
PATHOLOGICAL NARCISSISM AND PHILANTHROPY: AN EXAMINATION OF THE FOUNDATIONAL ASSUMPTIONS OF PHILANTHROPY

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ABSTRACT

PHILANTHROPY IS A SOCIAL CONSTRUCT THAT HAS INDIVIDUAL AND COLLECTIVE meanings demonstrated through such activities as making donations to philanthropic/charitable organizations or directly to individuals in need. Philanthropy is common ground for both the personal beliefs and behaviours of the individual and for social structures such as incorporated charities and nonprofit organizations. Philanthropy is believed to be a social “good.” With contemporary philanthropy being a simple financial transaction between donor and recipient, the ethical values supporting the notion of “good” are gone. The article draws on the philosophy of Hobbes, psychoanalysis, and hermeneutic theory to raise important questions about the foundational assumptions of philanthropy. It looks to trace philanthropy by starting at American Romantics Ralph Waldo Emerson and Henry David Thoreau who reacted strongly against the philanthropy of their day. To understand their concerns, the article travels back to Thomas Hobbes’ notion of the commonwealth and social contracts. Of topical interest is that the dominant language of the “contract” in the economic universe is the language of a pathological narcissist. The social consequences that arise when philanthropy becomes narcissism are identified by examining scientific philanthropy and individuals considered “great” philanthropists such as John D. Rockefeller.

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INTRODUCTION

The term “philanthropy” is a common part of conversation in and about the nonprofit sector, as if in using the term all are in agreement as to its meaning. But is this true – is there a clear meaning of philanthropy? More pointedly, what is the contemporary sense of philanthropy?

Sal Alaimo (2012) from the School of Public, Nonprofit, and Health Administration at Grand Valley State University, Michigan has been working on a project to document how Americans – on the street, in nonprofit organizations, and in academia – perceive “philanthropy.” The conversations in the documentary make it clear that philanthropy is an “evolving and largely misunderstood topic” (para 1). Many did not know what it was, while others said that it had to do with giving money or time. Alaimo’s project draws attention to something about philanthropy that is always and already present (Gadamer, 1990): that although the word philanthropy has been with us for millennia, what it means is not readily apparent. Furthermore, that the behaviours of a person arising from

a philanthropic motivation vary widely depending on what definition he or she uses at a particular moment. How philanthropy is understood is important because in Canada alone, philanthropy – cast to include all charitable activity – generates nearly \$200 billion in revenues (Canada Revenue Agency, personal communication, February, 2011) and millions of hours of volunteer effort.

Eugene Miller (2006) states that “clear thinking about philanthropy requires us to define it,” and that “any proper definition ... must pay attention to how the term ‘philanthropy’ has been applied in practice” (p. 52). Marty Sulek (2010) begins his examination of the history of the term “philanthropy” with the observation that, “[p]roper definitions are critically important to the analysis and expression of ideas, for meaning assigned to words fundamentally shape and direct the path of discourse” (p. 193). Sulek notes two patterns, “the receding relevance of the literal meaning of philanthropy – as the love of humankind – to its common usage” and “the shift from philanthropy being a *motivator* of benevolence to signifying *acts* of benevolence themselves” (p. 199). The “common usage” derives from Salamon who defines philanthropy as, “the private giving of time or valuables (money, security, property) for public purposes” (Salamon, 1992, p. 10). In other words, philanthropy has lost its ethical content of benevolence and is reduced to, “one form of income of private non-profit organizations” (Salamon, 1992, p. 10). When the ethical content of philanthropy is no longer part of the meaning of philanthropy, what remains is the instrumentality of a financial transaction. The transfer of money without concern to how the money was generated (e.g., does it matter whether the money came through corrupt or legal business practices?) or to whether the funds actually produce a true “good” in society, falls short of the lofty values often believed to be inherent in acts of benevolence. The general belief that philanthropy has to do with benevolence rubs up against the reality that philanthropy is now focused on the mechanics of financial transactions. It is this reality that philanthropy has evolved into something other than what it is popularly believed to be that is the focus of this article. Specifically, I will explore how we got here and what happens when philanthropy has been emptied of ethical content.

It seems to me that the significance of Sulek’s project is to unveil the more delicate historical threads of meaning from the distant past to the present with a hope of recovering that which has been lost, namely the ethical and moral dimensions of meaning. As Wittgenstein (1953) noted, “the meaning of a word is its use in the language,” (p. 20) meaning that as language changes so may the meanings of words. The etymology of philanthropy makes this abundantly clear – from the ancient Greek meaning of “love and justice towards men” (Campbell, 1894) or from the Hellenistic Greek, “love of God for humanity” (Oxford English Dictionary, 2006)¹ to the contemporary meanings of “practical benevolence... expressed by the generous donation of money to good causes” (Oxford English Dictionary, 2006) or an “action, movement, or agency; a charity” (Oxford English Dictionary, 2006) or “one form of income” (Salamon, 1992, p. 10).

