

GOOD TASTE, AMERICAN STYLE

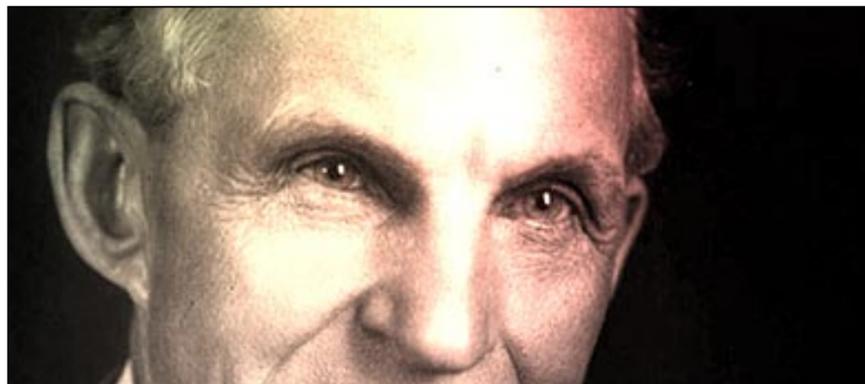
Ford Foundation, a philanthropic facade for the CIA

by Paul Labarique

Between 1947 and 1966 the Ford Foundation played a key role in the network of US interference in Europe through the subvention of magazines, scientific programs and non-communist left-wing organizations. The largest philanthropic organization in the world was in fact providing a respectful facade for CIA financial and contact operations. This role was even more possible by the fact that the same persons designed and directed both organizations. Below you will find the first part of our research on the cultural aspects of the Atlantic interventionism.

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FRANÇAIS DEUTSCH РУССКИЙ ESPAÑOL



Henry Ford, a militant anti-Semite that published *La Juiverie Internationale* [1], created the Ford Foundation in 1936. A legendary figure in the automotive industry, he supported all totalitarian projects that existed during the 20th

century: prior to 1933 he financed the German national-socialism; in 1938 Hitler granted him the Great Cross of the German Eagle and he provided a large part of the capital of IG Farben Chemist, manufacturer of Zyklon B gas. During the 30's he also constructed the first auto factories for Stalin, in Gorki and during the 50's and 60's he continued manufacturing in the USSR all vehicles destined for the North-Vietnamese army.

Nevertheless only after his death his foundation reached its summit upon inheriting 70 million dollars of the Ford enterprises thus transforming it into the largest philanthropic association in the world. As Henry Ford II, the new president of the council of administration, expressed, the years 1949-1959 «*marked a turnover in the history of the Ford Foundation*».

This took place when the USA reached the status of a first-line world power. In Washington, the former Ambassador to the Soviet Union, general George F. Kennan, pushed a campaign to convince its compatriots of the fact that the red menace is bigger than the Nazi one convincing President Truman not to disarm the country, but rather to hide the US war machine and to get ready for a new confrontation.

He also convinced Under Secretary of War, John J. McCloy, into not dismantling the secret service that worked during the II World War, but rather to adapt that service to the new times. He is the theoretician fostering the “stay-behind” tactics, a network initially formed by Nazi and fascist agents that remained behind the front lines after the Reich collapse and that later was used by the Anglo-Americans to continue the fight against communist influence in Europe.

Likewise, a group of industrialists gathered around jurist H.

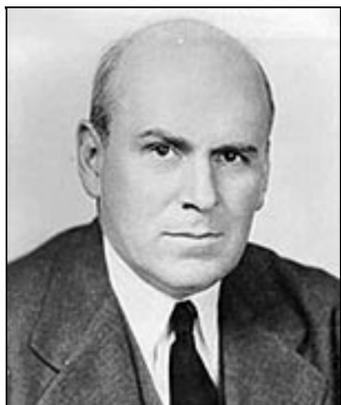


Great Cross of the German Order of the Eagle

Decoration received by Henry Ford on July 30, 1938.

Rowan Gaither Jr. and prevented the dismantling of the research and development service in the War Secretariat, privatizing it and giving it the name of Rand Corporation (Rand is the acronym of Research And Development).

Kennan, after implementing all these, created a permanent and secret structure of the State apparatus by means of the National Security Act, validated by the Congress in 1847. He institutes the CIA, the National Security Council and the Inter-Army Joint Staff. This group also has a public intervention plan, promoted by General George C. Marshall, presented as a loan for reconstruction granted to European states, under the umbrella of Washington and whose implementation is given to Paul G. Hoffman.



John McCloy

The United States and the USSR are confronting each other in a implacable war, although not directly in the military battle field, something they avoid, but rather in the political, intellectual and social ones. Their achievements in these fields, as well as the space conquer are mere symbolic victories. US foundations, headed by the Ford Foundation, are Washington “soldiers” in this “Cold War”.

