all odds. What we heard — at least what I thought I heard — is that there are many people who know all of this bad news, what some people think is bad "news," but who still show up Monday morning and do what they've always done, which is working for a better society. There was a great deal of talk about making sure that traditions are carried on to the next generations, talk that we were the common worriers of the '60s and talk of the need to rally some common worriers of the '80s. There was talk about leadership for young people, mentors, advisors, examples — I could interject that some of the best examples are sitting in this room. I also heard expressed a great deal of hope that another generation will come along, and generations beyond it, and even if the problems we face are going to be difficult, they are not insurmountable.

Now, just a few final words. We wanted this to be a true celebration, and I hope it has been. We know there are problems. Most of our days we think about them and what to do about them and the new problems which come with the solutions to the old ones. If we need any reminder of how fragile our civilization is, the summit meetings starting tomorrow in Geneva will do well enough.

But at the end of this day I would like to suggest that we permit ourselves to

wallow in optimism. Looking around this room, there is much to be optimistic about. We can at least take time to wonder and marvel at how many women and men give every day so much to this society in ways that no economic theory can ever adequately explain.

Our focus has been a place called California and not just because this is where the Rosenberg Foundation has worked these fifty years and where we are now. The historian Chuck Wallenberg, in writing a usable history for a multicultural state, notes, "California is like the rest of the United States, only more so." California is the ultimate immigrant state, drawing from all the rest, representing all that is best and worst in American life. Earlier, someone referred to Lord James Bryce, who was the British ambassador to the United States around the turn of the century. In 1909, Lord Bryce asked a question which today few even remember. He asked, "What will happen when California is filled with fifty millions of people? . . . The real question will not be about making more wealth or having more people, but whether the people will then be happier or better than they have been hitherto or are to this moment . . . Although that time has not yet come, the time has surely come when you may begin to ask yourselves what are the ultimate aims for which you are working?"

For the past fifty years tens of thousands of people, most of them unheralded, a few of them supported by this Foundation, with their lives have been offering a working answer to that question. By some strange quirk of our minds, the changes they have helped bring about are so profound that we forget it was not always this way. The full list is too long to recite, but we need to remind ourselves of a few things:

Never again will children publicly be niggers, okies, pachooks, or chinks.

Never again will Hispanic children be punished for speaking Spanish in schools.

Never again will children and their parents be sent to internment camps for the crime of being Japanese.

Never again will parents know that their children are barred from birth from certain universities and professions.

Never again will society hide its dirty little secret that children are abused.

Never again will we have workers cross our borders while we pretend that we have no obligation to them.

And on and on.

Now, if Lord Bryce is listening, we're trying to answer his question for the next fifty years. Forces that no one could have predicted are creating in California the world's first multi-cultural modern society. People from almost all the races and cultures in the world have, for the first time, come together in this one place.

And what are our aims? Again tens of thousands of dedicated people, like those here, are living their answer. It is simply this:

Despite vast differences and obstacles, we can create a working society together.

We can have both unity and diversity, both excellence and opportunity.

The American experiment is not over: it is just beginning.

And, finally, this democracy, is more than just a cat fight among competing groups: it is an ideal nurtured by unselfish people.

For its part, the Rosenberg Foundation will go on supporting those unselfish people.

SPEAKERS

J.S. Holliday

J.S. Holliday is Executive Director Emeritus of the California Historical Society. He has also served as Director of the Oakland Museum, Associate Professor of History at San Francisco State University, Assistant Director of the Bancroft Library and Research Fellow at the Henry E. Huntington Library. He is the author of *The World Rushed In: The California Gold Rush Experience.* He is a graduate of Yale University and the University of California, Berkeley.