For philanthropy, meaning emerges similarly to the way a thread is created – by twisting “fibre on fibre ... [a]nd the strength of the thread does not reside in the fact that some one fibre runs through its whole length, but in the overlapping of many fibres” (Wittgenstein, 1953, p. 32). Each of the meanings of the word philanthropy is a fibre. There is no perfect definition in whose clarity there is no further need for discussion or debate. Philanthropy’s many fibres – some of which are beyond contemporary recognition – have “family

resemblances” that are “always and already” (Gadamer, 1990, p. 305) present: “historical consciousness is itself situated in the web of historical effects” (Gadamer, 1990, p. 300). To understand and appreciate how we now understand philanthropy, I want to make transparent the additional fibres and many threads that come together to make up the fabric we call “philanthropy,” and to suggest how this term is situated in that “web of historical effects.” Given at least one example of what happens when people and organizations act solely on the transactional definition of philanthropy – making a private donation of money to a charity – there is an opportunity to reflect on the consequences of philanthropy cleansed of its moral and ethical content.

I will present three threads in the fabric of philanthropy that demonstrate that the lapse of an historical memory, when it comes to philanthropy, is deeply problematic. The first thread examines two luminaries from the American Romantic period and how they saw philanthropy. The second thread examines the psychology behind the ideas of a market economy and the contract specifically, rooted in the philosophy of Hobbes. The third thread is a case study of the transactional philanthropy of J. D. Rockefeller and the pathological narcissism he represents.

THE WEB OF HISTORICAL EFFECTS

Gadamer’s notion of the “web of historical effects” derives from his use of the hermeneutic circle, a process where the understanding of the parts of a text takes place in relationship with the whole and the understanding of the whole text occurs through an understanding of its parts. For Gadamer, this process has ethical implications of a living relationship between the interpreter and the text (Barth, 2003, p. 416). The web of historical effects is a means by which a work from the past, such as Shakespeare’s *Hamlet*, can continue to be read or presented at any time with relevance to the audience of that time, although each audience may have different interpretations of what is meant by the play. In this sense, the threads of meaning add together over time with the effect that a text like *Hamlet* can mean more than it did when it was first penned. Framed another way, for a contemporary audience to believe that the meaning it finds in *Hamlet* is the only meaning is to disregard – a kind of ethical breach – the rich history of other meanings that taken alone and together in relation to the whole work, are a living relationship between the work (the text) and the audience (the interpreter).

Similarly, the meanings associated with philanthropy have varied over a history spanning from the ancient Greeks to the present day. While there is an inclination to believe that the current definition is what philanthropy *really* means, in fact the older meanings continue to be part of the thread that traces back in time. Even in the present, subtle changes such as that brought about by Salamon, hide the historic benevolence associated with philanthropy while highlighting the mechanics of a financial transaction. Given that meanings evolve with changing audiences and interpreters, there cannot be an expectation of pinning down one final and unchangeable meaning. That evolution of meaning is not really the problem that I want to explore. What is of concern is that popular discourse (e.g., the discourse of fundraisers and of investment bankers) that presents philanthropy as *only* a financial transaction. This discourse does not consider the consequences of acting on philanthropy as a financial transaction.

How might one start thinking about what philanthropy means? The online Oxford English Dictionary (OED) (2010) gives two general definitions of philanthropy:

1. a. Love of mankind; the disposition or active effort to promote the happiness and wellbeing of others; practical benevolence, now esp. as expressed by the generous donation of money to good causes.
b. The love of God for humanity. Now *rare*.
2. A philanthropic action, movement, or agency; a charity. Chiefly in *pl*.

Both definitions, but especially the first that relates to “practical benevolence” demonstrated through the making of financial donations, are familiar. They have “family resemblances” (Wittgenstein, 1953, p. 32) to our contemporary experiences with philanthropy. Indeed, the subtle difference between the two definitions is often overlooked since the donation of money as practical benevolence is also a kind of philanthropic action. Furthermore, charity – as both benevolent motive and an organizational form – elicits a common if circular rationale for determining a “good cause,” i.e., a charity is a good cause because it has benevolent motives and conversely if it has benevolent motives and is a good cause it must be a charity.

The OED is a wonderful resource because it provides examples of the use of the word philanthropy in texts at various times in history. For our exploration, this is helpful because we can see that in the mid-1800s two American luminaries were clearly concerned with the shift in the meaning of philanthropy that was taking place in the United States. Under the second definition (philanthropy as action, movement, agency; a charity) are two quotations that counter the association of benevolence and the good cause with charity.

Ralph Waldo Emerson delivered a lecture at the Masonic Temple in Boston in January 1842 titled *The Transcendentalist*, and concluded, “The philanthropies and charities have a certain air of quackery” (Emerson, 1842, para. 21). In the lecture, Emerson sets forth the basic architecture of transcendentalism premised on the idealism of German philosopher Immanuel Kant.² Educated at Harvard, Emerson was one of a generation of well-educated people mostly in and around Boston who were seeking literary independence from Europe. American versions of new kinds of poetry, philosophy, and literature were being created during the Romantic period in Western Europe. Thinkers like Emerson, and as we shall see, Henry David Thoreau, gave a unique character to the resistance against the social and political norms associated with the Enlightenment and the scientific rationalization of nature.³ Part of the resistance was a direct challenge to “fundamental institutions” (e.g., charities) and their “cause” Emerson’s thoughts are unambiguous when he says

Each ‘Cause,’ as it is called ... becomes speedily a little shop, where the article, let it have been at first never so subtle and ethereal, is now made up into portable and convenient cakes, and retailed in small quantities to suit purchasers. You make very free use of these words ‘great and ‘holy,’ but few things appear to them such. Few persons have any magnificence of nature to inspire enthusiasm, and the philanthropies and charities have a certain air of quackery. (Emerson, 1842, para. 21)

Henry David Thoreau (1817–1862), a contemporary of Emerson's, and like him, a leading transcendentalist provides a similarly strong challenge to philanthropy or charity as a good thing. He wrote in his *Walden* in the section titled "Economy" that, "if you should ever be betrayed into any of these philanthropies, do not let your left hand know what your right hand does, for it is not worth knowing" (Thoreau, 1854, Section D, para. 21). Thoreau noted that philanthropy while "appreciated by mankind" is "overrated," "partial and transitory," and "unconscious." Philanthropy, he asserts, "is a charity that hides a multitude of sins. The philanthropist too often surrounds mankind with the remembrance of his own castoff griefs as an atmosphere, and calls it sympathy" (Thoreau, 1854, Section D, para. 20).

