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Philanthropy and Diplomacy in the "American Century"

This essay is concerned with the role of the "big" foundations in the United States during the "American Century" and with the ways in which their activities related to the projection of the country's political, economic, and cultural power around the globe. In order to provide some fresh empirical backup for the more general arguments about the subject, central parts of what follows focus on the work of the Ford Foundation, which from 1948 onward grew to become the largest philanthropic organization in the world, spending millions of dollars every year on international projects.

Because the major expansion of American foundation activity did not occur until after the end of World War II, however, the topic also raises the question as to when the "American Century" in fact began if seen through the lens of the historian of corporate capitalism and of culture. Whatever the time frame of the political historian, certainly from the perspective of cultural and business history a very plausible case can be made that, broadly speaking, the year 1900 must be the starting point. It was at the turn of the century that Europe – then still the power center of the world – began to perceive the United States as the new world power of the future not merely in terms of political and military potential but also – and indeed most particularly so – in terms of industrial-technological and cultural power and influence. Historians of international affairs, preoccupied as they tend to be with diplomacy and military (or naval) competition in the pre-1914 period of heightened nationalism and formal imperialism, have not been too interested in those latter aspects. Thanks to the work of the "new international historians," the picture may be more balanced for the interwar years and the period after 1945 when America's role in the reconstruction of war-torn Europe inevitably turned scholars' attention toward questions of finance and economics.[1] Yet, much of this research was primarily concerned with quantifying the American impact on Europe in those two periods, and

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* I would like to thank Oliver Schmidt for his comments and advice.

1. For a discussion see Volker R. Berghahn and Charles S. Maier, "Modern Europe in American Historical Writing," in *Imagined Histories*, ed. Anthony Molho and Gordon Wood (Princeton, 1998), 393–414.

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much less is known about the European-American relationship in terms of industrial technology, mentality, and culture.[2]

For the pre-1914 period the imbalance is particularly striking because it is in precisely those years that America's industrial and cultural development became a subject of intense debate among contemporaries in the wake of the Paris World Exhibition of 1900. At this forum, where the major nations of the world presented themselves, the American pavilion attracted much attention because of the modern machinery on display. If the European had hitherto perceived the United States as a wide-open country of settlers and trappers, of cowboys and "Indians," by the beginning of the new century America also came to be seen as a major technological power and as a highly modern society with an urban and industrial culture. European businessmen and engineers were particularly intrigued by the new methods of production and factory organization that were being developed across the Atlantic.

There were, to begin with, the novel ideas about rationalized manufacturing with ever more sophisticated machinery turning out inexpensive goods. Yet, the vision of mass production became linked with concepts of more efficient organization of both the shop floor and various areas of management. Frederick Taylor had begun to advertise his methods of work organization and to conduct his time-and-motion studies with a truly missionary zeal.[3] But the influence of Taylorism and the Scientific Management movement more generally soon also spilled over into other parts of the modern manufacuring enterprise, such as finance and marketing. In short, when it came to the displays in the American Pavilion at Paris and their transferability to Europe, it was not just a question of the importation of machinery but also of whether and how far the new American ideas about factory and business organization could and should be adopted on the other side of the Atlantic. Ultimately, to be sure, this question was not about the wholesale "Americanization" of Europe – as the process has often been misinterpreted – but about a selective adaptation and blending of imported and indigenous industrial and social practices. Just as in other spheres of reality cultural transfer always involves negotiation, so it was with business.[4]

The debate was unleashed when some European companies began to experiment with Taylorism, while other firms were more skeptical about importing America's brave new industrial world. As the influential *Frankfurter Zeitung* editorialized in 1906, when it published an article on Taylorism by an engineering professor at Aachen Technical University, the adoption of American-style methods in industry had "cultural consequences" that were still difficult to

2. A good recent example of the latter approach focusing on the 1920s is Mary Nolan, *Visions of Modernity* (New York), 1994.

3. On Taylorism see, for example, Richard Kanigel, *The One Best Way* (New York, 1997); and Samuel Haber, *Efficiency and Uplift* (Chicago, 1964).

4. See Volker R. Berghahn, *The Americanization of West German Industry, 1945–1973* (New York 1986).

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fathom.[5] To begin with, there were the consequences of assembly-line manufacturing, which European critics argued would result in cheap, unreliable, and shoddy products. This concern probably found its neatest expression in the following statement by Daimler-Benz, the Stuttgart manufacturer of expensive cars and a paragon of *Qualitätsarbeit*: "Here [we do things] meticulously and thoroughly; over there [in America it is] skimping and rushing."[6]

Yet, it was not just the implications of mass production for European manufacturing practices, which – still steeped in a crafts tradition and mentality – upheld the idea of small-volume output of beautifully engineered, high-priced goods. European manufacturers understood, even if they did not say it so publicly, that mass production only made sense in a society that explicitly accepted and promoted the mass consumption of inexpensive products together with its democratic implications. But Europe's elites, with few exceptions, were wary of a dawning age of democracy. This elitism was expressed by Daimler-Benz in the following telling statement: "Over here we are still a long way from the American situation where every Mr. Jones owns a car. With us the automobile is for the most part a vehicle for the better-off classes."[7]

Worse, mass production brought with it not only mass consumption and the erosion of luxury production for the select few; it was also thought to undermine the high culture of Europe, leading down a slippery slope toward a "trashy," "vulgar," and "primitive" mass culture. And this threat was, in the eyes of many educated Europeans, in turn related to the dangers of an emergent mass society peopled by *Massenmenschen* over whom, in this age of a proliferating universal suffrage and pressure for democratic participation and socioeconomic equality, the elites might well lose control. Toward 1914 this came to be more than a serious possibility in light of the successful mass mobilization that the working-class parties and trade unions of Europe had undertaken. Millions of industrial and urban "proletarians" had joined these organizations in a new age of mass politics, making demands that sounded very radical to the middle and upper classes and seemingly destabilized the established political systems and oligarchies in charge of the centers of political and economic power.

Not surprisingly Le Bon's *La Psychologie des foules* became a best-seller in its time and was translated into other European languages.[8] Mass production, mass consumption, mass culture, mass society, and mass politics were thus seen by the elites of Europe to be dangerously interconnected and developments in the United States provided a good example of this

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5. Quoted in Lothar Burchardt, "Technischer Fortschritt und sozialer Wandel" [Technological progress and social change], in *Deutsche Technikgeschichte*, ed. Wilhelm Treue (Göttingen, 1977), 74.

6. Quoted in Anita Kugler, "Von der Werkstatt zum Fliessband" [From workshop to assembly line], in *Geschichte und Gesellschaft*, 13 (1987): 315.

7. Ibid., 316.

8. Gustave Le Bon, *The Crowd: A Study of the Popular Mind* (London, 1910). The book was first translated into English in 1896. The seventh impression appeared in 1910.

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interconnection: if "you've seen one, you've seen the mall."[9] So, while the Europeans developed a fascination with America as the embodiment of the new century, not all of them were pro-American. Fears of the consequences of mass production and mass consumption also generated anti-American feelings. If Taylor, the rationalizing engineer, was problematical, Henry Ford, the salesman of mass-produced cars to the mass consumer, was even more so. With the subsequent rise of the United States to world power status and ultimately to hegemony in the Western world, these perceptions became intimately linked with attitudes toward the "American Century," as defined in Henry Luce's well-known article of 1941.[10]

Putting the above points together, a good case can therefore be made that this "American Century" began in 1900, if the problem is approached from the perspective of industrial organization and culture, and it is indeed within this time frame that research and debates about cultural and industrial "Americanization" have been conducted in the past and are now, at the end of our century, being conducted again.[11] The case is reinforced if we include in our analysis the cultural influence of the big American foundations, which began to leave their national confines during this same period. It is to this particular development that we shall turn in the first instance, and it will become clear only later how American international philanthropy relates to the new ideas of a culture of mass production, mass consumption, and mass politics. Suffice it to say at this point that the connection came about, at least in part, through an increasingly closer link between the foundations' activities and U.S. foreign policy – a link that was still tenuous before 1914 but grew so strong after World War II that it produced a temporary symbiosis. Philanthropy and diplomacy became close partners in the cold culture wars of the post-1945 era.

