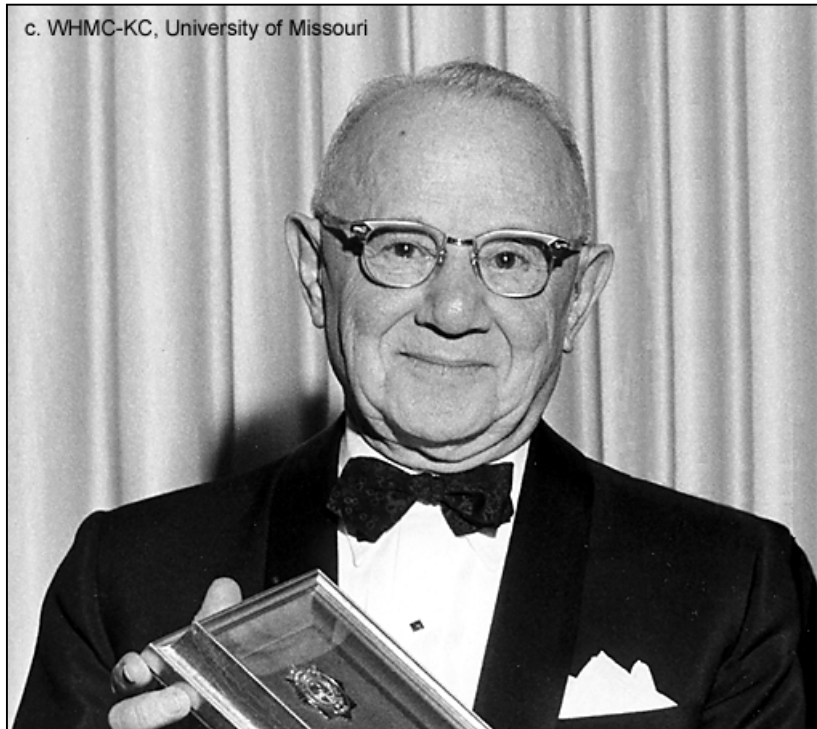


# The Philanthropic Philosophy of Arthur Mag



*Western Historical Manuscript Collection  
Kansas City*

## Charles N. Kimball Lecture

**Mr. Donald H. Chisholm**

Consulting Attorney, Stinson, Mag & Fizzell, P.C.

October 21, 1998

## The Charles N. Kimball Lecture Series

is a tribute to our late friend and civic leader, Dr. Charles N. Kimball, President Emeritus of the Midwest Research Institute, to acknowledge his support of the Western Historical Manuscript Collection-Kansas City and his enduring interest in the exchange of ideas.

Charlie Kimball was a consummate networker bringing together people and ideas because he knew that ideas move people to action. His credo, “Chance favors a prepared mind,” reflects the belief that the truest form of creativity requires that we look two directions at once – to the past for guidance and inspiration, and to the future with hope and purpose. The study of experiences, both individual and communal – that is to say history – prepares us to understand and articulate the present, and to create our future – to face challenges and to seize opportunities.

Sponsored by the Western Historical Manuscript Collection-Kansas City, the Series is not intended to be a continuation of Charlie’s popular *Midcontinent Perspectives*, but does share his primary goal: to encourage reflection and discourse on issues vitally important to our region. The topic of the lectures may vary, but our particular focus is on understanding how historical developments affect and inform our region’s present and future. The Lectures will be presented by persons from the Kansas City region semi-annually in April, near the anniversary of Charlie’s birth, and in October. Additionally, presentations may occur at other times of the year, if opportunities present themselves.

WHMC-KC appreciates the substantial financial underwriting and support for this Series provided by the **Charles N. Kimball Fund** of the Midwest Research Institute and by other friends of Charlie Kimball.