Thoreau and Emerson were witness to the activity of industrialists like John D. Rockefeller Senior, Andrew Carnegie, and others. Both saw the enormous wealth and power being accumulated by individuals like Rockefeller and they saw philanthropic means being used to personal ends. Both Emerson and Thoreau would have viewed the gifts such people made under the banner of philanthropy and charity in knowledge of the social costs associated with massive wealth creation in the early 1800s in America. Later in this article, I introduce the sort of detail associated with one well-regarded philanthropist that would in all likelihood have been common knowledge to the likes of Emerson and Thoreau.

The resistance of Emerson and Thoreau to the related ideas of philanthropy and charity enlivens the contemporary discussions on these same ideas. In the contemporary world, to consider the activities of charities as quackery or to consider high profile philanthropists to be hiding sins under philanthropic gifts would be inflammatory. The content of the critiques presented by Emerson and Thoreau are deeply challenging because they give voice to the ethical content of philanthropy that contemporary society (albeit, contemporary society was at the time America of the 1800s) chose to disregard. To suggest that important social issues or causes are sold off in convenient packages to suit purchasers – think of charitable fundraising here – as if they were a kind of marketable good offends philanthropies. Yet consider the remarks of Dan Pallota of Advertising for Humanity, at the closing plenary of the International Fundraising Congress in 2011, where he said that charities are "at a complete disadvantage" because society viewed them differently than the private sector (Hudson, 2011). He went on to add "we refuse to allow the not-for-profit sector to use the tools of capitalism" to address the disadvantages. An uncomfortable contemporary reality is that charities and philanthropists are moving farther from being a social good with all the ethical dimensions that entails and closer a commoditized acceptance of a market economy.

PHILANTHROPY, ECONOMY, AND HOBBS

Amidst the downward tendency and proneness of things, when every voice is raised for a new road or another statute, or a subscription of stock, for an improvement in dress, or in dentistry, for a new house or a larger business, for a political party, or the division of an estate – will you not tolerate one or two solitary voices in the land, speaking for thoughts and principles not marketable ... ? (Emerson, 1842, para. 29)

Actually, the laboring man has not leisure for a true integrity day by day; he cannot afford to sustain the manliest relations to men; his labor would be depreciated in the market. ((Thoreau, 1854, Section A, para. 6)

It is difficult to evaluate the effectiveness of your donations without clearly articulating a funding strategy linked to goals ... There is an opportunity to be more strategic about giving by integrating it into your overall financial and retirement plan. (BMO Harris Private Banking, 2010, p. 3)

What happens if the “tools of capitalism” are deployed in full measure? I chose the three quotes above to demonstrate the concerns Thoreau and Emerson had about the growing dominance of the market economy and how in the near past, financial institutions have merged economics with philanthropy. In his quote, Emerson’s perspective arises from his work articulating Transcendentalism based on Kant’s notion of imperative forms. In the lecture given to the Freemasons, Emerson cites Jacobi’s reply to Fichte (see Note 2) where he refuses, “all measure of right and wrong except the determinations of the private spirit ... man exerts the sovereign right which the majesty of his being confers on him” (Emerson, 1842, para. 7). In his quote, Thoreau shares his perspective from the section of *Walden* containing his thoughts on philanthropy and charity after living alone on Walden Pond for a little over two years. Both men were educated at Harvard, had read philosophies of the Far East, and were familiar with European and especially German Romanticism. Emerson and Thoreau were also focused on the economic dimensions of the times they lived in.⁴ In the final quote, the perspective of BMO Harris – a profit-oriented bank – on philanthropy is one of a marketplace where the services offered and contracted will earn revenue for the bank, shelter the “effective philanthropist” from taxation, and, be “more than simply writing cheques for worthy causes” (BMO Harris Private Banking, 2010, p. 3) The perspective of Thoreau and Emerson, based on their knowledge of classical economists such as Adam Smith (1776), is noteworthy because they take the notion of the “social contract” and argue that it is the economy that binds society together – the social glue – where

every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labors to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it ... he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. ... By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. (para. 9)

Smith’s version of social contract theory and how the economy builds the wealth of individuals and the sovereign or commonwealth is itself based on the work of Thomas Hobbes (1588–1679). It is Hobbes to whom I turn for a foundation on the “state of nature,”

which gives rise to social contracts that currently form the backdrop to the present-day transactional definition of philanthropy.