If in the nineteenth century philanthropy still kept its distance from diplomacy, it was to a considerable extent due to the separation of church and state, which meant that public relief agencies operated, if at all, side by side, but independently of, religious charity, at this time the mainstay of private giving for good causes. While most of these philanthropic activities, private and public, were devoted to helping fellow Americans in need, some aid also began to go overseas. Thus, American agencies got involved in the Irish Famine Relief effort during the Hungry Forties. The late nineteenth century then saw an expansion of benevolence to other continents, either, as previously, in the form of relief after natural catastrophes or in connection

9. Rob Kroes, *If You've Seen One, You've Seen the Mall: Europeans and American Mass Culture* (Amsterdam, 1996).

10. See Henry Luce, "The American Century," in the previous issue.

11. Among the more recent contributions see, for example, Richard F. Kuisel, *Seducing the French: The Dilemma of Americanization* (Berkeley, 1993); Richard H. Pells, *Not Like Us: How Europeans Have Loved, Hated, and Transformed American Culture since World War II* (New York, 1997); Reiner Pommerin, ed., *The American Impact on Postwar Germany* (Oxford, 1994); and David W. Ellwood and Rob Kroes, eds., *Hollywood in Europe: Experiences of a Cultural Hegemony* (Amsterdam, 1994).

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with missionary work in Africa and Asia, but it was accompanied by an increasing secularization.[12]

After the turn of the century, disaster relief was stepped up and Washington began to assume a larger role in it. In 1902, for example, President Theodore Roosevelt set aside some $500,000 for earthquake victims in Martinique and St. Vincent. In the same vein, U.S. diplomats overseas took a lead in the coordination of foreign relief work.[13] It was only in 1910, however, that the first of the major foundations with a strong and explicit international orientation was established, that is, the Carnegie Endowment for International Peace. Its creation must be seen in the context of growing worries about rising tensions between the European powers and the escalation of the arms race on land and at sea. The British businessman Norman Angell had just published his best-selling *The Great Illusion* in which he tried to popularize the notion that the global expansion of liberal capitalism and free trade would make wars between nations superfluous.[14] To Angell, capitalism was in principle a peaceful and civilian system that made unnecessary the possession of formal empires based on military conquest and occupation, which in turn merely led to great-power rivalries and armed conflict. It was an argument that the economist Joseph Schumpeter later elaborated in his essay "The Sociology of Imperialisms" in which he interpreted nineteenth-century colonialism as an atavism perpetuated by a military caste that adhered to an outdated ethos of struggle and conquest and that would soon be permanently replaced by peaceful industrial and commercial capitalism.[15]

This is not the place to scrutinize the tenability of Angell's and Schumpeter's hypotheses. The crucial point to bear in mind is that their ideas were born from a concern that a catastrophic great war might engulf the nations of the world, cause horrendous, senseless losses, and ring in the end of the golden age of prosperity of the pre-1914 decades. It was such fears that also contributed to the founding of the Carnegie Endowment for International Peace, whose initial assets in U.S. Steel securities totaling $10 million were, ironically, boosted by the beginning of World War I.

As Merle Curti has emphasized, the Carnegie Endowment took a juridical approach to the question of war and peace and tried to promote the latter through research and international exchanges.[16] In line with Andrew Carnegie's broader ideas about friendship and personal relations, the new foundation was

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12. See Merle Curti, *American Philanthropy Abroad: A History* (New Brunswick, 1963), 41ff.; and Bernard Karl, "Philanthropy, Policy Planning, and the Bureaucratization of the Democratic Ideal," *Daedalus* 105 (Fall 1976): 106.

13. See Curti, *Philanthropy*, 219.

14. Norman Angell, *The Great Illusion* (London, 1910).

15. Translation of the German original in Joseph A. Schumpeter, *Imperialism* (Oxford, 1951).

16. See, for example, Katherine D. McCarthy, ed., *Philanthropy and Culture: The International Foundation Perspective* (Philadelphia, 1984); Robert A. Bremner, *American Philanthropy* (Chicago, 1988); Robert A. Fosdick, *The Story of the Rockefeller Foundation* (New York, 1952); and A. J. Zurcher, *The Management of American Foundations: Administration, Policies, and Social Role* (New York, 1972).

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to enhance international understanding both at the level of prominent individuals in different countries and between nations. The other big foundation to be created at this time with an explicitly international program was the Rockefeller Foundation, set up in 1913. Its main focus at this time was on international health reform.

Although the United States did not enter World War I until 1917, the fighting and the massive casualties in Europe led to a further expansion of both public and private American benevolence abroad. The U.S. ambassador to France converted the American Hospital in Paris into a "military ambulance." Later government support was also given to Russia and to Jewish emigrants to Palestine. In February 1919, when faced with mass starvation in Bolshevik Russia during the civil war, the U.S. Congress ratified the American Relief Program, which subsequently and under the directorship of Herbert Hoover shipped food and clothes to the starving millions in that part of the world.

As in later years, however, there was also immediate criticism of Hoover's work. Some objected to the American Relief Administration's anti-Communist bias, while others came to believe that it used its charitable activities to influence European politics. There was also a more general feeling, particularly in the business community, that government should retreat from the wartime interventionism in the private sector. It seems that the political side effects of official philanthropic work resharpened earlier anti-government feelings in the Carnegie Endowment, though the endowment's internationalism remained strong. Under the supervision of James T. Shotwell, an international lawyer at Columbia University, the endowment funded a major study, compiled by an international team of scholars, of the economic and social history of World War I that eventually ran to no fewer than 152 volumes.[17] Further studies on the subject were initiated by the endowment's Division of International Law.

Meanwhile, the Rockefeller Foundation had redoubled its support of international health programs, scientific research, and fellowships for individual scholars. The universities of Oslo and Copenhagen received grants for nuclear research and astrophysics. Other funds went to Heidelberg and more generally for a reconstruction of German science after World War I to the *Notgemeinschaft der Wissenschaft.* In each of these cases giving was based on the assumption that support for educational institutions would enhance international understanding. Programs such as these continued to be complemented by traditional disaster relief and aid to refugees, in the 1930s particularly to those who had escaped the clutches of Stalin and Hitler. It has been estimated that U.S. private giving to international causes and relief between 1919 and 1939 amounted to almost $1.3 billion, roughly one-third of which went to educational and scientific programs.[18]

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17. See Curti, *Philanthropy,* 303f.
18. Ibid., 410.

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Yet, the interwar years were also a period when relations between the foundations and the American government underwent a marked change. Looking back on this development in 1984, Waldemar Nielsen, a thoughtful former Ford Foundation official, identified six postures that historically the big foundations had adopted toward Washington:[19] 1. They functioned as monitors and critics of government activities; 2. They developed their programs unconcerned about Washington and the complexities of American politics; 3. They acted as "pilot fish" to official policymaking; 4. Their programs became supplementary to government work; 5. They turned themselves into partners and collaborators of the politicians; 6. They allowed themselves to be used as private instruments of public policy.

From what has been said so far, it should be clear that the first posture was rarely adopted. More common were postures two, three, and four. But with the approach of World War II, the big foundations increasingly saw themselves as collaborators and partners of Washington on the international stage. For both sides – philanthropy and diplomacy – this was in good part a response to the growing cultural activities of the Soviets and the National Socialists in the 1930s. Next to its more blatant propaganda aimed at the "proletarian masses" of the world, the Comintern had long tried to woo intellectuals, especially in Europe.[20] With the rise of fascism and the political hothouse atmosphere of the Depression 1930s, Moscow had organized among other things a number of successful congresses designed either to rally support in the fight against fascism or to buttress pro-Soviet pacifist sentiments among European and American intellectuals. At the same time, the Hitler government had stepped up its efforts to spread its ideas about what, in its view, propelled international politics among both German-speaking minorities abroad and European intellectuals attracted by fascism.[21]

All these activities were, of course, anathema to the goals of the big American foundations that owed their existence to private enterprise and hence had no sympathy for a Bolshevik world revolution to overthrow capitalism and abolish philanthropy. Nor did they find the chauvinism and racism of the Nazis attractive. But with the rise of these two movements and their propaganda it became clear that larger issues were at stake. Almost inevitably this recognition made the big foundations more inclined to listen to the attitudes and positions of the State Department diplomats in Washington. Conversely, while the

19. Quoted in McCarthy, ed., *Philanthropy*, 65–81. See also Waldemar A. Nielsen, *The Big Foundations* (New York, 1972), esp. 379ff.; *Inside American Philanthropy* (Norman, 1996); and Edward H. Berman, *The Ideology of Philanthropy: The Influence of the Carnegie, Ford, and Rockefeller Foundations on American Foreign Policy* (Albany, 1983).