The new financial dimension attained by the Ford Foundation in 1947 opened its appetite. The administration council, to redefine its objectives, decided during the Autumn of 1948 to commission a *«detailed study (...) to competent and independent persons to serve as a guide on the form (...) where the expanded funds of the Foundation could be used as best as possible in the sake of general interest»*.

The commission created for that purpose is headed by H. Rowan Gaither Jr., who just created the Rand Corporation thanks to the bank guarantees of the Ford Foundation. Gaither was manager of MIT during the war and had relations with physicists working in

the Manhattan [2]. Under the advise of this commission, the council of administration moved the director of the Marshall Plan, Paul G. Hoffman, to the position of president of the Foundation, a role he assumed on January 1st, 1951. According to journalist Volker R. Berghahm, this entails «*the broadest and international role designed by the Gaither report for the Foundation,*» [3]. The pattern was set: on a parallel basis to the stay-behind network in the political field and the Marshall Plan in the economic one, the Ford Foundation will be the cultural branch for US interference networks in Europe.

Nevertheless, in spite of its appearance, the Foundation is not only a supplementary tool for the device designed by Kennan in the period between 1946 and 1948, but also it is a position of retreat. Within the leading elite in the US that favored the Korean War, the father of the Cold War walked along the path of the extreme right helped by a fearful theoretician, Paul H. Nitze. Likewise, the internal political life is submerged into a "witch hunt", headed by Senator Joseph McCarthy.

Most of the foundations that flourished at the end of the war used a large part of their budget in national programs: thus, the Ford Foundation used from 1951 to 1960, 32,6 million dollars in educational programs, 75 millions in teaching activities for both economy and management, and around 300 millions in hospitals and medicine training schools. Nevertheless, some of its cadres wanted to direct the activity towards the international arena.

A first attempt refers to the Free Russia Fund, whose chairmanship was entrusted, of course, to the father of the Cold War, General George F. Kennan, who finds a way to prolong his career. Its budget was US 200,000 dollars. In July 1951, the Foundation also offered 1,4 million dollars to the Free University in West Berlin. This university had been created in 1948, at that time the oldest Berlin University, and located within the Soviet sector,

and it had been “Stalinized”.

In the annual report of 1951, Henry Ford mentioned the “creation of peace conditions”. This program will be aimed at “trying to reduce tensions exacerbated by ignorance, envy and misunderstanding” and to “increase maturity in judgment and stability in determination both in the USA and abroad”. Hoffman created a team devoted to the promotion of this idea of “peace conditions”.

Gathered around him were Rowan Gaither, Milton Katz, his former assistant in the administration of the Marshall Plan (ECA) and Robert M. Hutchins from the Chicago university. As of January 1st, 1952 the team was reinforced by another consultant from ECA, Richard M. Bissell Jr. On July 15, 1952, the budget the Ford Foundation has devoted to international projects was closed to US 13,8 million dollars, that is to say, half of the amount allotted for national programs.

In March 1952, Richard M. Bissell drafted a 16-page document with the title “To Create Peace Conditions”, setting the guidelines for the future program. According to the document, the *«aim of the Foundation should be that of contributing to the creation of a scenario where the West will be able, thanks to the new position of the military force under implementation, to negotiate a just and honorable peace with the East»*.



Richard Bissel

This will go through “a debate on disarmament” leading to a negotiation process that will create “a favorable public opinion” to this process. Bissell rejects the idea of a direct confrontation, but he does not believe neither in the possibility of disarmament nor in a real peace. He is rather of the idea that *«it is possible to live in the same world with the Russians without going into war in spite*

of the deep and constant differences regarding mentality and interests". For this he creates a doctrine closer to the "peaceful coexistence"» suggested by Kroutchov after the death of Stalin in 1956.

The moderate acting of Bissell is equally applied at a national level: according to his opinion, «*the opinion state prevailing in America is too tense and emotional, too close to a religious war*». Thus, he is opposed to McCarthyism, but he recommends being prudent. He is of the criteria that any ostensible acting around the idea of disarmament could be misunderstood at the internal level, since the public opinion was not ready to think on a system where there will not be "neither war nor peace". Bissel proposed that Ford Foundation should not involved publicly in this type of combat, but that it should try to set into motion its idea by collecting data and contacting experts in international relations. In this context, Hoffman went to former Joint Secretary of War, John J. McCloy (who worked as President of the International Bank for Reconstruction and Development, predecessor of the World Bank) who joined the Foundation bringing with him one of his aides: Shepard Stone.

