Geiger provides a detailed, authoritative account of how a small group of universities were able to sustain a long struggle and to impose their vision of cognitive rationality as an end and research as the means. The original founder members of the American Association of Universities, plus Illinois, Minnesota, and M.I.T., were early in the game and they still today remain the central players. They triumphed through strategies of decentralization, compartmentalization, and professionalization. Graduate students played the role that Karl Marx elsewhere assigned to the reserve army of the unemployed. Certain visionary leaders in private foundations (Beardsley Ruml, Warren Weaver) came to see that the universities were their natural allies in fostering an ideology of research.

In telling his story, Geiger is able to draw on the numerous specialist studies of scholars such as Daniel J. Kevles, Robert E. Kohler, and John W. Servos. He weaves their accounts in a richly detailed, convincing tapestry. Yet in the end his story is stronger on the how than on the why of what happened. Perhaps this was inevitable in a pioneering text. A comparison of American with British, French, and German experience might have proved illuminating. Only in the United States did a system of laissez-faire funding so ruthlessly condition the struggle for resources in a massive market place. Only in the United States was the individual professor able to translate his own competitive advantage in research into facilities, funds, and students in a way that fostered the emergence of a flexible, kaleidoscopic national system of research universities. Those universities in turn were able to nourish coherence in their local communities even as they became ever more deeply committed to the cosmopolitan, fragmented, transitory nature of modern knowledge.

The story is rich in its texture, and in its implications. One longs for a second volume to carry the story through the great transformation wrought by federal funds between 1940 and 1980. Only when both these volumes are on the shelves shall we understand the context of that third volume, for which we all now write the source materials through our daily commitment to live the life of research. But, for now, Geiger's story must suffice, and we are all in his debt.

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Philanthropic Institutions

The Nonprofit Sector. A Research Handbook. WALTER W. POWELL, Ed. Yale University Press, New Haven, CT, 1987. xiv, 464 pp., illus. $45.

As the subtitle of this work on the subject might suggest, the study of philanthropic enterprises has grown so complex that one now needs to be guided through it. Government policy has made it necessary to be much clearer about what can be justified as a charitable act. In particular, the Tax Act of 1969 necessitated a rethinking of foundation policy. But there are other, related reasons that are perhaps more interesting.

In the 1970s the report of the Commission on Private Philanthropy and Public Needs (Filer Commission), a privately funded study of the philanthropic sector that had its own rather special relation to government policy-makers, opened up philanthropy to economic analysis on a scale never before attempted. What was virtually a new field of study began to transform the literature about foundations. For better or for worse professional economists discovered philanthropy and saw that it was good.

The Reagan administration's opening appeal to philanthropy to "take up the slack" as government support declined produced a puzzled embarrassment on the part of both traditional philanthropists and the new corporate grantmakers, who had for more than two decades been watching government involve itself in a multitude of old and new enterprises on a scale private philanthropy could not dare to match. The Reagan appeal reinforced a challenge posed by the Filer Commission's analysis and touched the wellsprings of the new privatization that that commission's report had sought to reach in the nation's business and industrial community. For a moment foundation managers and private philanthropists stood like naked emperors.

In subsequent years the representatives of philanthropy covered themselves once again with privacy, but of a new order. They set about collecting information about themselves and analyzing it to see what in fact they were doing and to justify it. Neither has been easy; and it is to their credit that they have refused to stop at the barriers traditional defenders of privacy have erected against investigation. For philanthropy in most of its forms involves public action and public choices about what is good and useful. However private the resources and their management may be, the effects of philanthropy have traditionally changed public perceptions of the quality of life.

Philanthropy is and has always been a private intervention in areas we would now regard as the domain of public policy. In the once innumerable areas in which there was no public intervention, philanthropy provided a service that was, in its way, essential; but in recent years the expansion of government intervention has put private and public on courses that have been at best mutually supportive, but also intersecting in ways that suggest the possibility of collision.

Philanthropy has increasingly needed advocates to defend it against its critics in and out of government, to encourage the growth and continuity of the philanthropic process, and to provide guidelines that would make self-regulation possible. Part of that advocacy resides in the very term "nonprofit organization," since it substitutes for the implication of charity that "philanthropy" carries an organizational conception modeled on business enterprise, which is presumably efficient, subject to cost-accounting standards of performance and principles of effective management. The only difference between a profit-making agency and a non-profit thus becomes the profit. We assume, in a hidden pejorative, that by removing the profit we enhance either the public character of the benefit or its inefficiency.

The use of the term "research" as an umbrella that would cover the various aspects of advocacy without drawing critical attention to the process has been a stroke of genius. Both the Council on Foundations and Independent Sector have bodies devoted to research, and since 1978 some of the major foundations have funded a Program on Non-Profit Organizations at Yale. By far the most distinguished philanthropy think tank, PONPO has been responsible for gathering together a wide range of scholars whose purposes are more objective than any of the philanthropic world's internal bodies could afford to be, although committed still to arguing the fundamental effectiveness of philanthropy.