Hobbes (1651) presents the mind as something that operates on mechanistic principles of motion – “vital motion” (pp. 37–38), an internal physiological motion that constitutes life and “voluntary motion” (p. 38) that are externally observable motions driven by “appetites,” “desires,” and “aversion” (p. 38). In this argument, “motion produceth nothing but motion” (p. 14). At the psychological level, perpetual motion appears as insatiable appetite. Life in the natural condition, therefore, involves appetites that never know complete satisfaction (Glass, 1980). It is a world “where every man is Enemy to everyman ... wherein men live without other security, than what their own strength, and their own invention shall furnish them” (Hobbes, 1651, p. 89). Citizens live in a state of constant fear anticipating an invader who will “deprive him, not only of the fruit of his labour, but also of his life, or liberty” (p. 87). Without a “common Power to keep them all in awe, they are in that condition which is called Warre” and every man is “against every man” (p. 88). There is no security, no industry, building, knowledge, arts nor society. Day after day citizens face “worst of all, continuall feare, and danger of violent death; And the life of man, solitary, poore, nasty, brutish and short” (p. 89).

For Hobbes (1651), the self is conceived mechanistically and is in perpetual motion. The “small beginnings of Motion” he calls “Endeavour” (p. 38) and are what today’s psychoanalysts call “libido” (Glass, 1980, p. 342). There can be “no such thing as perpetuall Tranquillity of mind, while we live here; because Life it selfe is but Motion, and can never be without Desire, nor without Feare ...” (Hobbes, 1651, p. 46). Hobbes is primarily concerned with how to avoid civil war and disorder.⁵ In *Leviathan*,⁶ Hobbes asserts that the “only way to put an end to the state of war is to form a commonwealth, either by agreement [i.e., social contract] or by force of arms, and then to have in that commonwealth an absolute sovereign claiming virtually absolute obedience” (Raphael, 1977, p. 17). *Leviathan* is both a scientific political philosophy and a scientific moral philosophy (Raphael, 1977; Hobbes, 1651). Man is “in the condition of meer nature, [which is a condition of war] as private Appetite” (Hobbes, 1651, p. 111) and “Laws of nature ... are rational rules for self-preservation” (Raphael, 1977, p. 21).

It is the laws of nature “that tell us to set up, or to keep in existence, an organized State, and to give to that State our virtually complete obedience” (Raphael, 1977, p. 21). Hobbes (1651) writes,

Therefore before the names of Just, and Unjust can have place, there must be some coërcive Powere,⁷ to compel men equally to the performance of the Covenants, by the terror of some punishment, greater than the benefit they expect by the breach of their Covenant; and to make good that Propriety, which by mutuall Contract men acquire, in recompence of the universal Right they abandon: and such powere there is none before the erection of a Common-wealth. (pp. 100–101)

Furthermore, the natural condition of man “is the description of an intrapsychic environment whose modern analogue appears in the character traits of the pathological narcissist” (Glass, 1980, p. 342). This “theory of political obligation ... allows the self to legitimately transfer or displace psychic energy from political dispute to economic endeavor” (p. 342).

Regarding the economic endeavour, C.B. Macpherson identifies Hobbes as the intellectual originator of the idea of a market society and makes the case that Hobbes' state of nature reflects the assumptions of contemporary market society (Macpherson, 1962; Hobbes, 1651). Hobbes' conception of human nature is that of mechanistic appetites and aversions predicated on power struggles. For Hobbes, the state of nature is "war of all against all" and life is "nasty, brutish and short." Hobbes proposes the contract as the means by which peace and happiness can be achieved in society. However, in employing the contract to ultimately achieve "an orderly political environment, the citizens gain an economic uncertainty, a rapacious marketplace, and a psychology that transforms the self into a commodity" (Glass, 1980, pp. 339–340). In the marketplace, "the Hobbesian monad searches for others to devour, assimilate, and devalue ... For both the natural man and the pathological narcissist, fear and insatiability provoke the devaluation of the other into a commodity" (Glass, 1980, p. 344). Glass concludes,

What historically emerges as commercial society is the product not only of the laws of historical transformation and the concentration of capital but of beliefs, attitudes, feelings, tendencies, and dispositions – which coalesce as a psychology of action that manifests itself in the behavior of possessive individualism. (p. 344).

This thread connects the philosophy of Hobbes wherein the coercive power of the state demands the commodification of citizens (and the resulting marketplace) in exchange for a stable political environment. Running parallel to this main thread are other histories also rooted in the Hobbesian psychology if not its social philosophy. The idea that the "other" can be devalued not just to the level of a commodity but to the level of having no value, of being a burden or undesirable in some sense, is also prevalent. Through Note 3, I have traced the notions of Fichte and Herder, contemporaries of Kant, and the start of the German Romantic period. Fichte saw the coercion of citizens by the state as the transformative process moving a person from "a being of nature into a spiritual being" (Kaufmann, 1942, p. 466) and that a state system of education was the means by which the transformation would take place. Herder became the General Superintendent of schools in 1776 and actively encouraged German nationalism including the collection of Germanic folklore by the Grimm brothers. Combined, the two set the philosophical and practical template for the rise of National Socialism in Germany, which exemplified the horrific consequences of coercion, state education, and commodification.