20. See, for example, Manès Sperber, *Bis man mir Scherben auf die Augen legt* [Until one puts shards of glass in my eyes] (Munich, 1982); Herbert R. Lottman, *The Left Bank* (San Francisco, 1991); and Tony Judt, *Past Imperfect* (Berkeley, 1992).

21. See, for example, Walter Laqueur, *Fascism* (Harmondsworth, 1979); and James V. Compton, *The Swastika and the Eagle: Hitler, the United States, and the Origins of the Second World War* (Boston, 1967).

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American population remained overwhelmingly isolationist, the Roosevelt administration had soon after 1933 begun to realize that the United States could not stand apart in the face of the mounting threat to world peace that European fascism was posing. On the contrary, Secretary of State Cordell Hull had never abandoned his internationalism and wanted the restoration of the Open Door as soon as the United States had overcome the worst of the Great Slump.[22] Given popular isolationism, however, he was forced to move cautiously and indirectly in his foreign policy, relying on commercial pressure and the threat of economic sanctions as he tried to nudge the fascist opponents of internationalism in Europe away from unilateral aggressive action and back into negotiation and cooperation within the community of nations.[23] For the same reason of hoping to influence international politics indirectly Hull also came to see cultural contacts and internationalist propaganda as a vehicle for promoting understanding and compromise as a defining element of American national interest.

This latter trend reached a first climax in May 1938 when the State Department called a meeting of the major foundations at which the diplomats unveiled the plan to establish in Washington a special division concerned with international cultural relations.[24] Yet, as the diplomats hastened to add, they had no desire to compete with private philanthropy. All they wanted was to achieve some coordination of American cultural efforts and to encourage increased giving for international causes within the larger framework of U.S. activities abroad. This restraint was partly born from the limitations that the Great Depression and congressional parsimony had imposed on public expenditure. In these circumstances, encouraging private institutions to commit themselves to larger international programs, with the State Department being the coordinating agency, seemed to offer the most promising approach. As this climate of financial austerity and diplomatic caution continued into the early 1940s, it is not surprising that it took until the middle of 1943 for the position of "cultural relations attaché" finally to be created within the organizational structure of the State Department.

In the meantime and even before Japan and Germany went to war with it, the United States had become involved in a massive program of military aid to its western Allies and, after June 1941, to the Soviet Union and, no less important in our context, the propaganda effort had also been strengthened. Funds were

22. See, for example, Cordell Hull, *The Memoirs of Cordell Hull* (New York 1948).

23. See, for example, Arnold A. Offner, *American Appeasement: United States Foreign Policy and Germany, 1933–1938* (Cambridge, MA, 1969); Callum A. Macdonald, *The United States, Britain, and Appeasement, 1936–1939* (London, 1981); and Karl Rohe, ed., *Die Westmächte und das Dritte Reich* [The Western powers and the Third Reich] (Paderborn, 1982).

24. Frank Ninkovich, *The Diplomacy of Ideas: U.S. Foreign Policy and Cultural Relations, 1938–1950* (New York, 1981). 28. See also Charles A. Thomson and W. H. C. Laves, *Cultural Relations and U.S. Foreign Policy* (Bloomington, 1963); Emily Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion, 1890–1945* (New York, 1982); and C. Frankel, *The Neglected Aspect of Foreign Affairs: American Educational and Cultural Policy Abroad* (Washington, 1965).

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now available, and this also applied to the related efforts of intelligence and counterintelligence launched in Washington with the creation of the Office of Strategic Services (OSS). As a consequence of these wartime developments and with the end of the war in sight, differences of opinion began to develop over whether the United States should return to the prewar separation of philanthropy and diplomacy or whether cultural programming, public and private, should henceforth be integrated into the national policymaking machinery so that the international work of the foundations came to be closely linked to official activities in this field.[25]

The conflict within the Washington bureaucracy mirrored similar divisions among the foundation staffs and trustees. At the end of the war, there were those who wanted to preserve the traditional altruism and non-political stance of philanthropy, while others, though not rejecting these notions as a matter of principle, wanted to add considerations of national defense to the equation. Fascism and National Socialism, they admitted, had been defeated, but ahead there was still the task of reconstructing the defeated countries not just in a material, but also in a moral-political sense. It was in pursuit of internationalism and of the national interest of the United States, so their argument continued, to foster a democratic political culture and a competitive industrial system, especially in Germany, which, despite carpet bombing and the dismantling of factories, potentially still commanded the most powerful economy in Western Europe.

Moreover, there was the threat of Soviet communism, which now, after the disintegration of the wartime alliance with Stalin, was increasingly viewed as the mirror image of fascist totalitarianism. As Carl J. Friedrich and Zbigniew Brzezinski later put it in their classic analysis of the totalitarianism paradigm that came to sweep the board in Western ideological discourse in the 1950s, Nazism and Stalinism were "basically alike" and represented very modern and brutally destructive versions of twentieth-century dictatorship.[26] Unless the West, led by the United States, so the argument concluded, marshaled all its resources – military, economic, and sociocultural – in defense of its values of internationalism and popular participation in a free society, the struggle against Stalin, including the cultural one, would be lost.

There is no space further to dwell upon this American view, shared by many foundation people with the war experience behind them, of the "jobs" to be done in post-Nazi Germany and Western Europe. If the "division of the world"[27] into two camps along the iron curtain had by now become inevitable, the least that had to be done was to stabilize and reconstruct the Western half and to put up comprehensive defenses against the encroachments, physical and ideological, of the Soviet East. The central point to be remembered is therefore

25. Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (New York, 1972).

26. Carl J. Friedrich and Zbigniew Brzezinski, *Totalitarian Dictatorship and Autocracy* (New York, 1956). See also Abbott Gleason, *Totalitarianism* (New York, 1995).

27. Wilfried Loth, *The Division of the World* (New York, 1988).

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that powerful factions within a particular generation of decision makers and opinion shapers in the United States, in philanthropy and diplomacy, shared this interpretation of the postwar situation and its imperatives. They ultimately defeated those who, at the level of grand strategy, argued for a continuation of the wartime alliance with the Soviet Union and for a harsh treatment of Germany. Or to put it the other way around: the beginning of the Cold War saw the final ascendancy of men, inside and outside the foundations, who wanted to give priority to fighting communism and reconstructing Germany within a larger Western European union.

This development provides the background to the realization of the Marshall Plan and of the North Atlantic Treaty Organization (NATO). It was also the orbit of discourse and activity into which American philanthropy was drawn. They became partners of official policymaking in Washington, and this applied to the food aid programs of the Quakers as well as to the funding by the large foundations of education in Europe and international exchanges. As far as this partnership is concerned, nothing probably moved them more irresistably into collaboration with the U.S. government than the expansion in 1948 of the Ford Foundation and the men who appeared at its helm at the height of the Cold War. This foundation had been in existence since 1936, but its prewar endowment remained small. Following the death of Henry Ford in April 1947, however, its assets had grown by over three million shares of Class A non-voting common stock in the Ford Motor Company valued at $417 million.[28]

Thanks to a booming stock market these assets had grown to $492 million by 31 December 1950, which included some $6.4 million in real estate "received from the Estates of Henry Ford and Edsel B. Ford or as other miscellaneous assets." After allowing for grants made prior to December 1950, the leadership had almost $69 million at its disposal for philanthropic ventures.

Although a reduction in income from its assets was expected in 1951 "and the foreseeable future" due to the Korean War, this figure was almost half of the total net income that the Ford Foundation had been able to draw upon in the previous fourteen years. Differently put, the foundation had become the largest philanthropic organization in the world. As Henry Ford II remarked, the years 1949–50 were "a turning point in the affairs of the Ford Foundation"[29] and, he might have added, in its relationship with Washington. If up to 1948 its modest income had been spent on "contributions largely focused on the Detroit area and its institutions," it had now become possible to go for large national projects and to appear on the international stage.

The people to undertake this had meanwhile also been found. Soon after his return from Europe, where he had been the administrator for the Marshall Plan (ECA), Paul Hoffman, a former president of the Studebaker Corporation and businessman-politician, was nominated president of the foundation. He took

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28. Ford Foundation, Financial Statement, 31 December 1950, 1.
29. Ibid., 2.

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up his position on 1 January 1951. While in Europe, Hoffman had gained many deep insights into the problems and needs of Europe. He had also obtained a first-hand impression of the Cold War confrontation with the Soviet Union and the dangers of the East-West arms race that now, since Stalin also had nuclear weapons, might end in a war even more catastrophic than the last one. From his headquarters in Pasadena, California, he put together a team of aides to help him with the implementation of his ideas. Among them was his former ECA deputy Milton Katz and, in a consulting role, Richard Bissell, Jr., another high-ranking Marshall Plan official now at the Massachusetts Institute of Technology.