According to Volker R. Berhahn, since its very origins, the Ford Foundation initiative was something else than a simple development of a "counterbalance" for McCarthy anti-communism embodied in itself or a battle against the Cold War through more subtle ways. Given the fact that the US has been transformed into a world power and that the world public opinion was not yet ready to face the challenges to come, the aim was that of creating the popular basis for a democratic foreign policy to be implemented by the elites of the East coast and to ensure they will not loose grounds when confronted to the new populist and isolation policies.

Starting on the summer of 1952 Hoffman got involved with

Dwight D. Eisenhower, a candidate for the presidential election, hoping to get the seat as Secretary of State in the new administration. A team from the Foundation, headed by Shepard Stone, hurried to draft the Republican presidential candidate program, exploiting the susceptibilities of the Democrats.

The attempt to forge an alliance failed and since is stepping into the White House, Eisenhower designated John Foster Dulles as his Secretary of State. His brother Allen Dulles, is named to head CIA where he takes the toughest stand regarding USSR, developing the "rollback" strategy in Central Europe [4].

These nominations are a new camouflage for the projects of Hoffman, Kennan, Stone, McCloy and Milton Katz, that continue multiplying contacts for liberal intellectuals and experts on international issues to carry out a more diplomatic strategy regarding the USSR. During these meetings ideas emerged regarding the fact that the non-aligned countries could constitute good grounds for pilot projects drafted by the Foundation.

According the files holding the correspondence among different leaders of the Foundation, John J. McCloy was asking himself at that time if "the work they were doing was not more difficult (...) than ruling Germany or trying to establish a European community".

Finally, the leaders of the Foundation, thanks to the contacts held, could consider it a "stimulating element of direction" to rethink the Soviet-American relation according the final report of McCloy and Stone.

According to this document, Western Europe should be a key region whose institutional basis would be strengthen and where the Ford Foundation «could sponsor, in a useful way, the creation of an institution or a series of institutions devoted to the study of problems affecting the European community». This project bears the title Program for Peace Conditions. A consultative committee

was created, headed by McCloy, and Shepard Stone assumes the job as its director.

One of its objectives was to draft a method allowing to “obtaining the support from Socialists in Europe for international peace”. Thus, the Foundation should “consider the idea of gathering advanced socialists thinkers from these countries, men with prestige within their own parties, to study the problem of the coexistence and to propose solutions”.

The program provokes personal ambitions. When the influence battle is over, it is placed under the jurisdiction of the Council on Foreign Relations (CFR) [5] and Shepard Stone transformed himself into a key element acting as head of the Division for International and European Affairs of the Ford Foundation.

No matter what, the Foundation is a tool that each ministerial department wants to use. As of May 5, 1951, Hans Speier, of the Rand Corporation, sends a memo to Rowan Gaither stating that the State Department and the High Civilian Commissioner of Germany wish to disguise their support to organizations in West Germany so that they might not be considered as under the rule of Washington. Thus, together with the CIA, they try to find ways to facilitate funds indirectly.

On March 20, 1952, Milton Katz circulated a memo within the direction of the Foundation recalling the special importance of Europe for US diplomacy. According to this memo, Europe could only be considered “in a constructive way if it is a member of the Atlantic community”. In this sense it is important to contribute to the liberation of *«the large French and Italian trade-unions from the grasp of communism»*.

Katz enumerates then a series of projects by the Ford Foundation such as *«the creation of an equivalent of the Committee for Economic Development in continental Europe»*. It

concludes with a list of personalities that could propagate the action by the Foundation: Jean Monnet, Oliver Franks, Hugh Gaitskell, Geoffrey Crowther, Robert Marjolin, Dirk Stikker and Dag Hammarskjöld.

In May 1953 Rowan Gaither drafted a memo mentioning a new principle: the Foundation should avoid *«what ever might be a prolongation or a repetition of effective actions by the government or by other agencies»*. After all, it continues saying, *«some of the most important opportunities for the Foundation (...) might be in the fact of completing, stimulating and better the activities of others, especially those of the government»*. The link US government/Ford Foundation finds here is *modus operandi*.

With the end of McCarthyism and the beginning of peaceful coexistence, the debate in Washington is softened. The Ford Foundation is no longer seen as an alternative to the CIA, but rather as its associate. Richard Bissel Jr. abandoned the Foundation to take hold of the operative direction of stay-behind, while the Ford Foundation assisted the CIA in several large operations.

It is replaced in the funding of the Congress for Freedom in Culture and entrusted David Lerner and Raymond Aron, an essential figure in the Congress, a study on the failure of the treaty the European Defense Community in France.