**1911-1994**

# INTRODUCTION

to the October 21, 1998 Charles N. Kimball Lecture

## **David Boutros**

Associate Director, WHMC-KC

Welcome to the Fall 1998 Charles N. Kimball Lecture. My name is David Boutros, and I am the Associate Director of the Western Historical Manuscript Collection-Kansas City at UMKC. Today's lecture marks the first offering of the fall segment of our lectures. Underwriting by the Charles N. Kimball Fund here at MRI has allowed us to expand from the single presentation on or near Charlie's birthday on April 21st to include a lecture in October. To that end I would like to again thank those friends of Charlie's who contributed to the Fund for that purpose, and add the names of Miller and Jeannette Nichols to the list I read to you at the Spring lecture.

For those of you who have been following the series, either with your attendance or in the printed version we distribute, you know that we have been weaving together various strands of the central theme of community development – of community identity. In the past four presentations we have explored the role of corporations, of private-public cooperation, of economic forces, and of bankers. Today we look at philanthropy. Next April 21st, Vicki Noteis will outline the role of government with a lecture entitled, "Visions of a city: Kansas City's planning legacy". And in the fall of 1999, we anticipate a discussion of the role of agribusiness in the development of our community.

If you have missed out on these lectures, know that the full text of the presentations are available on the WHMC-KC WebPages ([www.umkc.edu/WHMCKC/](http://www.umkc.edu/WHMCKC/)) which can be accessed through UMKC's page at [www.umkc.edu](http://www.umkc.edu), or if you prefer, you may contact me and I will provide you with a paper copy, as long as they last.

Again, I want to remind you that the purpose of this series is to honor our late friend and civic leader, Dr. Charles N. Kimball and to thank him for his support of the Western Historical Manuscript Collection-Kansas City.

Remember Charlie's credo, "Chance favors a prepared mind." This series is to give concept force. It is intended to encourage reflection and discourse on issues vitally important to our region – to encourage an exchange of ideas in a continuing effort to understand and articulate the present, and to create our future – to face challenges and to seize opportunities.

As you listen to or read this lecture, think beyond the face value of its information to new lessons, and present and future applications.

Again, thank you for your presence today. Without further delay I give you Dr. Charles Curran, who will introduce our speaker...

**Dr. Charles Curran**

Former President, Kansas City Association of Trusts and Foundations

It is an honor and a pleasure, and somewhat of a redundancy to be introducing Don Chisholm to a group of Kansas Citians. In terms of both professional and civic accomplishments, Don Chisholm is the quintessential Kansas City leader.

Professionally, Don graduated from the University of Missouri School of Law in 1938. After a brief tenure as an associate with Wright Rogers and Margolin, he joined Stinson Mag and Fizzell in January 1942. Following three-plus years absence during World War II when he served as a captain in the Army, Don returned home in 1946 and became a partner in Stinson Mag and Fizzell in 1947. He chaired their Probate and Trust Department for more than 30 years and served on their managing committee for some 15 years. He continues to serve today as a senior attorney in the firm's Probate and Trust Group.

In the civic arena, Don has served in a wide variety of roles. The two for which he is possibly best known are philanthropy and health services.

In philanthropy Don has served as a trustee or director of well-known foundations, foundation groups, and charitable agencies. Included, among others, is the Jacob and Ella Loose Foundation, the Schutte Foundation, the Kansas City Association of Trusts and Foundations, the Clearinghouse for MidContinent Foundations, and the Greater Kansas City Community Foundation, of which he was a founding director.

On the health services side, Don was the first chairman of the Jackson County Hospital District, guided the merger of the District into the Truman Medical Center, was chairman of Truman Medical Center, and still serves on its Board of Governors, and was chairman of Children's Mercy's Central Governing Board. At a dinner honoring him a couple of years ago, he was appropriately named "Mr. Hospital Hill."

Don is married to a wonderful fellow-fisherman, Millie Chisholm, and they have two wonderful children – Bill and Nan.

Ladies and gentlemen, Don Chisholm!

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## **The Philanthropic Philosophy of Arthur Mag**

**Mr. Donald H. Chisholm**

October 21, 1998

Thank you for that very generous introduction. I am sure I could not have written a better one. I am deeply honored to be asked to speak at the Charles N. Kimball Memorial Lecture although I think it a little pretentious to refer to my remarks as a lecture.