Isabel V. Sawhill

Isabel V. Sawhill is a senior fellow at The Urban Institute, where she is currently Co-director of the Changing Domestic Priorities Project. She previously served as Director of the National Commission on Employment Policy during the Carter Administration and taught economics at Goucher College. Dr. Sawhill is the co-author of *Economic Policy in the Reagan Years* and co-editor of *The Legacy of Reagonomics: Prospects for Long-Term Growth* and *The Reagan Record: An Assessment of America's Changing Domestic Priorities.* She attended Wellesley College and received a bachelor of arts degree from New York University, where she also earned a Ph.D. in economics.

Lewis H. Butler

Lewis H. Butler is President of California Tomorrow, a non-partisan organization promoting public discussion and action on long-term issues critical to the future of California. He is also Adjunct Professor of Health Policy at the University of California, San Francisco. He previously served as Assistant Secretary for Planning and Evaluation in the U.S. Department of Health, Education, and Welfare, Peace Corps director in Malaysia, and also practiced law in San Francisco. Mr. Butler is a graduate of Princeton University and earned his law degree at Stanford. He is a former President of Rosenberg Foundation and served as Chair of the Foundation's 50th Anniversary Planning Committee.

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Antonia Hernandez
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Robert H. Mnookin
Professor of Law, Stanford University

M. Frances Van Loo
Associate Professor, Schools of Business Administration, University of California, Berkeley

RECOGNITION FOR LIVES OF SERVICE

As a grant-making private foundation, Rosenberg Foundation is dependent on the vision, creativity and commitment of those people who lead the private and public organizations of California. At the 50th Anniversary Convocation, the directors of the Foundation acknowledged the contribution of these leaders over the past 50 years and recognized five distinguished Californians whose lives of service have enriched the lives of children and families in California.

Max Cochran

During his long career as a school administrator in Tulare County, Max Cochran has been an innovator and an education leader. In the 1950s, he established pioneering education programs for Spanish-speaking children and emotionally-disturbed children. He was a leader in organizing a county-wide outdoor education program in the 1950s and a pre-school program for disadvantaged children in the early 1960s. He also promoted wider-horizons programs for rural children as well as rural school administrators and created opportunities for teachers from minority groups to become school administrators.

Ernesto Galarza

The late Ernesto Galarza has been an inspiration to young people for more than fifty years. He was born in Mexico and raised in a farm worker family in the United States. He earned degrees at Occidental College, Stanford University and Columbia University before becoming an international educator, a farm labor union leader and the author of books on Latin America and farm labor issues in the United States as well as stories and poetry for children in Spanish and English.

Bard McAllister

As Farm Labor Secretary of the American Friends Service Committee, Bard McAllister began community organizing work with San Joaquin Valley farm workers in 1955. His patience and creativity contributed to the development of self-help housing for low-income families, the creation of water systems for rural communities and the improvement of conditions for farm workers.

Edwin "Red" Stephenson

Unemployment, housing, education and discrimination were severe problems in the North Richmond community in 1948 when Red Stephenson began work there as a representative of the American Friends Service Committee. He assisted community leaders to establish North Richmond Neighborhood House, which later selected him as Executive Director. During his thirteen years as director, he developed after-school study halls to improve education, youth activities to reduce delinquency and gang violence, on-the-job training for young people, a nursery school, a community newspaper, and other programs.

Florence Wyckoff

While working for the State Relief Administration in the 1930s, Florence Wyckoff learned first hand the living conditions of farm worker families in rural California. After World War II, she was appointed to the Governor's Advisory Committee on Children and Youth where she investigated conditions of children in rural areas and helped establish clinics and other programs for children of migrant farm workers. As a result of her leadership, there are now health clinics for migrant farm workers throughout the United States.

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ROSENBERG FOUNDATION

Rosenberg Foundation was established in 1935 by a group of relatives and business associates who were designated as trustees in the will of Max L. Rosenberg. Mr. Rosenberg, a San Francisco businessman and philanthropist who died in 1931, was the president and major shareholder of Rosenberg Brothers & Co., the firm he and his brothers Abraham and Adolph had formed in 1893 to pack and ship dried fruit from California. The company prospered and became the largest concern of its kind in the world with packing houses and mills throughout the agricultural areas of California and Oregon and sales offices in 65 foreign countries.