But before we examine how the new president's background and that of his advisers affected the foundation's international activities, it is important to remember two fundamental points about postwar American philanthropy. To begin with, the number of foundations and their assets had grown markedly in comparison with the interwar period. There were literally thousands of small foundations in the midst of a few giants. Before World War II the Rockefeller Foundation had occupied first place with assets of $18.4 million, followed by the Carnegie Foundation with assets of $16.4 million. After 1945, the Ford Foundation moved to the top of the league table.[30]

Second, like other charities, big and small, the Ford Foundation spent most of its budget on domestic programs. Thus, between 1951 and 1960 it gave $326.1 million for education initiatives at all levels; $67.5 million was spent on public affairs as well as on urban, regional, and youth development. Some $74.8 million went to economics and business and $294.7 million to hospitals and medical schools. International grants totaled $206.3 million, to which must be added a portion of the $97.9 million that was allocated to Arts, Science, and – as a major item and pet project – the Behavioral Sciences. Although the international grants did not rise as steeply as domestic ones, the increased largesse was made possible by further endowment growth, which by the end of 1951 reached $513 million.[31]

Six months after assuming office, Hoffman had pushed up spending on international affairs both at home and abroad to $13.8 million, almost half of what had been earmarked for domestic programs. Among the new international programs was a "Conditions of Peace" project designed to promote disarmament discussions and an agreement with the Soviets and to create a public climate back home that was favorable to this idea. In this era of strong McCarthyite anti-Communist sentiments in the United States, the project proceeded cautiously, trying to sound out expert opinion as a first step. The person who agreed to supervise the project, which was finally launched in the summer of 1952, was John J. McCloy, who had just returned from a three-year stint as the first U.S. high commissioner in the newly founded Federal Republic

30. See Nielsen, *Big Foundations*, 31, 78.
31. Ford Foundation, "A Ten-Year Summary, 1951–1960," June 1960, passim.

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of Germany.[32] Joining the management of the Chase Bank in New York and being nominated a trustee of the Ford Foundation, McCloy brought with him Shepard Stone, his former public affairs director in Germany, who was to look after the day-to-day operations of the Conditions of Peace initiative.

Hoffman's initial hope had been that the project would aid "wise planning and skillful operation by the U.S. Government" in general.[33] But by the summer of 1952, he had become even more ambitious. A supporter of Dwight D. Eisenhower's candidacy for the upcoming presidential elections, he also had Ike in mind as he began to draft an "address on 'steps to peace.' " From all we know, Eisenhower never heeded Hoffman's advice. McCarthyism caused him to move carefully in domestic politics when it came to relations with the Soviet Union. Once elected, he made John Foster Dulles his secretary of state, and the latter began to talk about rolling the Soviets back out of Eastern Europe and proclaimed the doctrine of massive retaliation. The Conditions of Peace initiative was not abandoned, but it remained relatively small scale and was ultimately taken over, with continued Ford Foundation funding, by the Council on Foreign Relations.[34] It also yielded some useful information about the state of security studies and international relations as academic subjects at American universities. The basic idea experienced a revival in 1961 after John F. Kennedy had succeeded Eisenhower as president. Interested in improving U.S.-Soviet relations, Kennedy asked McCloy and Stone to act as consultants in matters of arms reduction, and for a while the two traveled down to Washington to advise the new administration.[35]

Whatever the immediate fate of Hoffman's Conditions of Peace project, two larger issues emerged from it. It may be too far-fetched to say that the origins of détente go back to the early 1950s and came out of the experiences of a number of American officials in Europe who returned to the United States convinced that military tensions were too high along the iron curtain and that something had to be done to deescalate the nuclear arms competition. Still, at a time when sections of Congress and larger parts of the country were in a fiercely anti-Communist mood, calling for a vigorous fight against "Soviet aggression,"[36] there were some in the academic and business communities who, knowing about the dangers of war, looked for alternative strategies. The fact that Hoffman and his team were in the forefront of this movement also indicates

32. On McCloy see Thomas A. Schwartz, *America's Germany: John J. McCloy and the Federal Republic of Germany* (Cambridge, MA, 1991).

33. Hoffman to Eisenhower, 21 August 1952, Stone Papers, binder "Personal File, 1982." Shepard Stone's papers, comprising a large number of boxes and filing cabinets, are now in the Dartmouth College Library. They are not yet catalogued, however. The references given here are preliminary. I hope to publish a fuller study based on these and other materials in 1999.

34. On the CFR in general see Michael Wala, *The Council on Foreign Relations and American Foreign Policy in the Early Cold War* (Oxford, 1994).

35. Some material on this mission is contained in the Stone Papers.

36. See, for example, David Caute, *The Great Fear: The Anti-Communist Purge under Truman and Eisenhower* (New York, 1978); and Richard Gid Powers, *Not without Honor: The History of American Anticommunism* (New York, 1995).

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that they took a view of the relationship between philanthropy and diplomacy that was quite different from those who had been arguing for a renewed distancing after World War II.

This is where, next to Hoffman, both McCloy and Stone enter the stage. Prior to 1945 McCloy had occupied leading positions in the War Department. Because he was much younger, Stone had never reached these heights; but he had been in the intelligence branch of the First Army as it advanced across France and Belgium into Germany in 1944–45. From surrender until the summer of 1946 he had worked as an occupation officer in the city of Marburg, trying to put the locals on the road to democratic government and politics. At the War Department McCloy had been closely involved with big business and trade unions during the war. The common cause against the Axis powers had made it seem less important to his generation to uphold a strict separation of private and public. Stone had worked in a similar milieu at the grass-roots level. By ideological background and experience, he was an internationalist and liberal Democrat who after 1945 was open to the new ideas of a "Keynesian" management of economic and political affairs.[37]

This basic disposition became reinforced when McCloy and Stone arrived in Germany in 1949. They found that the U.S. Military Government under General Lucius D. Clay had been deeply involved in the building of German democracy. Thus, Clay's office had financed all kinds of projects, including fledgling West German democratic newspapers. OMGUS put out its own German-language paper, *Die Neue Zeitung*, and kept intellectual journals, such as *Der Monat*, edited by the American Melvin Lasky, afloat.[38] The U.S. High Commission under McCloy and Stone continued most of these programs and forked out millions in subsidies for journalistic and cultural efforts to win over the Germans to the West. But there were also counter-pressures. Prodded by the McCarthyites, Congress began looking for cuts in occupation costs and soon the expenditures of Stone's Public Affairs division came under scrutiny. Having been exposed to these pressures in the High Commission, McCloy and Stone went back to the United States in 1952 convinced that other means had to be found to continue American cultural work in the broadest sense of the word. Could the Ford Foundation perhaps be brought in, if the U.S. government was getting out?

The Conditions of Peace project had been too tentative to achieve this and had involved Stone more in a consultative capacity. It was also clear that the project would sooner or later come to an end. Stone was therefore looking for a more permanent position and, after considering possible alternatives in

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37. See Volker R. Berghahn, "Shepard Stone and the Ford Foundation," in *The Ford Foundation and Europe*, ed. Giuliana Gemelli (Brussels, 1998), 69–93.

38. For details see Pierre Grémion, *Intelligence de l'anticommunisme: The Congress for Cultural Freedom and the Struggle for the Mind of Postwar Europe* (Paris, 1995), 15ff.; and Peter Coleman, *The Liberal Conspiracy* (New York, 1989). The Rockefeller Foundation temporarily funded the German intellectual journal *Merkur*.