It is an honor for me to talk about Arthur Mag, here in the Mag Conference Center, at this memorial lectureship. Arthur Mag was my partner and boss for over 40 years. He and Charlie Kimball had a great influence over my life, not only in the practice of the law which I learned at Arthur Mag's feet, but both of them urged me to become involved with various civic enterprises and philanthropic organizations. Both Arthur Mag and Charlie Kimball thought that it was very important for the business leaders of the community to encourage their young associates to devote time and effort to charitable and philanthropic activities. As you all know, the billable hours that an attorney runs up are very important, and Mr. Mag recognized that my billable hours would suffer as his young partner spent time involved in charitable activities. He constantly urged me to do that and I was never penalized for it. I think it is something that all of the successful business leaders and community leaders should do, and I encourage all of you to get the young people in your respective businesses involved in the community.

I first got to know Charlie Kimball when our firm represented Midwest Research Institute in some lengthy and bitter litigation with the Internal Revenue Service. The Service sought to deny MRI its tax exemption as a charitable organization. Charlie and I became good friends and he also worked very closely with Arthur Mag. I find it interesting that these two New Englanders came to Kansas City as young men, loved the community, and lived the rest of their lives here. They each made very substantial contributions to the community and its welfare.

I would like to tell you a little bit about how Arthur Mag happened to come to Kansas City. Arthur Mag was born in New Britain, Connecticut in 1896. He attended public schools and spent two years in the Navy during World War I and then went to Yale University where he received an A.B. degree. He returned to Yale Law School and received his LL.B. degree in 1920. His grades were very good and he was a member of the Yale Law Review. This opened many doors in the big New York law firms practicing on Wall Street. Arthur Mag was not sure that he wanted to be a New York lawyer. He said that the idea of working fifteen hours a day so you could make enough money to move two hours away from your office did not appeal to him. While he was a student at Yale he became a close friend of Louis Rothschild. Louis Rothschild was from Kansas City. His family owned a fine clothing store in Kansas City. He suggested that Mag proceed slowly in deciding what he was going to do and invited him to Kansas City, saying that if he liked the town there might be a job in Kansas City for a young lawyer.

Mag did come to Kansas City and did like the town and the people that he met and started interviewing at some of the law firms in Kansas City. In those early days there were no big law firms in Kansas City. A firm of eight to ten lawyers would have been considered large. Mag interviewed several law firms, including one in which the head of the firm was State Senator A. L. Cooper. Senator Cooper, in the course of the interview, asked Mr. Mag if he was a Republican or a Democrat. Mag proudly replied that he was a Republican. Senator Cooper advised him that there weren't many Republicans in Kansas City and that all of the good lawyers in Kansas City were Democrats. That terminated the interview. Mag then went to see Jesse Vineyard. Jesse Vineyard was a partner of Frank Rozzelle. Frank Rozzelle had come to Kansas City from Michigan Law School in 1878 and had been a prominent lawyer as the new city emerged from the frontier town that it was. At the time Mag interviewed, the firm was Rozzelle, Vineyard, Thatcher and Boys. Mr. Rozzelle had represented William Rockhill Nelson who had created a trust for the purpose of buying art for a museum. He did not make any provision for the construction of the museum building. His wife, daughter, son-in-law, and Mr. Rozzelle left their estates to complete the Nelson Art Gallery. The Rozzelle Courtyard at the Gallery was named for him. Mr. Vineyard liked Arthur Mag and employed him as an associate of the firm for \$90 a month. He worked closely with Mr. Vineyard who would call him into conferences with clients and give him full credit for the work that he had done so that as the time went on he came to know many clients of the firm. Mr. Rozzelle had become ill and gone to Santa Monica, California to recuperate. In 1924 Mr. Vineyard suffered a stroke at the office and died the next day. Mr. Rozzelle died within the month. John Thatcher whose name had been in the firm was retired and not actively engaged in the practice. Frank Boys was a young man who had practiced law in Kansas and he was more of a salaried lawyer than a partner. All of a sudden the firm had almost collapsed. Mag and three or four other young lawyers who were called law clerks survived. Shortly after Mr. Rozzelle's death, Ms. Marsh who was a long time secretary at the office, came into Mag's office and said, "Mr. Mag, you have got to do something or this firm is going to be gone and other lawyers are going to get all of our business." Mr. Mag decided she was right and started to call on the firm's clients, one of whom was E.F. Swinney who was chairman of the board of First National Bank. He asked Mr. Swinney if he could continue to represent him. The firm represented him personally but did not represent the bank. Mr. Swinney replied, "If you think you can do it, go ahead." Mr. Mag called on Sigmund Stern of Stern Brothers & Co., Carl and Vic Schutte of the Schutte Lumber Company, E.H. Wright of Wright Liquid Smoke Company and other clients all of whom said they would stay with Mr. Mag. He then realized he needed to have some more lawyers to handle this business which he hoped to retain. He had heard that Paul Stinson, a feisty young trial lawyer, might consider moving to another firm. He called on Stinson and asked him if he would like to become a partner in the firm. After some consideration Stinson agreed and it wasn't until several weeks later he learned that he had been asked to become a partner by a \$90 per month law clerk. They then called on Mr. Roy B. Thomson who was changing firms and he also joined the new firm. Shortly thereafter Mag received a call from I.P. Ryland. Mr. Ryland had represented The First National Bank. He inquired if Mr. Mag would be interested in combining the two firms, which would permit them to retain The First National Bank of Kansas City as a client. Mr. Mag called E.F. Swinney to see if that would be all right with him and

