

agrees and thinks he can explain the myopia.

The problem stems partly from the fact that publicly traded U.S. firms increasingly rely on funds from transient owners—mutual funds, pension funds, and other institutional investors. Whereas such owners accounted for only eight percent of total stock-market equity in 1950, they held 60 percent in 1990. Their portfolios are highly diversified, with small stakes in many companies. Mutual funds and actively managed pension funds hold shares, on average, for under two years. In Japan, by contrast, roughly 70 percent of stock is held for many years. The U.S. fund managers want stocks to appreciate quickly and dump them if they do not.

That threat focuses the minds of corporate managers on the next quarter's financial results. It does not help that executives themselves often receive compensation in the form of stock options or tied to current profits.

Boards of directors, which are supposed to tend to corporations' long-term interests, have limited influence. The recent board revolt at General Motors is an encouraging sign, but it is

still only that. "The presence of knowledgeable major owners, bankers, customers, and suppliers on corporate boards has diminished," Porter notes. Nearly three-fourths of the directors of the largest U.S. corporations are outsiders, with little knowledge about or stake in the companies they oversee.

Lack of information about their businesses also hinders top corporate managers. Many U.S. firms in recent decades have opted for a decentralized organizational structure involving highly autonomous business units. Top managers, as a result, are less familiar than in the past with the details of the business.

Systemic reform is badly needed. For one thing, Porter says, ownership should be greatly expanded. "Outside owners should be encouraged to hold larger stakes and to take a more active and constructive role in companies. Directors, managers, employees, and even customers and suppliers should all hold positions as important corporate owners." These are the parties that can best safeguard America's long-term interest in the future of the corporation.

SOCIETY

P. T. Barnum Lives!

"Reinventing the Museum" by Michael Lind, in *The Public Interest* (Fall 1992), 1112 16th St. N.W., Ste. 530, Washington, D.C. 20036.

On an August day in 1793, one year after the abolition of the monarchy in France, the Louvre was thrown open to the public and what is now thought of as the traditional art museum was born. "Along with the public school and the public library, the public museum is one of the characteristic institutions of bourgeois republicanism," notes Lind, executive editor of the *National Interest*. Communities in the United States point with pride to their museums, as they once did to their churches. Today, however, the traditional notion of the museum as a dignified place for the display of artistic masterpieces is under attack.

From the Left, it is assaulted by some who want to create "alternative" institutions free of the bourgeois taint (such as the Anonymous Museum, which opened in a Chicago warehouse in 1991), and by others who wish to turn the bourgeois institution against the bourgeoisie by mounting exhibitions that aggressively subvert the supposed ideology of the state or the corporate elite.

A more subtle—and perhaps more serious—threat, Lind says, comes from "the market-driven substitution of entertainment for enlightenment." The museum, critic Hilton Kramer observes, has become "an appropriate place in which to order lunch or dinner, buy something to wear, do our Christmas shopping, see a movie, listen to a concert, attend a lecture on anything under the sun, possibly even art." To draw crowds, museums mount "the blockbuster show, the middlebrow extravaganza," such as the King Tut exhibit or the Andrew Wyeth Helga show. "This profit-driven boosterism," in Lind's view, "tends to vulgarize the museum incidentally, at the very time that left-minded curators celebrate vulgarity deliberately."

"Avant-garde hype and shrewd commercialism" come together in shows like the "Helter Skelter" exhibit at the industrial annex of the Museum of Contemporary Art in Los Angeles. The displays there included a mechanical manikin copulating with a tree, and a 30-foot sculp-

ture of two enormous infants joined at the groin. P. T. Barnum, who filled his American Museum in 19th-century New York with jugglers, bearded women, and the Feejee Mermaid, would have approved.

What else can the museum be if it is no longer a noble temple of art? Lind looks to the "contextualist" ideal advanced by Ananda K. Coomaraswamy (1877–1947), an English-educated Indian intellectual who spent the last half

of his life in the United States. "The Coomaraswamian museum would showcase objects not as exemplars of eternal aesthetic values but as manifestations of a particular civilization's particular philosophical worldview or religious sensibility. It would, in short, resemble a museum of anthropology or comparative religion." Truth, not sensation, is the proper goal of art, after all, and it is hardly likely to be obtained by shoppers at a cultural bazaar.

Keeping 'Em Down On the Farm

"From Better Babies to 4-H: A Look at Rural America, 1900–1930" by Marilyn Irvin Holt, in *Prologue* (Fall 1992), National Archives, Washington, D.C. 20408.

The U.S. census of 1920 showed that, for the first time in the nation's history, country folk were outnumbered by their urban cousins. The exodus from the farm had already prompted fears for the future of American agriculture, as the popular World War I song, "How 'Ya Gonna Keep 'Em Down on the Farm (After They've Seen Paree)?," jokingly suggested.

Even before the war, notes Holt, a free-lance writer, the federal government, along with the

agricultural colleges created by the Morrill Act of 1862, had begun making efforts to improve farm life and make it more attractive. President Theodore Roosevelt in 1908 set up a commission to study the matter. In 1917, the first of many national conferences was held to bring together all those interested in "rural progress." Education was the U.S. Agriculture Department's favored means of uplift. Farmers were shown how to get higher crop yields and



Hard labor: An entire Texas farm family, circa 1900, was forced to pick cotton.