AN EXAMPLE OF POSSESSIVE INDIVIDUALISM

John Davison Rockefeller (July 8, 1839–May 23, 1937) was an American oil magnate. Rockefeller revolutionized the petroleum industry and defined the structure of modern philanthropy. (Wikipedia, 2012, para. 1)

By 1880, according to the *New York World*, Standard Oil was "the most cruel, impudent, pitiless, and grasping monopoly that ever fastened upon a country." (Segall, 2001, p. 60)

Our Mission: John D. Rockefeller, Sr., established the Rockefeller Foundation in 1913 to promote the well-being of humanity around the world. (Rockefeller Foundation, 2012a)

To make clear what happens when commodification and appetites run amok, I want to dismantle contemporary white washing of one of America's iconic philanthropists. Born on July 8, 1839, J.D. Rockefeller graduated in 1855 from the Central High School in Cleveland, Ohio whose student population came from the social elite of the area though he did not call many his friends. In 1855, Rockefeller started work as a bookkeeper but "dissatisfied with his wages" (Bowling Green State University, 2012, para. 1), he and a partner, Maurice Clark, started their own commission house in 1858. In 1865 Rockefeller founded the Rockefeller & Andrews Company. In their first year on the Cleveland docks, the partners total earnings were \$450,000 (Tarbell, 1904). Rockefeller incorporated his company to make it more profitable (Bowling Green State University, 2012) and founded the Standard Oil Company on January 10, 1870. A plan was devised,

to bring together secretly a large enough body of refiners and shippers to persuade all the railroads handling oil to give to the company formed special rebates on its oil, and drawbacks on that of other people. If they could get such rates it was evident that those outside of their combination could not compete with them long and that they would become eventually the only refiners. They could then limit their output to actual demand, and so keep up prices. This done, they could easily persuade the railroads to transport no crude for exportation, so that the foreigners would be forced to buy American refined. They believed that the price of oil thus exported could easily be advanced fifty per cent. The control of the refining interests would also enable them to fix their own price on crude. As they would be the only buyers and sellers, the speculative character of the business would be done away with. (Tarbell, 1904, p. 55)

In 1872, Standard Oil moved to consolidate the refiners in Cleveland into a single monopoly – an event that saw 22 companies purchased and became known as the "Cleveland Massacre"⁸ (Bowling Green State University, 2012, para 3). Between 1876 and 1878, Standard Oil purchased an additional 100 refineries across the United States, a move that led the Chairman of the New York State Assembly, in 1879, to "investigate malpractices and the plausible existence of a monopoly in the oil industry" (Bowling Green State University, 2012, para. 4). In 1879, witnesses testified that, "nine-tenth of the refiners in the country were in 'harmony' with Standard" (para. 4). In 1882, Standard Oil became a trust with centralized control. In 1888, "a widespread discontent towards trusts echoed during the elections, and big companies began to be investigated" (para. 5). On July 2, 1890, driven by concerns with Standard Oil, the *Sherman Antitrust Act* came into force, outlawing "trusts and combinations in restraint of trade" (para. 5). Despite being vague, the State Supreme Court of Ohio ruled in favour of dissolving the Standard Oil trust. However, the trustees kept their shares of Standard Oil. In June 1899, Standard Oil became a holding company and found itself more frequently before the courts. On May 15, 1911, the US Supreme Court declared "Standard Oil's holding company an 'unreasonable' trust and ordered that it be dissolved" (para. 6). By this time, the bulk of the fortune coming to the Rockefellers (Senior and Junior) was made and Rockefeller Senior had retired.⁹

Also in 1911, J. D. Rockefeller Junior was appointed to what would later become incorporated as Bureau of Social Hygiene (BSH) in 1913 (Institute for the Study of Academic Racism, 1978). Using a Social Darwinist theoretical structure, BHS devised the theory

that “deviancy was largely a result of hereditary factors” (para. 4). BHS in effect, “translated vulgar racism into respectable ‘scientific’ conclusions. Thus, ‘inferior looking’ people were shown upon ‘laboratory examination’ to be feeble-minded” (para. 11). One of the principle scientific advisors, Charles Davenport put it to Rockefeller Junior, “I am convinced [the BSH] is *the thing* required to reform our legal procedure. Would that [our country’s] motto were: All men are born unequal. Equality before the law is cruelty and injustice” (para. 11, emphasis in original). Rockefeller enthusiastically agreed that a eugenically oriented criminal justice system was “immensely important” (para. 11). The BHS, with immense resources and a simple eugenic creed, set out to correct this “cruelty and injustice” (para. 11).

On April 24, 1913, the New York State Legislature passes an Act incorporating the Rockefeller Foundation. A memorandum setting out principles and policies created the framework shaping how the Foundation would function. The major points of the memorandum were drawn from “scientific philanthropy” of the day (Robbins, 2006, p. 26) and included:

exclude individual charity and relief, exclude local enterprises, make sure when going into a community with a gift that the community has ‘its own will ... and its own resources, both material and spiritual’ to meet the need, avoid gifts in perpetuity, and focus on problems that ‘go to the root of individual or social ill-being and misery.’”¹⁰

That same year, John D. Rockefeller made gifts to the Foundation that amounted to \$35 million, followed a year later with an additional \$65 million. On December 5, 1913, the Foundation made its first grant: \$100,000 to the American Red Cross to purchase the Washington DC site for the charity’s new headquarters (Rockefeller Foundation, 2012b).