received a reply that was the reason Swinney had suggested it. So the firm of Ryland, Stinson, Mag and Thomson was created in 1925 with its landmark client, The First National Bank of Kansas City.

I have now brought Mr. Mag to Kansas City where he is practicing law, so I will digress and talk about early philanthropy in Kansas City. We in Kansas City have been very fortunate, even while the town was a small town on the Missouri River and filled with transients who were on their way west. It had developed a certain community spirit that was gratifying. There was a Women's Christian Association, Jewish Relief Association, and several German clubs and societies for the relief of German citizens coming to the west. Hospitals and schools were starting to be built. The depth of the philanthropic interest of these early settlers is shown by the fact that Annie Chambers, who was the madam and owner of an elegant house of prostitution in Kansas City, left her property to the City Union Mission. Probably the greatest philanthropist that Kansas City has known was William Volker. He was born in Germany and came with his family to the United States as a child. He settled in Kansas City as a young man and started a factory which made window shades, picture frames, and other furniture. William Volker made substantial gifts to substantial causes, and in addition to that, he made hundreds of smaller gifts to individuals to help them in their lives in the harsh environment of a new town. His charitable efforts continued until his death in 1947. One of his strong goals was to establish a university in Kansas City, which he succeeded in doing. Mr. Mag was one of the founding trustees of the University of Kansas City, which opened in 1933.

Mag continued his law practice in 1925, and in the following years as general counsel for The First National Bank, he met many of the bank's customers and worked with them. Among these customers was the Loose family. Jacob L. Loose and his brother, Joseph, had come to Kansas City and started Loose-Wiles Biscuit Company which later became Sunshine Biscuit Company. The Looses were among the socially prominent and influential members of the community. Jacob Loose died in 1924. Mr. Mag had not drawn his will, which provided for the creation of the Jacob L. Loose Million Dollar Charity Fund Association. You must remember that in those days \$1,000,000 was a lot of money and, I think, Mr. Loose took pleasure in announcing the size of his charitable association. He left his estate in a trust with \$5,000 a year of the income to be payable to the Jacob L. Loose Million Dollar Charitable Fund Association and the balance payable to Mrs. Loose during her lifetime. Upon her death the Association became the sole beneficiary. In reviewing this will, Mag became concerned that it followed what were the normal provisions for charitable trusts in those days of designating a specific beneficiary and purpose. Mag had read the reports of other cases in Missouri and elsewhere where trusts had outlived the purposes for which they were created and their money was merely accumulated or being used for unneeded beneficiaries. One such case came out of St. Louis where a wealthy farmer had left his estate in trust to assist immigrants going west by wagon train. Of course, there was no need for that assistance in the 1920's and the main activity of the trust was litigating with the heirs as to who could keep the proceeds. Finally after lengthy and expensive litigation, the court held that a charitable trust could not fail for want of a beneficiary and designated the Travelers Aid Society as a beneficiary, believing it most closely resembled the beneficiary named in the will. Mr. Hershey of the Hershey Chocolate Company had left a very substantial trust to maintain two large orphanages in Philadelphia. Times