In his will, Max Rosenberg left the bulk of his estate to establish a foundation with broad charitable purposes and wide latitude in how the foundation might be operated. As the Foundation later explained in its 1937-1946 report *Ten Years of Community Service:*

> No pattern was laid down in advance for the type of grants which the Foundation should make. The greatest influences on the direction of its interest have, therefore, been an early interest in the agricultural areas of the state, the character and diversity of the population of California, the impact of national events within the state . . .

In late 1936, the new foundation opened an office in San Francisco, hired its first staff and began making grants. In 1938, Rosenberg Foundation published the first report of its activities and began to diversify the composition of its board of directors. By the end of World War II, the Foundation had started the process that led to the sale of the company and the diversification of the Foundation's investments.

Although the directors of the Foundation had wide discretion in the types of programs they might support, they quickly recognized that they would have to focus their grantmaking in a limited number of fields to be effective. The Foundation's early grants were concentrated in the fields of public health, inter-group relations, education and community planning. In each of these fields, the Foundation had a particular interest in the rural areas of California and the children of California. The end of World War II provided the directors of the Foundation an opportunity to review the work of the Foundation during its first decade and to plan the Foundation's program in the context of the changing circumstances of the postwar period.

The results of the 1946 review have guided the Foundation to present day.

Although the specific program priorities have shifted over the years as needs and opportunities have changed, the basic commitment to innovation and to the children and families of California has continued. This singular social role of private foundations as a source of support for the testing of new ideas is summarized in the Foundation's 1937-1946 report:

> Perhaps the greatest benefit of foundation funds is that they are free and unencumbered; they can be used in uncharted fields which do not conform to predetermined regulations. Because of this, a foundation can support exploratory ventures which individuals in other types of organizations may dream of but be unable to undertake. It can enable innovators to demonstrate to their constituency or budget group the validity of an idea . . . Judicious grants of free money can give persons or groups with creative imagination, with courage and well thought out ideas an opportunity to experiment.

Over the past fifty years, many of the issues have shifted and new methods of bringing about change have evolved, but the need and opportunity for innovation continue. Rosenberg Foundation has had the privilege of assisting a large number of gifted women and men who have had the creative imagination, courage and commitment to improve conditions in California.

BOARD OF DIRECTORS

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Peter E. Haas	1969-1983	1981-1983
William M. Roth	1970-1977	
Herman E. Gallegos	1973-1979	
Jing Lyman	1973-1980	
Norvel Smith	1974-	1983-1985
Marguerite S. Lederberg, M.D.	1975-1978	
William R. Kimball	1977-1985	
Peter F. Sloss	1977-	1985-1987
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STAFF

Leslie W. Ganyard,* Executive Director, 1936-1958
Constance Cavender, Administrative Assistant, 1945-1947
Elsie Gardner Single, Administrative Assistant, 1947-1948
Claire Davis, Administrative Assistant, 1948-1966
Mabel L. Ellsworth Muller, Assistant Director, 1955-1959
Ruth C. Chance, Executive Director, 1958-1974
Evelyn Stewart,* Staff Assistant, 1963-1964
Betty L. Bettell, Administrative Assistant, 1967-present
Kirke P. Wilson, Executive Director, 1974-present
Heidi Harris, Summer Intern, 1982
Catherine W. Kulka, 50th Anniversary Coordinator, 1985
Anne Knight, Editor, 50th Anniversary Report

MAJOR DONORS

Estate of Max L. Rosenberg	1935
Estate of Walter Rothchild	1938
Robert A. McDonald	1945
Estate of Charlotte Mack	1970
Adolph Rosenberg Trust Fund	1978
Eleanor F. Sloss Trust	1979
Estate of Zulman H. Goldenberg	1981

*deceased