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## Reagan Administration: Funding Cuts News Articles (1981-1982): News Article 61

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# Independent Corporation Weighed as Arts Agency

By GRACE GLUECK

A plan to replace the National Endowment for the Arts and the National Endowment for the Humanities with an independent agency similar to the Corporation for Public Broadcasting has been under discussion among White House officials. The idea, which stresses private support for the arts, comes in the wake of the Reagan Administration's proposal to cut the budgets of the Endowments by 50 per cent next year, and is still only in the talking stage.

Aram Bakshian Jr., special assistant to the President in the Office of Public Liaison, in the areas of arts, humanities, education and culture, said yesterday, "It's my understanding that there has been some informal discussion of the idea, but there's no hard, fixed policy proposal."

And Robert S. Carter, head of a pre-election Reagan transition committee to evaluate the arts endowment, acknowledges that there have been "informal" conversations on the subject, but says that there has been no consideration of making such a proposal to Congress, which would have to pass enabling legislation. "We think that Congress will carry through our proposal for a 50 percent budget cut, and the eventual establishment of a \$100 million annual cap for the Endowments," he says.

## A Study May Be Coming

Other Washington officials, who have heard versions of the discussions but would not comment for the record, say that the Administration talks have centered on the notion of appointing a task force in May to study the structure and function of the two Endowments. What the task force would primarily consider, however, for recommendation to Congress in the fall, would be the setting up of a private nonprofit organization similar to the Corporation for Public Broadcasting. It would receive Federal and private support, as does the Corporation for Public Broadcasting, to administer arts and humanities funding.

Neither Mr. Bakshian nor Mr. Carter would discuss the purpose of such a move, but various motives have been attributed to the Administration. The Reagan Administration is known to believe that under the Carter regime, the Endowments had become highly "politicized." An arts corporation would presumably be run by a Presidentially appointed board of directors, each serving a six-year term, who in turn would designate a chairman from among their ranks. This differs from the Endowment structures in that their chairmen are appointed by the President, and they have advisory councils of Presidential appointees, each named for a six-year term.

## Another View of Insulation

In addition, unlike the Endowments, which are financed annually by Congress, the Corporation for Public Broadcasting is financed by Congress on a two-year basis. For these reasons, proponents of the corporation idea believe that arts financing would be more

insulated from political interference under the structure of a corporation.

However, the members of the Endowments' advisory councils are also appointed for six-year terms by the President, so the case could be made, say those who favor retaining the Endowment structures, that a board of directors appointed by the President, and reappointed from time to time as their terms expire, has no more insulation from the political process than an advisory group of private citizens and a chairman appointed by the President. And as for the two-year financing basis, the same set-up could be established by Congress for the Endowments.

Another purpose for restructuring the Endowments as a corporation might be to attract more private money. Those who favor the establishment of an Arts and Humanities Corporation point to the \$150-million recently given by Walter Annenberg, a Reagan supporter and head of a publishing empire, to the Corporation for Public Broadcasting. But others say that the Endowments as they now exist are set up to receive private financing through Treasury Fund and Challenge Grant Programs, which have brought in millions of dollars from private organizations.

Dissolution of the two Endowments, a procedure that would require action by Congress, would also allow the Reagan Administration to get rid, in one fell swoop, of programs and personnel — such as the Expansion Arts Program, which finances projects for minority, blue collar, rural and low income communities — that are distasteful to it, a possible third motive.

## Not Entirely Opposed

The corporation suggestion has by no means aroused universal disfavor among arts officials. "I kind of think it would work," says William Eels, a member of the National Council on the Arts, overseeing body for the arts endowment, who is Midwest Regional Manager, North American Governmental Affairs, for the Ford Motor Company. "It's worked for public broadcasting. If this is a way we can bring increased attention to the need for arts funding, why not?" And Henry Geldzahler, New York City's Commissioner of Cultural Affairs, said: "I'd like to see it at least debated. Anything is better than halving the Endowments."

But others cite such dangers as the possibility of the Federal Government's shedding its responsibility for the arts. "If such a corporation were set up, it would make it easy for the Government to get out of the arts-funding business, and put the corporation in competition with other agencies looking for money," said a Washington official who does not favor the idea.

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