changed and large orphanages were no longer the desired way to care for orphaned children, so the income in the fund was accumulating. Mr. Mag had the idea that a charitable trustee should be given very broad general powers over the distribution of the charitable funds in the trust's hands. When Harry Wilson Loose, who was the son of Joseph Loose, called on Mag about some planning he was doing for his own estate, this theory of broad discretionary powers was presented to him. Harry Wilson Loose had inherited a sizeable estate from his father. Mag convinced him that in the trusts that he wanted to create, he should give the trustees very broad general powers so they could meet any change in circumstances. Harry Wilson Loose created one trust in memory of his mother called the Carrie J. Loose Trust. He was also involved in a divorce and he created a trust giving the income to his divorced wife, Cleo, for her lifetime and then provided for a broad charitable trust. In his will he left the rest of his estate to a charitable trust in which the trustees had broad discretion. Harry Wilson Loose died in 1927 and his collateral heirs, who were his cousins, filed suit to have the trust created by his will declared invalid because it was too vague and did not specify who was to receive the benefits of the trust. Mr. Mag had drawn all three trusts and he and Paul Stinson defended the validity of the trusts in the Federal District Court. The trial of the case of *Irwin et al v. Swinney et al* was long and extensively briefed. Many lawyers thought that Mag and Stinson would lose and that it was necessary to have specific beneficiaries. Judge Otis found that the trust was valid, that there was no requirement for specific beneficiaries, and that the trust giving the trustees broad general powers was valid. The plaintiffs filed a petition for writ of certiorari which the United States Supreme Court denied, thus establishing the rule of law for Missouri and nationally that a trust with broad general power permitting the trustees flexibility in its administration was valid. This was a major contribution by Mr. Mag to the philanthropic trusts in the community and elsewhere. The case was not decided until 1931 at which time the country was in the Great Depression followed by World War II. The only operating trust was the Carrie J. Loose Trust. The Jacob L. Loose Trust was largely benefiting Mrs. Ella C. Loose. She was still living so her trust had not yet been set up. The Harry Wilson Loose Trust was for the benefit of his former wife, and no charitable funds were available during her life. Mr. Swinney was a co-trustee with Mr. Mag and First National Bank in these trusts, and during the depression the income was used to alleviate some of the pain and suffering caused by the depression. This all changed in 1945 and 1946. The war ended, and Mrs. Ella C. Loose died so that the income from the Jacob L. Loose Trust and the income from her personal estate were all for the benefit of charity. E.F. Swinney died in 1946, leaving a substantial portion of his estate in a charitable trust with broad discretionary powers in the trustee. Arthur Mag became concerned that the trustees did not have sufficient information to adequately administer these trusts. He formed a committee of the co-trustees and other prominent citizens to look into the matter. This committee engaged a New York think tank called Community Surveys, Inc. to come to Kansas City and make a report upon the needs of the city and how it was meeting them. Community Surveys, Inc. sent a team of eight social scientists to Kansas City. In about five months Community Surveys, Inc. submitted a lengthy report of over an inch thick in which it very carefully analyzed the city's needs, the agencies both private and governmental that were granting aid and it prioritized which of the needs were most important. Its first recommendation was as follows:

*It is recommended that the funds currently cooperating in the study of the city's needs and services continue to cooperate along the lines indicated below, and that they welcome similar cooperation from other appropriate funds. For this purpose a council of Kansas City Trusts and Foundations should be formed as a non-profit corporation.*

*A. Purpose of the Council*

*To provide administrative, study, or advisory services to separate foundations or trusts through a Council with power to advise but not to commit separate funds.*

*B. Membership in the Council*

*Any trust or foundation with funds available for K.C. purposes, which wishes to work in cooperation with the existing members, and subscribes to the requirements of membership, may be admitted upon the approval of the existing members.*