On September 23, 1913, roughly 13,000 miners began a strike against Colorado Fuel & Iron Company, co-owned by John D. Rockefeller Junior. The strike began after rulings made by the Colorado state government to improve working conditions for miners were ignored (Rudd, 2002). The day after Easter celebrations (April 20, 1914), union-supported miners working for the Colorado Fuel & Iron Company and their families were attacked by state guards and professional gunmen hired by the mine operators. “After the bloody ten-hour assault, the brutal murder of Louis Tikas (union leader), the death of women and children in the Black Hole ... and the loss of all the union families’ possessions, the nation’s working-class people were angered and stirred to action” (Rudd, 2002, p. 2) The Ludlow Massacre, as it became known, forced Rockefeller Junior to “establish and define new policies on employee representation” (Rudd, 2002, p. 2).¹¹

This historical thread is important because it provides an example of the back story that has been removed from the official Rockefeller website. Today we see only that the wealth earned by Rockefeller Senior has been put to social good through philanthropy. What is now gone from the revised history is that philanthropy became one of the means used by the Rockefellers to divert attention from the murder of union leaders by their business. For Canadians, there should be interest that a future prime minister (Mackenzie King) was hired by the Rockefeller Foundation to help resolve growing labour concerns.¹² Hobbes envisioned a world wherein, “there is no way for any man to secure

himself” (Hobbes, 1651, p. 184) and citizens live in a state of constant fear anticipating an invader who will “deprive him, not only of the fruit of his labour, but also of his life, or liberty” (p. 184). Despite what Rockefeller revisionists (such as the Rockefeller Foundation) would suggest, Rockefeller was at least as much a feared invader as he was an enlightened philanthropist. Thoreau and Emerson, as contemporaries of Rockefeller, saw hypocrisy in charity and philanthropy because they witnessed how the wealthy held on to the monetary, but lost the ethical sense of philanthropy, whereby the happiness and wellbeing of others is an important outcome of a philanthropic act in the latter sense. The hypocrisy exists because the ethics associated with philanthropy as a benevolent act are disregarded and ignored in scientific philanthropy which focuses on efficient transactional relationships of financial exchange. The source of the funds – how the money is generated – is simply not a concern in scientific philanthropy.

PHILANTHROPY DISCONNECTED FROM ETHICS

If we return to one of the contemporary definitions at the beginning of this article – philanthropy as a “generous donation of money to good causes” (Oxford English Dictionary, 2006) – two things are apparent. First, by this definition, making a donation of money – the financial transaction – is not concerned with the means employed to amass the money to be donated. The donation is carried out in the domain of social contracts but cleared of any messy entanglements associated with social relationships. Second, the notion of a good cause is something to which the donor may have an affinity but its “goodness” is socially (not personally) determined.

Joan Roelofs (2006) writes that, “many people believed that the Rockefeller Foundation was created to erase the scandal of the Ludlow Massacre” (p. 20). She continues by observing that early foundations in the United States worked to “co-opt intellectuals” (p. 20) and promote an ideology that regarded social ills as problems to be solved by social scientists” (p. 20). In 1913, immediately following its first grant to the American Red Cross, the Rockefeller Foundation began “its 20-year support for the Bureau of Social Hygiene. Its mission: research and education on birth control, maternal health and sex education” (Rockefeller Foundation, 2012a, para. 9). The Rockefeller Foundation also established the American Social Hygiene Association, “to direct the scientific study of biological and social factors that influence human sexual conduct” (Rockefeller Foundation, 2012a, para. 9). It was these two social hygiene groups that brought the Rockefeller Foundation into supporting “eugenic scientists decades before Hitler put eugenic theories into practice” (Messall, 2005, para. 4). Throughout the decades that followed, the Rockefeller Foundation supported the Eugenics Record Office by pouring millions into population control programs, human genetics research, and, “became a major force in supporting birth control clinics and played a pioneering role in the modern field of population studies” (Messall, 2005, para. 5).

What can be made of this? How do we understand the motives and drives of a man like J. D. Rockefeller? Glass (1980) is helpful when he details the properties of pathological narcissism as,

a stance or pose of grandiosity ... the devaluation of others; the refusal to grant to the other an autonomy that is not connected with self-gratification; a precarious

inner condition that is unstable, envious, raging, and insecure. The narcissistic self projects qualities that appear to be socially functional and desirable: energy, charm, success, toughness of mind. Yet these appearances disguise a more insidious set of psychological dynamics: the rational manipulation of the other, the demand to be admired and loved, the view of the other as “fuel” or “supply” for egoistic needs, and ruthless and unfeeling behavior towards others the self perceives as necessary for its own interests. (pp. 337–338)

From the early days leading up to the formation of Standard Oil, the Ludlow Massacre, and the investment in eugenics intended to create a more perfect society of people (one supposes people in his own image), the case of the Rockefellers (both Senior and Junior) demonstrates not only the profound consequences people who are successful in the Hobbesian contract-based economy, but also exemplify people who embody the term “pathological narcissist.” And yet, despite this history and what is publicly known about John D. Rockefeller, Sr., the man is popularly viewed rather one-sidedly as someone who, “embraced philanthropy early in life ... As his personal wealth grew, so did his generosity” (Rockefeller Foundation, 2012c, para. 1). With this example we see the beginnings of a contemporary philanthropy in which, “conscience, ethics, restraint, and a sense of the profound limits implicit in the other’s autonomy play no role in the inner structure of motivation” with the external social world seen as “a threat, as an object to be incorporated” (Glass, 1980, p. 339).