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journalism, the opportunity arose for him to become a full-time staff member of the foundation. Quite early on into the Hoffman presidency the question had been raised whether Europe, next to U.S. relations with the Soviet Union, should be given greater attention. One indication of a shift of emphasis was the drastic reduction in 1953 of the foundation's Third World agricultural program. Meanwhile, although Western Europe had been making a satisfactory economic recovery from the ravages of World War II, domestic politics were far from stable. In Italy and France, precariously balanced coalition governments tried to cope with large Communist trade unions and parties. In Bonn, Chancellor Konrad Adenauer faced a vocal Social Democratic opposition, while having to work with a number of volatile right-wing splinter parties. The announcement of West German rearmament had generated heated debates everywhere in Europe about the desirability of creating German soldiers just a few years after the end of Wehrmacht occupation, while Washington was suspected of having pushed the idea in the first place.[39]

To the political suspicions of American economic and military influence in Western Europe were added the old criticisms of American popular culture that went back to the interwar period and beyond. With the transition in Western Europe toward Fordist mass production, the idea of mass consumption and mass culture was reappearing from across the Atlantic. In the eyes of many European intellectuals on the right and the left, but also among the educated middle classes, the United States did not really have a culture at all. It seemed more like the end of civilization. What was coming out of America had no sense of quality. It was judged to be vulgar mass culture of the worst kind that could not possibly be compared with the high-cultural achievements of the Europeans.[40] These anti-American perceptions were fostered by the Soviet Union, which tried to play on the cultural superiority complex toward the United States, that Communist intellectuals shared with fellow-travelers and neutralists in France, Italy, Britain, and West Germany.

Finally, although the administration in Washington held that the official financial support that had been given to a variety of pro-Western, Atlanticist organizations and journals must be continued, the situation in Congress had become more difficult. The Republicans wanted to cut government expenditures and if money was to be given covertly, the State Department and the CIA, the successor organization of the OSS, as the main channels constantly lived in fear of a scandal, should this secret support become public.

It is against this background that Hans Speier, a refugee from Nazism who knew Europe well and was soon to become a prominent figure at the RAND Corporation think tank (in part funded by the Ford Foundation), produced a statement on "administrative arrangements of the Foundation to support Foundation activities

39. See, for example, J. Robert Wegs, *Europe since 1945: A Concise History* (New York, 1991).

40. See, for example, Kaspar Maase, *Grenzenloses Vergnügen. Der Aufstieg der Massenkultur* [Limitless pleasure: The rise of mass culture] (Frankfurt, 1997).

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in Europe."[41] He began by stressing that granted "the support of organizations making valuable contributions to 'peacefare' in Europe etc., it becomes important for the Foundation to plan for the administrative arrangements which would permit the most effective pursuit of these interests abroad." He then illustrated his point by reference to "a number of organizations in Western Germany and in Berlin engaged in work that appears most valuable in supporting U.S. government policy in the cold war with the Soviet Union." Yet, the State Department and the U.S. High Commission in Germany had come to find it "embarrassing to support some of these organizations in view of the constraints which the occupation statute places upon the U.S. authorities to lend open, overt support" to them.

For this reason, the two agencies were cooperating with the CIA "to channelize covert funds in such a way as to support worthy institutions and organizations." Speier added that "for understandable reasons, the U.S. Government authorities would, in some of these cases, like to see private initiative play the role which overt government effort can no longer assume and which taxes the resources of overt help." Of course, "whenever the Foundation decides to come to the help of the U.S. Government in cases of this kind, it should be sure that its action will not only be useful to the U.S. Government but also unobjectionable in the light of Foundation objectives and reputation." Speier concluded by suggesting that "as the commitments of the Foundation to support projects located abroad increase in size, it will undoubtedly become desirable for the top officers of the Foundation to visit abroad" and to have highly qualified personnel available for this purpose.

The year 1952 saw further steps being taken in the direction of a fully fledged European program, after a number of individual programs had already been launched that harmonized with the foundation's larger aims in these Cold War years. Among them were a grant to the Free University in Berlin, start-up funds for an International Press Institute in Switzerland, support for *Perspectives*, a magazine devoted to European-American relations, and the creation for "continental Europe" of the equivalent of the Committee on Economic Development (CED), a caucus of prominent men drawn from big business, academe, and politics, founded during World War II to study the shaping of the postwar world economy.[42] Milton Katz, the author of these "Notes on Foundation Activities Concerning Free Europe" also listed potential candidates for an "advisory panel of Europeans to assist us," among them Jean Monnet, Sir Oliver Franks, Hugh Gaitskell, Robert Marjolin, Dirk Stikker, Dag Hammarskjold, and "a German, to be selected after discussion with McCloy,

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41. Speier to Gaither, 5 May 1951, Gaither Files, box 1, folder: 1, Ford Foundation Archives, New York. On the origins and development of the European program more generally see Francis X. Sutton, "The Ford Foundation and Europe: Ambitions and Ambivalances," in Gemelli, ed., *Ford Foundation*, 21–66.

42. Katz to Hoffman et al., 20 March 1952, Stone Papers, drawer "Old Chrons.," folder: European Program Paper (first draft).

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Mike Harris, Shep Stone, Schuster, Professor Friedrich of Harvard, and Karl Brandt."

Stone is mentioned here not only because he knew some of these Europeans from his days at the High Commission but also because he had meanwhile been traveling in Europe in connection with the Conditions of Peace project. Renewing his earlier personal contacts, he subsequently found himself being approached by prominent politicians who were hoping to visit the United States. Thus, he became involved in the preparations for trips by Konrad Adenauer and Ernst Reuter, the mayor of West Berlin, who had also requested more Ford Foundation funding for the Free University. Stone could not help immediately, but Berlin, where he had studied from 1929 to 1932 and had obtained a doctorate in history, was sufficiently dear to his heart to hold out to his friends there a reconsideration in 1953 of its unsuccessful application, citing as the reason the change in leadership from Hoffman to Rowan Gaither that had meanwhile taken place.[43]

On the larger question of a more ambitious European program, however, the new president, in the face of much internal opposition, took much longer to make up his mind. When the decision finally came, it was based in part on a report that Stone had written in December 1953.[44] It began by asserting that "we are facing a long period of cold war." In these circumstances, "the United States will need wisdom and maturity to hold the free peoples together" and to this "the Ford Foundation can and should make a larger contribution in the international area." Indeed, the foundation – "as well as other private institutions – has an opportunity to take action which our Government is no longer in a position to initiate or carry through." One of these areas was Europe, where support was needed for the European Community and European-American joint ventures. As to "the cultural-political area," Stone proposed to "give aid to some of the activities now carried on by the Congress for Cultural Freedom in France, Italy, Germany, and the UK (and in Asia)," which included "conferences of politicians [and] intellectuals; meetings of scientists; [and the] publication of magazines."

Stone ended by suggesting the establishment of "a small European office headed by a man of wide experience." This office was to keep in touch with European thinkers and thought, though it would not deal with specific projects. Pushed by McCloy, the president and the trustees slowly moved to expand the European program. The final step was taken in the summer of 1954 when Stone, together with two others, was appointed "Assistant Director of International Programs" and assigned to look after the European field.[45]

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43. Stone to Reuter, 12 August 1953, Stone Papers, drawer "World War II," folder: Reuter.

44. Stone to Price, 3 December 1953, Stone Papers, drawer "Old Chrons.," folder: Area I (Organization).

45. Price to International Programs Staff, 28 June 1954, Stone Papers, drawer "Old Chrons.," folder: Area I (Organization).

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In an attempt to give his new job a clear focus, Stone went on another longer trip to Europe. Knowing that a number of people at the foundation had opposed the creation of a European program, he began his twelve-page report by affirming the urgent need for such an initiative.[46] On the one hand, there was still the Soviet Union, "trying to advance its objectives with a new technique of reasonableness and good manners." Apart from "more civilized official contacts, Soviet representatives are coming out from behind the Curtain" to participate "in meetings and conferences." There were also "Soviet scientists, writers, [and] diplomats . . . putting in friendly appearances and making friendly gestures." Such tactics, Stone continued, posed "new challenges to the free world." On the other hand, "the prestige of the United States" had fallen "to what is perhaps a postwar low," even if the Europeans recognized their "basic dependence" upon America's strength.

Worse, "American diplomatic representation, itself mixed in quality, is generally frustrated over its inability to act because it is confused over policies and trends in Washington." Although the foundation would not and could not replace official policy, it nevertheless had a role to play and, no less important, was "in a strategic position to act." Next to Rockefeller and Carnegie, the Ford Foundation was held in high regard in Europe, "even in the far Left circles of the British Labo[u]r Party, in the German SPD, and among many Leftist intellectuals in France." For these reasons, Stone concluded, "the Foundation, in the interests of the United States and of carrying out its own program, should begin to make grants in France, England and other European countries, not excluding Yugoslavia." He spoke against developing a "master plan" but wanted to allow things "to emerge over the next two years." Having discussed the names of possible contacts in Europe and the situation in individual countries, he saw special potentialities in supporting Europe's youth movements and the Congress for Cultural Freedom. To him the latter was "the most effective organization in Europe working among political, intellectual, and cultural leaders." He added: "In the past the Congress has concentrated on combatting Communist efforts among the intellectuals of Europe and Asia. It now intends to emphasize the positive aspects of freedom and a free society."