*Any member of the Council may withdraw at any time, such withdrawal being subject only to the liquidation of any obligations to which the member has subscribed as a council member.*

*C. Requirements of Membership*

*Each member will agree to submit any request for a new project or development to the Council for study and discussion before acting on the request.*

Acting upon this report the three Loose trusts and the Swinney Trust created the Kansas City Association of Trusts and Foundations in 1949. One of the men who had come to Kansas City as a part of the survey team was Homer C. Wadsworth. All of the trustees were impressed with Homer Wadsworth, and he was employed as the first president of the Kansas City Association of Trusts and Foundations. Homer Wadsworth continued to be president of the Kansas City Association of Trusts and Foundations until 1973, when he left to head the Cleveland Foundation. In 1961, Charles Curran was employed as an assistant to Homer Wadsworth, and he succeeded Homer as president until 1983. Jan Kreamer succeeded Chuck and is now the president of the Greater Kansas City Community Foundation and Affiliated Trusts. Community Surveys, Inc. suggested twelve recommendations.

*Project #1 A Civic and Social Research Institute*

*Project #2 Research and Demonstration in Community Services for the Aged and Chronically Ill*

*Project #3 A Mental Health Center*

*Project #4 Childhood Inventory*

*Project #5 Promotion for Adequate Public Assistance*

*Project #6 Reorganization of the Public Child Caring Program*

*Project #7 Rheumatic Fever*

*Project #8 A Master Recreation Plan*

*Project #9 A School of Community Services and a Graduate School of Social Work*

*Project #10 The Kansas City Museum*

*Project #11 Architectural and Landscaping Plans for the Cultural Center*

*Project #12 Conservatory of Music – University of Kansas City*

The Kansas City Association of Trusts and Foundations was an idea that Mr. Mag had presented to Raymond Fosdick then head of the Rockefeller Foundation. Mr. Fosdick said it was a good idea, and if it could be put together in Kansas City it would serve as a model for the entire country but he doubted that it would work. The Kansas City Association of Trusts and Foundations was incorporated and the four trusts participated in it. It announced its purposes and policies as follows:

- *To support on a continuing basis a program of research that seeks to provide all citizens a thorough and objective factual record of the community's social and cultural needs and the services organized to meet these needs;*
- *To invest funds in experimental and demonstration programs through new or established agencies, to test the validity of research findings in various fields of community service; and*
- *To encourage in a great variety of ways sound principles of community planning – principles which are directed toward efficient and adequately coordinated public and private services organized to meet human needs.*

One of the first acts of the new association was to cause a research organization to be formed in Kansas City, which was Community Studies, Inc. It was supported by grants from the four trusts and in the first years of its existence conducted over 20 studies of various aspects of life in Kansas City and resources available for improving that life. It became a part of the University of Kansas City and continued in existence for many years. Mr. Mag always tried to have the grants from the Kansas City Association of Trusts and Foundations represent seed money and hoped to attract other funds for the project in question. The formation and use of the services of Community Studies, Inc. is an early example of this effort. In the period from 1953 to 1957, the budget of Community Studies, Inc. grew from \$170,000 to \$640,000. The contributions of the member trusts were approximately \$88,000 a year and declined in 1957 to \$83,000 so that the Association's grants to Community Studies, Inc. were only 13% of its total budget. The other funds came from grants from agencies of the federal government and U.S. public health services, Kansas City, the State of Missouri and Jackson County. There were also requests made for studies by satellite communities around Kansas City and the Metropolitan Area Planning Council. The Ford Foundation was also very supportive and made a sizeable grant to support the work of Community Studies.

