

to make the gift. Even though Mr. McArthur is stepping down today, to be succeeded as dean by Kim Clark, Mr. McArthur has promised the nonprofit initiative would remain a priority, and that he will stay involved with it.

Despite the new attention, it is unlikely that nonprofit management will ever be a main theme for the school. The M.B.A. class of 1996, for example, has only 40 students out of 807 who came out of government, education or nonprofit jobs. Even though 10 percent of the class of 1995 cited working with a nonprofit group as their career goal after graduation, the school sent only 11 students into those fields. "The financial pressures are very high," Mr. Whitehead said.

But Mr. Whitehead said he did not worry that nonprofit management would be a stepchild at the business school. He said the new course on social entrepreneurship was oversubscribed last spring, when more than 10 percent of the second year class signed up for it, instead of the 60 that had originally been set as the limit.

"Usually elective courses start small and build their reputations," Mr. Whitehead said. "But this was very successful. I was just delighted."

He spoke of the growing interest among business students, who know they are likely to serve as directors of nonprofit groups, as he and so many other business executives do now; and the growing recognition that they should know more when they do.

"I believe more of this kind of program, and more scholarship, will help," he said.

That is not to say that Mr. Whitehead sees such programs as curing all ills. He does not think that better education would have stopped the scandal involving the Foundation for New Era Philanthropy.

New Era persuaded sophisticated executives like Mr. Whitehead to funnel money they wanted to contribute to other charities through New Era, saying that it would be matched after six months. The participation of top business leaders like Mr. Whitehead helped attract other donors.

"New Era was a real tragedy," said Mr. Whitehead, who stands to lose up to \$1 million in the bankruptcy. "I doubt that a program like this would have lessened the problem. If you have a dishonest guy, there is not much you can do. I hope we will all be able to put it behind us."

Although the management of nonprofit institutions is a relatively new academic specialty, Harvard is by no means the first university to turn its attention to the subject. There are now more than three dozen centers for the study of nonprofit enterprises at universities around the country, from Yale and Duke to the New School for Social Research and the University of San Francisco, and at least a dozen offer some focus on management.

In addition, there is already one other school at Harvard, the John F. Kennedy School of Government, that focuses on nonprofit enterprise, and sends about a third of its graduates into jobs in nonprofit institutions. It even offers the only course on nonprofit management at Harvard.

While the two schools talked about the possibility of a joint program, Mr. Whitehead's money was ultimately directed to the business school.

"They both have a role to play," he said. "My interest is in teaching managers business skills. The Kennedy School teaches them about the policy issues. There is a different kind of emphasis, and there is room for both."

Those connected with the business school program, the Initiative on Social Enterprise, which was established in 1993, concede that there is much to learn before there is a dis-

cipline that offers the depth and breadth of business management. They talk of the overlap between the two fields—and the differences. And they talk about building new intellectual capital.

V. Kasturi Rangan, a business school professor who is one of the leaders of the social enterprise initiative, talked about the crossover in his own field of marketing:

"Nonprofit management offers its own challenges, but the trick is to bring the core disciplines into these challenges," he said. "We don't have Marketing 1 for toothpaste, and marketing 2 for computers, marketing is marketing."

He added, however, that nonprofit groups face a dual customer problem that is unique to them, because they need to concern themselves both with the clients who receive their services, and with the donors who pay for the services with their charitable contributions. The usual marketing discipline, coming out of consumers' choices that weigh benefits against costs, doesn't apply when consumers and payers are separate, he said. So a nonprofit group needs to develop special internal measures to know whether its products are appropriate.

It is analysis like this that excites Mr. Whitehead and makes him feel that his money will be well spent.

"This is fun," Mr. Whitehead said. "This is what keeps me going."

#### JOHN C. WHITEHEAD

Born April 2, 1922, Evanston, Illinois.  
Education:  
Haverford College, 1943.

M.B.A. with distinction, Harvard Business School, 1947.

Professional life:  
Goldman, Sachs & Co., 1947-1984. Securities Industry Association, chairman, 1972-1973. New York Stock Exchange, director, 1982-1984. Deputy Secretary of State, 1985-1989, Harvard University, President of the Board of Overseers, 1989-1991.

Current leadership in these organizations:  
AEA Investors Inc. International Rescue Committee. United Nations Association of the U.S.A. Andrew W. Mellon Foundation. International House, Youth for Understanding, The Brookings Institution, and Asia Society. Greater New York Councils/Boy Scouts of America. J. Paul Getty Trust, Rockefeller University, Lincoln Center Theater, and Outward Bound.

#### TRIBUTE TO SUSAN HOFFMANN

Mr. DOLE. Mr. President, I would like to take a moment to recognize a staffer who has recently left my Topeka, KS office, Susan Hoffmann. Susie was a dedicated member of my staff for almost 8 years and has recently moved on to pursue her career with the Community Bankers Association in Topeka.

Susie is a graduate of my alma mater, Washburn University, and has worked for several years helping the Young Republicans in the State. She was committed to assisting constituents with their concerns about government and they knew Susie was always there to lend a helping hand to a Kansan in need. She made a difference in hundreds of people's lives, because she cared.

Mr. President, I know my staff joins me in wishing Susan Hoffmann the best of luck in her future endeavors.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination which was referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

#### REPORT OF DEFERRALS OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT—PM 88

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Foreign Relations, to the Committee on Labor and Human Resources, and to the Committee on Finance.

#### *To the Congress of the United States:*

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report three deferrals of budgetary resources, totaling \$122.8 million.

These deferrals affect the International Security Assistance program, and the Departments of Health and Human Services and State.

WILLIAM J. CLINTON.

THE WHITE HOUSE, October 19, 1995.

#### MESSAGES FROM THE HOUSE

At 10:59 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following the concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 108. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 1594.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2076) making appropriations for the Departments of Commerce, Justice, and the judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ROGERS, Mr. KOLBE, Mr. TAYLOR of North Carolina, Mr. REGULA, Mr. FORBES, Mr. LIVINGSTON, Mr. MOLLOHAN, Mr. SKAGGS, Mr. DIXON, and Mr. OBEY as managers of the conference on the part of the House.