This notable shift from East to West requires some further exploration, as it became a major plank of the foundation's European program for the next decade. In fact, leaders of the Congress for Cultural Freedom were not the only ones who had begun to feel that, in cultural and intellectual terms, the Cold War had been largely won. They were confirmed in this in 1956, when the uprisings in Poland and Hungary revealed the disaffection of many intellectuals with the existing Communist regimes and their Soviet watchdogs. Thereafter, the East European programs of both the Congress for Cultural Freedom and the Ford Foundation tried to promote exchanges with academics and cultural

46. S. Stone, "Notes on European Trip, June 15–July 28, 1954," 1 August 1954, Stone Papers, drawer "Overseas Trips," folder: European Trip.

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producers across the iron curtain in the hope of accelerating thaw and reformist ferment in the Soviet Bloc. At the same time, more attention and money was given to cultural and scholarly causes in Western Europe to counter the persistent anti-Americanism there.

Stone knew what that meant. The son of poor Jewish immigrants from Lithuania who had become well-to-do department store owners in Nashua, New Hampshire, he had graduated from Dartmouth College in 1929 and then began his graduate studies in Berlin, where he obtained his doctorate just before the Nazis came to power. He loved the German capital and greatly enjoyed its sophisticated cultural life, going to concerts, plays, and the opera. But he also learned what Germans and the Europeans more generally thought of American *Unkultur*. When he returned to Europe after World War II, he experienced firsthand how little these ideas had changed. On the contrary, they had become reinforced as the advent of mass production and the rising living standards of the 1950s in Europe opened the door to mass consumption and, in its wake, mass culture and entertainment. While Elvis Presley and Bill Haley, James Dean and Marlon Brando, Louis Armstrong and Benny Goodman became the heroes of a younger generation, their properly bourgeois parents and intellectual commentators on contemporary society were appalled by the "trash" that was coming to Europe from New York and Hollywood.[47]

In the meantime, Stone and likeminded people who had received their education at one of the Ivy League universities and knew about the scholarly and artistic achievements of the urban centers of America had also come to recognize how much these European notions of American culture were based on prejudice born of ignorance. In their different ways, they now set out to demonstrate how unjustified European views of American culture were. Sociologists like Daniel Bell published influential books that cast the democratic and diverse mass culture of the United States into a positive light.[48] Michael Josselson and Nicholas Nabokov at the Congress for Cultural Freedom did their bit by supporting ambitious conferences and the publication of pro-American intellectual journals like *Encounter*, *Preuves*, and *Der Monat*.[49] And this is also where the Ford Foundation's new European program under its director, Stone, comes in. As he put it in his memo of the summer of 1954: "In developing the Foundation's overall program for Europe, special emphasis should be given to the cultural area."[50] It should consider "the allocation of funds for sending American plays, art, orchestras to Europe." The main problem, he believed, was "not to convince Europeans that we have a culture." In fact, the Europeans were "becoming bored with our insistence that we are a cultured people." Informed

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47. See, for example, Uta Poiger, "Rebels with a Cause: American Popular Culture, the 1956 Youth Riots, and New Conceptions of Masculinity in East and West Germany," in Pommerin, ed., *American Impact*, 93–124; and David Strauss, *Menace in the West: The Rise of French Antiamericanism in Modern Times* (Westport, CT, 1978).

48. See esp. Daniel Bell, *The End of Ideology* (Glencoe, 1960).

49. See Grémion, *L'Intelligence*, 53ff.; and Coleman, *Conspiracy*, 59ff.

50. As footnote 46 above.

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Europeans knew this all along. But "they want to see [it] for themselves. They read our books and periodicals, and they now want to see our art, our theatre, and to hear our music." One U.S. ambassador had urged him on his recent European trip to send *Porgy and Bess* and his colleague in Paris wanted the Ford Foundation to "support the American Art Festival which will take place in Paris next spring in the theatres, museums and halls being put at the disposal of the American people by the Government of France and by the City of Paris." Stone ended by pointing out that "cultural efforts of this type can have important effects politically."

When the Ford Foundation's European program therefore finally got under way in 1955–56, Stone initially still followed a dual-track policy of reaching out to Eastern Europe, on the one hand, and of furthering "Atlantic community relations,"[51] on the other. The former policy received a big boost in the fall of 1956 in the wake of the attempted revolutions in Poland and Hungary and the Soviet repression that followed. The foundation became deeply involved in aiding students, scholars, and intellectuals who fled to the West. Stone spent several months in Vienna trying to offer help wherever it was most needed, often in the form of scholarships to enable refugee students to complete their studies in Europe or the United States.[52]

Once the immediate refugee problem was over, he could begin to think about implementing the program that he had crafted in the years before the crisis in Poland and Hungary. The only major remnant left from the 1956 upheavals in East Central Europe was the Philharmonia Hungarica. This well-known orchestra, most of whose members had fled to the West, was subsidized by the foundation, and Stone also used his contacts in Western Europe to secure the Philharmonia's survival. Because the orchestra presented such a splendid opportunity to illustrate how the West differed from the Soviet Bloc, the State Department, though unwilling to commit itself in public, also took an interest in the matter.

Thus, on 5 August 1958, no less a person than Christian Herter, at the time acting secretary of state, wrote to the president of the Ford Foundation praising the foundation for having been "instrumental in helping to establish in Europe the Philharmonica [*sic*] Hungarica."[53] But he had been given to understand "that the Foundation has reached the conclusion that a further grant in support of the orchestra would not be consistent with Foundation policy." His letter was therefore to advise the president "of the importance the Department attaches to the orchestra, and our strong desire that it continue as a going concern" even though it was "not considered to be desirable that this be accomplished by official U.S. Government financial support." This is why Herter requested that the foundation "have another look at the matter."

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51. W. A. Nielsen memorandum of conversation with president Gaither. (summer 1954), Stone Papers, drawer "Old Chrons," folder: European Program.

52. See the materials in Stone Papers, drawer "Countries," folder: SS[tone] – Europe, January–March 1957.

53. Herter to Heald, 5 August 1958, Heald Files, box 12, folder: 150, Ford Foundation Archives.

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It is possible that this high-level contact between philanthropy and diplomacy was touched off by exchanges of views that had meanwhile become well established between Stone and State Department officials. Although detailed records have yet to be found, the director of the International Affairs department, the position to which Stone had finally been nominated, traveled to Washington at fairly regular intervals to inform and to be informed. He saw high-ranking diplomats and dropped in on his friends at the CIA. Up to the late 1950s, the topics they discussed were frequently still concerned with Eastern Europe, where the big foundations concentrated on funding academic exchanges and research contacts. The largest of these programs was established with Poland, and although the Polish authorities repeatedly put up bureaucratic obstacles and tried to interfere with the selection of scholars and the granting of visas, it was probably the most successful. Stone faced a more difficult task in Yugoslavia, surpassed only by the protracted negotiations with the Russians to establish closer academic relations. In the end the foundation's persistence paid off, and in December 1959 the Board of Trustees approved $300,000 "to support exchanges and other activities involving the Soviet Union, the United States, and Europe."[54] No less important, in the fall of 1958 the foundation began to look toward the other Communist Great Power, China, again after consultations with CIA director Allen Dulles and the State Department.[55]

These consultations revealed two further aspects of the proliferation of Ford's international activities. First, its operations now expanded increasingly into Third World regions. Second, the growing interest in contacts with the Communist world also opened up opportunities to strengthen Stone's West European program. A major element in this effort was to promote research on Eastern Europe at West European universities. A good example of this kind of foundation support is presented by St. Antony's College, Oxford. Founded in May 1950 and endowed by the French millionaire Antonin Besse of Aden and headed by William Deakin, the college was conceived as an international center for graduate training and research in history and the social sciences. As warden of one of the poorest colleges in Oxford Deakin, a highly decorated liaison officer between Britain and Tito during World War II and author of an acclaimed study of *The Brutal Friendship* between Hitler and Mussolini, was constantly submitting projects to the big American and British foundations.[56]

Since the college had among its fellows and associates a number of well-known experts on the East,[57] it seemed logical for Stone to give money for the creation of an East European center there. And St. Antony's also looked like a good match when Stone, with the CIA's encouragement, had begun to work on

54. Submission by International Affairs to Executive Committee meeting, 12 December 1959, Stone Papers, box 9, Loose Materials.