CONCLUDING THOUGHTS

The legacy of J. D. Rockefeller’s approach to philanthropy is in no way dissociated from contemporary philanthropy. The fascination that Rockefeller had with “scientific philanthropy” (Hamer, 2007, p. 545)¹³ is the foundational basis for what is currently regarded as philanthropy. As BMO Harris Private Banking reminds those wishing to become “an effective philanthropist”:

Create a strategy to achieve your goals. It is difficult to evaluate the effectiveness of your donations without clearly articulating a funding strategy linked to goals. Have you thought about the impact you want to have and how to allocate your resources accordingly? There is an opportunity to be more strategic about giving by integrating it into your overall financial and retirement plan. Think about what you want to accomplish through your giving in your lifetime and beyond. Incorporating it into your will is one way to ensure that what you’ve begun continues on for future generations. (BMO Harris Private Banking, 2010, p. 3)

IN RETURNING TO THE OED’S FIRST DEFINITION OF PHILANTHROPY

Love of mankind; the disposition or active effort to promote the happiness and well-being of others; practical benevolence, now esp. as expressed by the generous donation of money to good causes;

we are confronted with difficult questions that arise from the short excursion through history sketched out in this article. Does the character of an act of philanthropy change when the money that is donated is the result of unethical action and taking advantage of

others, that is, when one acts as Hobbes' 'invader'¹⁴ (by depriving another of the "fruit of his labor," his life or his liberty)? Framed another way, do the means of wealth acquisition matter if the end of a philanthropic gift is realized? Can a brutal industrialist, in effect, buy a good reputation through philanthropic gifts? Can we say that the taking of life, the abolishment or denial of workers' rights, the pollution of land where people live, and so forth, are simply consequences of man's state of nature where "every man has the right to all things. He may do whatever he chooses. This is his natural right"? (Raphael, 1977, p. 30).

Emerson's (1874) warning that "few persons have any magnificence of nature to inspire enthusiasm, and philanthropies and charities have a certain air of quackery" (para. 21) seems weightier given that Rockefeller and other early American industrialists were his contemporaries. Thoreau's (1842) simple declaration that "charity hides a multitude of sins" (Section D, para. 20) appears prophetic. For the scholar, for the practitioner raising funds in nonprofit organizations, and for aspiring philanthropists, this article has made explicit the threads of meaning in philanthropy that are largely ignored. These threads raise important questions about philanthropy as an act, and about the forms, which it takes, such as charities. It is hoped that when the word philanthropy comes up in discourse that knowledge of the web of historical effects is remembered and the acts that are taken recover some of the "good" that seems to have been lost.

NOTES

1. An entry for this word was first included in *New English Dictionary*, 1906.

2. Emerson (1842) states:

The Transcendentalist adopts the whole connection of spiritual doctrine. He believes in miracle, in the perpetual openness of the human mind to new influx of light and power; he believes in inspiration, and in ecstasy. He wishes that the spiritual principle should be suffered to demonstrate itself to the end, in all possible applications to the state of man, without the admission of anything unspiritual; that is, anything positive, dogmatic, personal. Thus, the spiritual measure of inspiration is the depth of the thought, and never, who said it? And so he resists all attempts to palm other rules and measures on the spirit than its own. ... It is well known to most of my audience, that the Idealism of the present day acquired the name of Transcendental, from the use of that term by Immanuel Kant, of Konigsberg, who replied to the skeptical philosophy of Locke, which insisted that there was nothing in the intellect which was not previously in the experience of the senses, by showing that there was a very important class of ideas, or imperative forms, which did not come by experience, but through which experience was acquired; that these were intuitions of the mind itself; and he denominated them Transcendental forms. The extraordinary profoundness and precision of that man's thinking have given vogue to his nomenclature, in Europe and America, to that extent, that whatever belongs to the class of intuitive thought, is popularly called at the present day Transcendental" (paras. 7-14).

3. German Romanticism is especially influential on the thinking of both Emerson and Thoreau. Romanticism is closely associated with the *Sturm und Drang* movement in

Germany. Meaning storm and stress/urge/longing/impulse, the Sturm und Drang movement stressed individual subjectivity and extreme emotion in reaction to the constraints of the Enlightenment, including the rationality of the associated aesthetic movement. Johann Gottfried von Herder and Johann Gottlieb Fichte are two leading figures of the period in Germany. Herder, born in 1744, became a student of Immanuel Kant at the University of Königsberg. He became the protégé of Johann Georg Hamann who championed the emotions against reason. In 1770 Herder met and became a lifelong friend of Goethe. Through Goethe's intervention with the Lutheran clergy, Herder secured a permanent appointment as General Superintendent in 1776. His responsibilities included supervision of pastors, their character and their conduct of public worship and the management of schools. Herder's basic structure of school management remains present in contemporary school systems. Herder is also credited as the founder of both modern linguistics and modern anthropology (See Stanford Encyclopedia of Philosophy, 2007).

Johann Gottlieb Fichte, also a student of Kant, coined the word *Volkstum*, or nationality. He argued that the state should be coercive, in which coercion is, "the instrument by which the individual is changed from a being of nature into a spiritual being" (Kaufmann, 1942, p. 466). Specifically that, "the coercive state is a state which educates its citizens in preparation for a state ruled by the insight of everyone of its citizens" (pp. 466–467). The vehicle of coercion is "education to a freedom that would make coercion unnecessary" (p. 467). Initially Fichte left education in the hands of parents – to protect children from "becoming submissive tools of the privileged classes" (p. 467) but later came to believe that societies such as the Freemasons should play a role in education. The tie between Freemasons, education, and Emerson can only be speculated; however, it is interesting to note that Fichte as a leading Romantic thinker in Germany would have doubtlessly been known to Emerson and to Thoreau.