Another recommendation that drew Arthur Mag's attention was that of creating a mental health facility in Kansas City. The report showed that there was very little available for treatment of mental disease. Arthur Mag served as chairman of a citizens committee for the study of city and county health services and was influential in creating the Greater Kansas City Mental Health Foundation which entered into contract to operate a new psychiatric receiving center. Private contributions and county bond funding were made available for the construction of the facility. It was completed in 1954 and began shifting the community's mental health services and clinical programs in the mid-60's to state operation and funding. This transfer was completed in 1970 and the foundation carries out important work in psychiatric research, training and demonstration programs. The Greater Kansas City Mental Health Foundation is another example of private contributions and county bond funding to complete the facility. The cost of operating the facility was transferred to the state. The grants to Truman Medical Center were supplemented by the federal government, state, city, county and private funds, all of which permitted a magnificent facility to be available to the community at a minimum cost to the Association. The University of Kansas City was supported by the Association until it became apparent in the early 1950's that the tuition-based budget of the University could not support its program. The trustees of the University then entered into negotiations with the University of Missouri to transfer the institution to the University of Missouri for its general operations. Mr. Mag negotiated the contract with UMKC and the agreement permitted UKC trustees to retain the endowment of the university and to continue to use that endowment for the benefit of the school. UMKC has continued to grow and develop under this program.

Several national funds such as Ford, Rockefeller, Robert Woods Johnson, Mabee and others have contributed to projects instituted and started by the Kansas City Association of Trusts and Foundations and by the Greater Kansas City Community Foundation and Affiliated Funds.

Mr. Mag's philosophy regarding charitable grants was largely proactive but not uniformly so. He did not think that private foundations having broad powers of distribution should make grants for annual operating expenses of charitable agencies or for capital campaigns. He felt that such matters should be funded by the constituents of the agency. He favored grants for programs and ideas rather than brick and mortar.

Mr. Mag strongly argued that all charitable trusts should file reports of how they used the income from the trust for the benefit of the community. At the time the Kansas City Association of Trusts and Foundations was formed, there was no requirement by statute in Missouri for such reports to be filed. Mr. Mag convinced the other trustees that they should file petitions in the court submitting the trust to the jurisdiction of the court. The suits were filed naming the Missouri Attorney General as a defendant. The court entered an order requiring trustees to file annual reports of the activities of the trust for the approval of the court. The Attorney General received copies, which were available for inspection by the public. This policy was followed for many years. In more recent years the IRS requires private foundations to file a form 990PF which contains such information. A copy of the 990PF is also filed with the attorney general where it is available for inspection by any member of the public.

The Kansas City Association of Trusts and Foundations handled the disbursement of the charitable funds through the member trusts until it merged with the Greater Kansas City Community Foundation in 1986.

The Tax Reform Act of 1969 created many restrictions upon the use of private foundations to control what the Congress felt were abuses by certain foundations. In that act there was a substantial benefit allowed to community foundations that were defined by the act. Charlie Kimball and I had worked together to create an organization called the Clearinghouse for MidContinent Foundations. That organization sponsored a meeting of its members to listen to an address by a lawyer named Sugarman who had been largely influential in creating the Cleveland Foundation, which was the leading community foundation in the country. He explained to the group the great benefits of having a community foundation both for tax purposes and for the administration of charitable funds. At a cocktail party following the speech and before dinner, someone said we ought to have a community foundation in Kansas City and Charlie Kimball, who was at the dinner, went to the coat room, brought his hat back and passed it around with much hilarity. Everybody contributed pocket change, which amounted to \$219.13. We then formed a community foundation known as the Greater Kansas City Community Foundation. For the first few years Charlie ran the community foundation out of his hip pocket, his time being mostly devoted to urging estate planners, tax people and others to make use of the community foundation in their work. As the community foundation grew it became obvious that there was duplication in the work of the Community Foundation and the Kansas City Association of Trusts and Foundations. The two organizations worked together, but it was decided in 1986 that they should be merged. That merger took place and the organization is now The Greater Kansas City Community Foundation and Affiliated Trusts. It has grown so that at the end of 1997 it consisted of assets having a value of \$454 million. Not bad for an organization that started with \$219.13. Of that amount the affiliated trusts had assets worth \$80 million. In 1997 it made grants of \$72 million and continues to grow. It is second only to the New York Community Trust in gifts received and ranks ninth in grant making. In 1985 Bill Hall addressed the MidContinent Perspectives and was very pessimistic about the future of philanthropy, feeling that the tax laws and the other aspects of the economy would result in philanthropy declining. That has not happened, and in 1990 when Bill Hall again addressed the same group, he acknowledged that charitable contributions were growing and that they would continue to grow. Kansas City has also been fortunate in receiving other large foundations. The Hall Family Foundation, Hallmark Corporate Foundation, Ewing M. Kauffman and Muriel Kauffman Foundations, H & R Block Foundation, the Sosland Foundation, the Kemper family foundations and others – all of which operate together for the benefit of the community and all of which actively engage in research to ascertain that what they are doing is feasible and accurate.