55. Stone to Central File, 24 October 1958, Stone Papers, box 2, file 7.

56. London 1962. A history of St. Antony's College is being written by Anthony J. and Christine Nicholls.

57. Among the people mentioned were David Footman, Max Hayward, Carew Hunt, George Katkov, Wolfgang Leonhard, Isaiah Berlin, and Max Beloff.

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a Ford Foundation program regarding the Chinese People's Republic. The fellows working in the Far Eastern field may not have been quite as well known as their counterparts at the East European Studies Center. But Deakin, like Stone, knew Dulles from their wartime intelligence work, and this no doubt also helped in the establishment of another center at the college. As Stone reported on 24 October 1958, "Mr. Dulles said that he was delighted to hear that the Foundation was considering the possibility of support for such programs. He indicated that there had been an improvement in the information recently about scientific and educational developments in Russia but that we were lagging in respect of Communist China. Mr. Dulles spoke with admiration about Mr. Deakin and expressed the hope that the Foundation would support this type of research and study."[58] Robert Murphy, the deputy undersecretary at the State Department, similarly gave his "warm support for the project outlined" to him.

While St. Antony's College illustrates the cooperation between philanthropy and diplomacy in various Ford Foundation efforts in Europe to facilitate dialogue in the humanities and social sciences, the sciences were also seen as a potential bridge. At a time when Secretary of State John Foster Dulles and Pentagon strategists were talking about "massive retaliation" and all-out war against the Soviet Union as a viable doctrine of deterrence, other people in Washington and at the Ford Foundation, some of whom had been involved in the Hoffman-McCloy Conditions of Peace project, wondered whether it would be better to maintain contact between nuclear scientists in the East and the West who knew best of all what would be involved if this dangerous doctrine failed and World War III became inevitable. It was apparently for these reasons that the famous Danish physicist Niels Bohr, who had many academic acquaintances in the Soviet Union, was brought into the foundation's network. Bohr was, of course, also hoping to obtain a grant or two for his institute, and when he came to the United States in February 1958, Stone accompanied him to Washington, where they "had some fine talks with Allen Dulles and his boys, Senator Clinton Anderson, Senator Flanders, and other dignitaries."[59] According to Stone, Bohr believed "in open exchange among the scientists of the world as the best security and best opportunity for the free world." The hope that such East-West contacts would contribute to the easing of tensions and build confidence between the two superpowers was apparently also behind the Ford Foundation's temporary support for the *Bulletin of Atomic Scientists*, in whose pages concerned scientists aired their views about the dangers of a nuclear holocaust.

Yet, there were many other European projects funded by the foundation whose connection with the Cold War was more tenuous. Indeed, it is probably better to see them in the context not of the ideological and intellectual struggle

58. Stone to Central File, 24 October 1958, Stone Papers, box 2, file 7.
59. Stone to Nielsen, 13 February 1958, Stone Papers, box 2, file 2.

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against communism, but of European cultural anti-Americanism. In other words, there was yet another cold culture war being conducted through the foundation's European program, and we have already had occasion to demonstrate that it was equally on the minds of men like Stone. It is against this background that another set of projects has to be seen designed either to help establish or strengthen certain European universities and research institutes or to promote international studies back in the United States. Apart from Britain (where old affinities and the nostalgia of the wartime "special relationship" were also factors) and Berlin (with which Stone felt a strong bond dating back to his days as a student there), France became a major beneficiary of American philanthropy.

One of the most important in a variety of ventures was a $1 million grant in 1959 to build up the *Maison des sciences de l'homme* in Paris.[60] Spearheaded by Gaston Berger, the director of the Higher Education department in the French Ministry of Education, the idea of a research and graduate training center for social scientists attracted the support of prominent academics, including the rector of the Sorbonne and the historian Fernand Braudel as head of the Sixth Section of the Ecole Pratique des Hautes Etudes.[61] Similarly, the Ford Foundation helped Raymond Aron to launch his Institute of European Sociology in Paris.

American philanthropic initiatives in individual European countries were complemented by support for the building of transnational institutions at the level of the European Community and for the fostering of transatlantic ties. Jean Monnet, who knew America well and had worked hard, especially in connection with the construction of the European Coal and Steel Community (ECSC), to transcend national boundaries in Western Europe and was now the elder statesman of European unification, was at the center of these initiatives.[62] While it would have been inappropriate for the Ford Foundation to try to influence the process of economic integration directly, its trustees agreed to provide collateral support, which would benefit both the Europeans and the Americans. The international conferences of the Bilderberg Group under the chairmanship of Prince Bernhard of the Netherlands represented one such enterprise in which both the Ford Foundation and the Carnegie Endowment invested.[63] The idea of creating an Atlantic Institute was perhaps the most emblematic of these efforts at the level of political research and discussion.

While the organization of this particular institute encountered many snags and never quite got off the ground, American philanthropic support for the

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60. Submission by International Affairs to Board of Trustees meeting, 11 December 1959, Stone Papers, box 9, Loose Materials.

61. On Braudel's American connections see Giuliana Gemelli, *Fernand Braudel* (Paris, 1995).

62. See, for example, Jean Monnet, *Memoirs* (London, 1978); and John Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945–1955: The Germans and French from Ruhr Conflict to Economic Community* (New York, 1991).

63. Submission by International Affairs to Executive Committee meeting, 24 September 1959, Stone Papers, box 9, Loose Materials.

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reform and modernization of European industrial management practices yielded much more impressive results.[64] After the war it was clear that West European industry not only desperately needed to modernize its clapped-out machinery. Mass production of goods for a growing market in consumer durables required Fordist efficiency at the level of production as well as a change in the methods of leadership and administration in enterprises. American firms had turned their attention to management training before World War II and a number of universities had created business schools to educate people for white-collar supervisory careers in commerce and industry. The case-based curriculum of the Harvard Business School was deemed by many European businessmen to offer a suitable model, and by the early 1950s plans were being laid as far away as Greece and Turkey to found similar institutions. The Ford Foundation invested in American-style management education all over Western Europe, and by 1960 the European Association of Management Training, with Pierre Tabatoni as its president, acted as a roof organization for these schools, most of which, like INSEAD at Fontainebleau in France, were free-standing centers without attachment to a particular university.

The success of these business schools in the modernization of European management practices is reflected in a report that Waldemar Nielsen, a staff member in the Ford Foundation's International Affairs program, wrote in July 1959 after attending a conference of writers at Lourmarin, organized by the Congress for Cultural Freedom.[65] While touring Europe, the "principal impression this visit" had left on him was "the sense of self-confidence on the part of businessmen and government officials in all the countries" he had seen: "They have finally, thank God, given up the habit of whining and complaining and acting as if all of their troubles were somehow someone else's fault!" Unfortunately, so Nielsen continued, European intellectuals were learning rather more slowly. While the economic and political elites were abandoning their negative attitude toward America, he was "rather disheartened to say that the intellectuals . . . seem to be lagging behind in this healthy movement going on in other groups." This and indeed "the sickness of European intellectuals of the kind represented at this meeting, particularly [of] the French," had been sadly in evidence:

> Perhaps thirty or forty percent of the people at the Lourmarin meeting were onetime Communists or fellow-travelers. And it was quite clear to me that even though all of them had now broken in a formal sense with the party and with much of Marxism, they have still not resolved in their own soul the intellectual and moral conflict. They simply did not talk about Russia and about Communism. On the other hand, they spent a lot of time worrying

64. See, for example, Giuliana Gemelli, "From Imitation to Competitive Cooperation: The Ford Foundation and Management Education in Western and Eastern Europe," in Gemelli, ed., *Ford Foundation*, 167–304.

65. Nielsen to Stone, 19 July 1959, Stone Papers, drawer "Countries," folder: W. A. Nielsen.

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and stewing and griping about the United States, about American domination, about the inferiority of American values and so on.