The book under review is a product of PONPO, and a useful one. The information it provides is new and important, even though it is distributed among an uneven collection of two dozen reviews. In a sense the book is unusual for anything that carries that title of "Handbook." Much of the information one would like to have either is not systematically collected by anyone or is not made available by its collectors. But by constructing a systematic framework and asking analytic questions within it the creators of the volume do a service to future research. The outline—and it is impressive in scope and comprehensiveness—is here. Future researchers will be grateful; but they

may want to ask whether the attempt to treat in a unified manner such a broad range of enterprises as is covered by the phrase "non-profit organization" is appropriate. For the concept encompasses many variations, from highly organized foundations devoted to specific areas of involvement to the multitude of religious, medical, and social service groups that continue to dot this diverse and multi-service country. Philanthropy is often governed by regional practices, local elites, and ethnic habits set a century or more ago. A single rubric may fit only the less interesting and less significant aspects of the process.

The best chapters in this handbook are those that lay out the basic data that have been collected and the principles governing their presentation. The legal materials are helpful and insightful, as are the historical overview and several of the economic pieces. Less is done with the relation between public and private institutions, although enough to whet one's appetite and to suggest future inquiries that would be useful. The questions asked and answered least well are those raised by the consideration of charitable activities in other countries that occupies the last section of the book. The major essay there is so badly written and poorly argued as to seem a parody of the language and methodology of the social sciences. Yet the topic of the section is one of the key topics, if only the question were put usefully and discussed more effectively. Why, one wants to ask, do Americans accept and defend this bifurcated system of social policy planning and service delivery when citizens of other nations make clearer distinctions between the services the state will provide and those individuals will provide for themselves? The intermediary philanthropic institutions appear to be an American anomaly. Why should this be? Why are they being defended? Why do they move in and out of public focus?

Part of the problem, I am convinced, comes from the very concept of not-for-profit and the view of such organizations as constituting a third or independent sector in a society supposedly divided normally between institutions organized for the purposes of making profits and tax-funded public institutions committed to providing public services. Third-sector or independent-sector organizations are organizations that provide public services that could be supported by public money, and indeed, as this book makes clear, in many instances it is public money that third-sector agencies distribute. The latter point is important. In the years before professional standing and all its consequences became important, the line between public and private had little meaning in local government, where citizens moved in and out of service agencies as volunteers. In the first part of this century federal agencies partook of the same ambiguity for many of the same reasons, even through the New Deal. Philanthropists funded staffing for government agencies, even took the responsibility of running them when that was appropriate.

Today one can still point to organizations that cross lines, as is recognized in this volume. Hospitals are probably the oldest and represent the most complex of interests, given that some are public institutions, some private, non-profit funded and run by religious organizations, some private and profitable, some associated with universities and therefore a mixture of private and profitable as well as philanthropic. There are debates today over the possibility of running profitable private schools, even profitable prisons. The setting up of the government corporations that run the nation's railroads and its post office was the product of a similar—and continuing—set of debates.

The book is conveniently organized by topic. The opening "overview" section contains not only an excellent historical overview but considerations of economic and political theories that relate to the topic and of the scope and dimensions of non-profit activity. Part 2 covers the relation of non-profits to the state and private enterprise, part 3 their organization and management, part 4 their functions, part 5 their sources of support, and part 6 comparative (cross-national) perspectives. Some contributions are weaker than others, as may be inevitable, but their weakness seems especially sad here, given that the book represents a decade of effort to which, one presumes, significant resources have been devoted.

Yet it is that effort itself that needs to be questioned, not in criticism but to raise the questions the book itself does not. For the book serves a purpose, as does PONPO, and not a bad purpose. Arguments in favor of non-profits should not be elusive and their defense not difficult; but like all defenses this one will get its richest meaning in an understanding of the alternatives it represents and the range of choices from among which it makes its recommendation.

What I am suggesting is that the language we use to discuss these organizations is of our own devising and not necessarily precisely representative of reality. Some of that language obscures relationships that have always existed and that raise questions about the degree of separation there really is between public and private. After all, to the extent that the funding involved in philanthropy is private it comes from profitable enterprises, either of the donors themselves or, in the case of foundations, their investment counsel. Private enterprise is essential to the philanthropic engagement, and that is strictly for profit.

The creation of a sanitary language designating a third or independent sector invites criticism by its very subterfuge. The reality is by far more interesting. This is a capitalist society and a startlingly successful one, given the criticisms that have been made of it and the toe-in-the-dirt embarrassment with which even some of its defenders have faced the necessity of defense. It has found ways of returning significant resources to maintain the present and to stimulate a better future. The fact that Americans by and large do not choose to do this through government and taxation is important, as is the energy devoted by those who organize and maintain PONPO to provide analytic study and justification. A clearer statement of what is being done and why might be just as useful as the excellent body of material presented here.

It might also make it easier for those who are being asked to defend so complex a system to defend it openly and enthusiastically, as participants in a complex social and economic form of behavior that serves useful purposes. As such it needs both defense and criticism, in equal measure. A book like this can provide only one side.

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A Federal Enterprise

Inventing the NIH. Federal Biomedical Research Policy, 1887–1937. VICTORIA A. HARDEN. Johns Hopkins University Press, Baltimore, MD, 1986. xiv, 274 pp., illus. $32.50.

The National Institutes of Health dwell like a behemoth at the heart of the federal institutional landscape, influencing not only the direction of biomedical research in the United States but the very conceptions of disease and well-being. Yet most people know little about their origins or the lengthy struggles over public health that conditioned their emergence. With the publication of Victoria Harden's history of the first 50 years, we now know a bit more.

Harden begins with the establishment in 1887 of the Hygienic Laboratory at the Marine Hospital on Staten Island. Consisting of a single room equipped at the cost of several hundred dollars, the laboratory stretched the long-standing mission of the Marine Hospital Service to provide medical