To foreshadow somewhat, Herder and Fichte come to be important in the history of philanthropy because both articulated a context for interpretation within which horrific human tragedies were to take place. Initially both emphasized German nationalism around country-specific linguistic and cultural practices and the associated collecting of folk tales (such as the Brothers Grimm – which are still popular). What is less known is that both Fichte and Herder are regarded as foundational thinkers to National Socialism and the associated eugenics movement that arose in Germany in the 1920s.

4. Here consider that Thoreau's chapter is titled "Economy" and he sets forth his earnings and expenses associated with his two-year experiment on Walden Pond. He has a considerable amount to say about the value of work. Classical economists such as Adam Smith (1723–1790), David Ricardo (1772–1823), and Jean-Baptiste Say (1767–1832) are mentioned by Thoreau in Walden. Citing Thoreau, Beck (2008, p. 212) reveals a paradox in the "economic conception of classical political economists, which in their conviction would help to establish wealth, freedom and happiness, instead leads to 'quiet desperation.'"

5. Hobbes was born in the year the Spanish Armada sailed for England to oust Elizabeth I and lived through the upheavals leading up to the English Civil War that broke out in 1642. The Civil War led to the trial and execution of King Charles I for high treason (1649) and the founding of the Commonwealth of England (1649–1653) and a Protectorate (1653–1659) under the personal rule of Oliver Cromwell. In 1660, Charles II, the ex-

iled son of Charles I, became king after the restoration of the English monarchy in 1660. Hobbes was the mathematics tutor to Charles II while the prince was in exile in France.

6. Hobbes appears to have started work on *Leviathan* late in 1649 when with, “the Royalist cause at low ebb and the elderly philosopher was becoming increasingly isolated in Paris” (Parkin, 2007, p. 86).

7. Recall Fichte’s thinking in Note 3.

8. Tarbell (1904) writes of Rockefeller that, he “believed that the “good of all” (p. 101) was in a combination, which would control the business as the South Improvement Company proposed to control it. Such a combination would end at once all the abuses the business suffered. As rebates and special rates were essential to this control, he favoured them. Of course Mr. Rockefeller must have known that the railroad was a common carrier, and that the common law forbade discrimination. But he knew that the railroads had not obeyed the laws governing them, that they had regularly granted special rates and rebates to those who had large amounts of freight. That is, you were able to bargain with the railroads as you did with a man carrying on a strictly private business depending in no way on a public franchise. Moreover, Mr. Rockefeller probably believed that, in spite of the agreements, if he did not get rebates somebody else would; “that they were for the wariest, the shrewdest, the most persistent. If somebody was to get rebates, why not he?”

9. J. D. Rockefeller’s wealth at his death in 1937 was estimated at \$1.4 billion or 1/65 of the GDP of the United States. See CNN Money (2010).

10. Found in the *Moments in Time: 1913–1919* portion of the Foundation’s website (Rockefeller Foundation, 2012b, para. 3).

11. Rockefeller Junior brought in Canadian sociologist MacKenzie King to give advice on how to resolve the fallout from the Ludlow Massacre.

12. To quote from the 1913–1914 Annual Report of the Rockefeller Foundation,
Within the field of industrial relations Mr. W. L. Mackenzie King seemed to be singularly qualified by academic training, by actual contact with labor disputes, and by his own constructive contribution to the betterment of labor conditions, to undertake this great task. Mr. King was the author of the *Canadian Industrial Disputes Investigation Act*, and as Deputy Minister and Minister of Labor in Canada, he had had a large experience in the settlement of industrial disputes, both before and after the passage of that *Act*. Mr. King began his services on October 1, 1914, and has been devoting his first months to a careful study of the best possible approach to his subject. This study has included a broad survey of the whole field of industrial relations, a field so wide as to touch at one point or another almost all conceivable human relations. It is Mr. King’s hope that when he has completed his survey, and prepared a graphic exhibition of his field of study, he will be able, in consultation with the best authorities throughout the world and in cooperation with established agencies working toward the same end, to select certain lines of

inquiry in which a better knowledge of facts is peculiarly needed, and in which may be found the best prospect of fruitful and beneficial study leading to constructive improvement. (Rockefeller Foundation, 2003, pp. 19–20)

13. Hamer (2007) writes of American philanthropy, “the concept of a calling, community responsibility, a life of labor, planning and simplicity so important in early Calvinistic and Puritan thought were all appropriate to rational market concepts” (p. 453). In keeping with Hobbesian social contract theory, Hamer adds that Rockefeller “accepted the classical market portrayal of progress that businesses were inevitably moving from smaller to larger and less inclusive to more inclusive. All of this was to the ultimate benefit of humanity” (pp. 453–454).

14. The full quote from Hobbes (1651) is,

And from hence it comes to pass that where an invader hath no more to fear than another man’s single power, if one plant, sow, build, or possess a convenient seat, others may probably be expected to come prepared with forces united to dispossess and deprive him, not only of the fruit of his labour, but also of his life or liberty. And the invader again is in the like danger of another (p. 87).

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The Philanthropist
2012 / VOLUME 24 • 4

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