European intellectual and cultural anti-Americanism of the kind that we have already discerned on a number of occasions above was, next to fighting the Cold War against the Soviet Bloc, the second major reason why American international philanthropy and diplomacy had come to join hands after 1945. Combating the Europeans' superiority complex toward American culture resulted in a symbiotic effort of the big private foundations and official Washington policy. While the foundations supported academic and cultural programs and exchanges that were designed to convince European intellectuals and the educated middle classes that "trashy" American mass culture was not all that America represented; that the country had a much richer cultural life; that it sustained great institutions of learning and produced a literature, music, and visual art that was equal to the best of European high culture, official Washington, though at reduced volume, continued its work in this field: the U.S. Information Agency distributed "facts and figures" that cast the superpower across the Atlantic in a positive light. Meanwhile the America Houses did their bit with film screenings and lectures. In Germany, for example, it was the jazz expert Joachim Ernst Behrendt who spoke in these places before audiences of young, usually middle-class Germans and explained to them that this American genre was not a "primitive *Negermusik,*" as racist anti-Americanism maintained, but a highly sophisticated and deeply satisfying form of music.[66]

These ventures were ideologically intertwined, but organizationally separate; yet there was one major forum where the funding of the big foundations and of the U.S. government merged: the Congress for Cultural Freedom which, for its network of contacts of ultimately global dimensions, for its conferences and its many intellectual journals, relied on the Ford Foundation's public support and on the covert monies of the CIA. The congress was therefore the epitome of the cooperative relationship between philanthropy and diplomacy that had developed after 1945, but it was also its terminus. Significantly, the congress collapsed when, after years of rumors, its secret link with the CIA was finally unmasked. We have several good studies on the history of the congress and its collapse in scandal, and there is no space to repeat it here.[67]

To be sure, this scandal might never have happened had it not been for a major shift in American public attitudes toward Washington that set in during the early 1960s. It was a younger generation in particular that began to take a different and highly critical view of U.S. foreign policy during the Cold War period. "Revisionist" historians of the Williams school were among the more influential protagonists of this view, and the Vietnam War then led to a

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66. Joachim E. Behrendt, ***Das Jazzbuch*** [The book of jazz] (Frankfurt, 1953); Poiger, "Rebels"; and L. Bergreen, *Louis Armstrong* (New York, 1997).

67. Grémion, *L'Intelligence*, 429ff.; and Coleman, ***Conspiracy***, 220ff.

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widespread disillusionment, especially in the colleges and universities, with American "imperialism" in the rest of the world.[68] Perhaps inevitably, the big foundations also came on the firing line.[69]

It must be said that as far as the link between private philanthropy and official diplomacy is concerned, the foundations but also official Washington under the new Kennedy administration had by the early 1960s become uneasy about the hybrid that the funding of the Congress for Cultural Freedom had evolved into. Knowing about the dangers to his entire enterprise, Josselson also pushed for a separation, and there were plans for the Ford Foundation together with other charities, including the newly emerging European philanthropic organizations, to take financial responsibility for all of its worldwide operations.[70] It is possible that he was close to a deal in 1965–66 when the CIA story broke, resulting in the dissolution of the congress. Its successor, the International Association for Cultural Freedom, lived and increasingly lingered in the shadow of its influential predecessor; but in one respect it achieved what Josselson had failed to engineer: it was exclusively funded by the Ford Foundation. Its new president, Shepard Stone, soon realized that the association had no future and that other foundations that he approached in Europe were not prepared to contribute more than a temporary token.[71]

Whatever his and Josselson's inklings in the early 1960s of the rapids that lay ahead for American philanthropy and diplomacy, they never quite understood the criticism of the younger generation that had not shared their experience of fascism, Stalinism, and war. It was that experience and the close cooperation that developed in the United States between all agencies, private and public, involved in winning the war against the totalitarian Hitler that made it seem natural for this cooperation to continue at a time when the enemy was the – in their view – equally totalitarian "Uncle Joe." The rebellion against American foreign policy and "imperialist cultural propaganda" abroad appeared to them to be a reincarnation of the "romantic and irrational totalitarianism" that they had witnessed as students in Germany during the early 1930s. But the clock could not be put back, and when the upheavals in American society, which were of course also related to major shifts on the domestic front, slowly came to an end in the 1970s, the symbiotic relationship between the big foundations and

68. See, for example, William A. Williams, *The Tragedy of American Diplomacy* (New York, 1959); and Gabriel and Joyce Kolko, *The Limits of Power: The World and United States Foreign Policy, 1945–1954* (New York 1972).

69. See, for example, R. F. Armore, ed., *Philanthropy and Cultural Imperialism* (Bloomington, 1982), with a number of very critical contributions on the big American foundations.

70. See, for example, Stone to McCloy, 8 June 1962, Stone Papers, drawer "Personal Files," folder: Organization – Undisclosed Funds: "During the past year there has been a discussion within the Foundation of the desirability and propriety of supporting institutions which also receive funds from covert governmental sources. . . . This memorandum recommends that in carefully selected situations which are considered to be of unusual significance, the Foundation may make grants to institutions which are prepared to give up all financing from and all connections with covert agencies."

71. Grémion, *L'Intelligence*, 460ff.

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U.S. foreign policy that the Cold War had fostered also reverted to one of the looser postures on the above-mentioned Nielsen scale.[72]

What, in light of this conclusion, are we to make of the connection of philanthropy and diplomacy in the "American Century"? We began this article by arguing that that century may indeed be said to have begun in 1900, if examined from the perspective of American big business and culture making their first impact on the international stage. The activities of the Ford Foundation in the 1950s and 1960s, as we have interpreted them, were not just part of the Cold War battles against Soviet communism but also of a larger attempt by the U.S. elites to convince their Western European counterparts that their impressions of America as lacking a high culture were false. Yet, there was still another side to this equation, even if it was less visibly put into the foundation's European program: Among the American intellectuals who wrote about the dreaded American mass culture and who were sent on lecture tours to Western Europe were also some who, in their writing and oral contributions to the notion of an Atlantic cultural community, cast that mass culture into a positive light.

One of the most influential and articulate proponents of this position was Daniel Bell, whose volume of essays on *The End of Ideology* is, on closer inspection, not merely concerned with the notion that the Western industrialized nations had in principle solved all their major social problems and that the task of the future was merely slow improvement and reformist management of economy and society.[73] At the point of its publication and in later years too much emphasis has been laid on these technocratic aspects of this book written by a sociologist at a time when his discipline reigned supreme among the humanities. What has been overlooked is that the key essays in Bell's volume mount a spirited defense of a vibrant and rich popular American culture that was not at all conformist, cheap, and gray, as the cultural pessimists had been arguing. Above all, the spreading of this culture was not the end of Western civilization, but its democratization and evolution toward diversity.

If we take Bell's argument about American culture and follow its subsequent proliferation, a powerful argument can be mounted that the "American Century," which, viewed in industrial and cultural terms, began in 1900, is still unfolding. Stone would no doubt feel confirmed in his efforts if he witnessed how the American system of higher education has become a model – and in some European countries even *the* model – of excellence in research and training that creates opportunities both for upward social mobility in a democratic society and for the constant generation of intellectual and technical elites.

72. Nielsen, *Big Foundations*, 379ff., discusses "the endless, ambiguous interface," but his book was published in 1972 and hence does not include later developments. It also seems that the other big philanthropic organizations never went as far as the Ford Foundation. On the other hand, there were a few smaller foundations that directly acted as conduits for covert government funds. The opening of the CIA files would presumably finally enable us to examine that end of the story. See also Richard M. Bissell, Jr., *Reflections of a Cold Warrior: From Yalta to the Bay of Pigs* (New Haven, 1996); and Cord Meyer, *Facing Reality: From World Federalism to the CIA* (New York, 1980).

73. See the discussion of Bell's work in this particular context in Berghahn, "Shepard Stone."

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After all, he himself was a typical product and beneficiary of this system, and this is what he and those involved in the networks within which he operated were hoping to proliferate.

But there is also the continued impact of American "mass" culture in the "American Century." While there is still some European criticism of this culture, often using well-worn arguments going back as far as the 1920s, the fear of it has largely disappeared. On the contrary, intellectuals and the educated bourgeoisie of Europe have long joined in its enjoyment. As the German anthropologist Kaspar Maase put it in a recent book: "Among the upper echelons of business, politics, science, and technology, among the academically trained professions, the right to enjoy the bliss of common culture is claimed extensively. Popular art and entertainment have become a culture of all."[74] During the Cold War neither the big foundations nor U.S. cultural foreign policy spent their money exactly to promote this development, but in countering European horror tales about popular culture and by appealing to a common Atlantic "community of spirit," they also helped the more general acceptance of Daniel Bell's propositions about the promises of American popular and commercial culture that is now no longer just affecting Europe but is sweeping across the globe. And as before in Europe, it is creating positive as well as negative responses from the indigenous populations and cultural producers.[75]

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74. Maase, *Vergnügen*, 274f. See also Bernard Rosenberg and David M. White, eds., *Mass Culture Revisited* (New York, 1972).

75. See, for example, Benjamin Barber, *Jihad vs. McWorld* (New York, 1995).

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