Arthur Mag was a busy lawyer and handled many corporate matters for his clients. He served on over twenty corporate boards and was a member of many charitable organizations in Kansas City. He was a founding trustee of the University of Kansas City, Menorah Hospital, Midwest Research Institute, the Starlight Theater Association, the Greater Kansas City Mental Health Foundation, and many other hospitals, charities and schools of higher education. His philosophy of philanthropy can be summarized as follows:

1. He believed that trustees of a charitable trust should be given broad general powers of discretion in the disposition of the charitable funds. He established as a rule of law that such trusts were valid in the landmark case of *Irwin et al v. Swinney et al.*
2. He believed foundations should unite so that they could receive the maximum benefit of their resources by combining for the good of all. This philosophy is now followed by the Greater Kansas City Community Foundation and Affiliated Trusts.
3. He believed that trustees should employ independent professional experts to advise them on the need for a program and the resources available to meet it. This function is being carried out by the larger trusts above referred to and the Greater Kansas City Community Foundation and Affiliated Trusts.
4. He believed that all charitable trusts should make full reports available to the general public. This provision is now required by the Internal Revenue Code.
5. He believed that funds from private charitable trusts should be used as seed money to get programs started to which other organizations, governmental and private, would make contributions. This practice resulted in substantial amounts flowing into the Kansas City community that would not have otherwise been possible.

I believe that the proof of the wisdom of Mag's philosophy is the fact that virtually all of his ideas are now being pursued within the community by organizations which he founded or which are successors to the ones that he was influential in commencing.

# WHMC-KC

The Western Historical Manuscript Collection, a joint collection of the University of Missouri and the State Historical Society of Missouri, contains primary source materials for research and welcomes use by scholars, students, and the public. Our network allows for the full resources of the Collection – the holdings of all four branches in Columbia, Kansas City, Rolla, and St. Louis – to be available to researchers throughout the state.

The Kansas City office opened in 1980 with a mission to collect, preserve, and make available for research, documents relating to the history and culture of Kansas City, western Missouri, and the Midwest. Since that time approximately 7500 cubic feet of documents has been acquired. The Collection owns the papers of important **civic and political leaders** such as Charles Kimball, Ilus Davis, Charles Wheeler, Oscar Nelson, H.P. Wright, Lou Holland, William Volker, and L. Perry Cookingham; the records of **businesses and industries** such as the Kansas City Board of Trade, the Kansas City Stock Exchange, and the J.C. Nichols Company; a very large collection of materials relating to **Kansas City's built environment**, including the records of the architectural and planning firms of Hoit, Price and Barnes, Wight and Wight, and Hare and Hare, among others; the records of **not-for-profit civic and social organizations**, including the Chamber of Commerce of Greater Kansas City; the Kansas City PTA, the Woman's City Club, and the National Council of Jewish Women; the papers of **scholars and historians** who have researched and written on Kansas City's history, including materials from the Kansas City History Project, and the papers of Bill Goff, Lyle Kennedy, A. Theodore Brown, and James Anderson; and a variety of other collections dealing with such diverse topics as labor unions, the Battle of Westport, music and cultural arts in Kansas City, neighborhood development, civil rights, Kansas City school desegregation, and the overland trails.

Questions about the use of or donations to the Collection should be directed to David Boutros, Associate Director of the Kansas City office. (816) 235-1543.

**Cover Photo:** Arthur Mag at the University Associates Dinner, February 9, 1967, receiving the University of Missouri-Kansas City Chancellor's Medallion. Mr. Mag was cited for his contributions to civic, medical, and educational activities of the community. *Arthur Mag Papers (KC92)*, WHMC-KC.

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