It financed the Hungarian Philharmonic Orchestra made up by musicians compelled to exile due to Stalinism and whom the CIA wanted to present as symbols of the free world.

It also financed the American Committee on United Europe (ACUE), a front for the CIA entrusted with supporting the construction of a Federal Europe according to the interests of Washington. The ACUE is headed by the former director of secret services during the War World and its Vice-President is a founding

member of the CIA.

The action taken by the Ford Foundation with the Congress in favor of Freedom for Culture is possible, as Grémion explains, given the proximity among the actors staffing both entities. Just like the Congress, the Ford Foundation comprises «liberals» (according to the American sense for this expression), that is to say, by the non-communist left. *«A tool for a non-governmental diplomacy, the objective of its leaders (in the field of art) is that of providing a different image of the US culture, away from the frequent image of the mass popular culture».*

In that sense, *«the Ford Foundation places in that way its action from the beginning, within the framework of an illustrated patronage practice».* In the economic field, the action taken by the Foundation *«is instilled in the reformist trend of the New Deal»* and this gets it favors from the intellectuals in the Congress, that in general support planning and the Welfare State.

Finally it is oriented towards the development of social sciences: Rowan Gaither estimates that, one day, social sciences will allow obtaining brilliant results in the social field such as engineering in the field of technology. The Ford Foundation favors financing social sciences on top of humanity and medicine. It also fosters university and academic exchanges, as well as institutional creations: it finances the Center of European Sociology of Raymon Aron and the network of planners of Bertrand de Jouvenel.

Its presence is so discreet that, according to a memo drafted by Shepard Stone after a trip to Europe in 1954, the Foundation enjoys a great acknowledgment in Europe “even within the circles of the extreme left of the British Labor Party, the German SPD and among numerous leftist intellectuals in France”. Admiration is reciprocal: Shepard Stone feels great attraction towards the European culture, which he opposes to the American popular

culture and he feels closer to intellectuals in the Congress, that, after criticizing communism “they value the virtues of individual freedom and of a free society”. That is why the finance magazines that are close to the Congress such as Encounter, Preuves y Forum.

After several months of internal conflicts, Shepard Stone obtained the direction over the whole of the European program by the Ford Foundation in mid 1956. The activity waged by the Ford Foundation was expanded. Stone requested a supplementary amount of five million US dollars from the budget simply for the European program. The Hungarian and Polish revolutions of 1956, repressed by the Soviets, convinced all shareholders to grant their demands.

This money allowed to help refugees coming from Hungary or Poland and to create structures to accommodate them. The Ford Foundation equally organized training and study programs for scientists coming the Warsaw Pact, which were invited to the USA and West Europe. In all this there was a sort of perverse game as preferred by special services: the CIA expected to recruit agents among economists, researchers in social sciences and experts invited by the Ford Foundation, while the KGB considered the possibility of sending reliable elements to acquire American knowledge.

At the same time, Japan was launching English language promotion programs, US studies and contacts between Japan and Europe. The philanthropic diplomacy of the Ford Foundation covered the whole world. It took the fostering of the US culture everywhere and tried to win to its side the Non-Aligned Countries. In Africa, the threat of an alignment with Moscow on the part of the recently independent countries motivates the creation of numerous aid programs for that region, especially in Algeria. In the same way an agricultural program have been created in India

with the help of European investors to whom Shepard Stone convinced of creating Ford style foundations.

At the university level, the Ford Foundation financed, in 1959, St Antony's College in Oxford, specialized in Humanities. The European Center of Nuclear Research (ECNR) also received subventions in 1956, as well as the institute run by the Danish nuclear physicist Niels Bohr. So the, with the approval of the CIA, the Foundation brings to Denmark delegations of Polish, Soviet and even Chinese scientists, officially, by virtue of the "scientific dialogue". In that same line, even the Oxford University got a subvention of a million dollars in 1958, just like the Churchill College of Cambridge.

In France, the Maison des sciences de l'homme, under the direction of Gaston Berger, received one million dollars in 1959 for the creation of a social science research center defended by university professors just like Fernand Braudel.

The revelation, in 1966 and 1967, of the financing by the CIA of the Congress for the Freedom of Culture, resulted in a discredit for the Ford Foundation. The idea of a link between the Ford Foundation and the American Secret Service extends all over. But beyond that, is the set of so-called philanthropic actions done by the Ford Foundation in Europe which seen now through a new perspective: isn't it a formidable operation of American cultural interference?

Paul Labarique

[1] The International Jew – The World's Foremost Problem

[2] Pierre Grémion, Intelligence de l'anticommunisme, Editions Fayard, 1995, France

[3] Volker R. Berhahn, America and the intellectual cold wars in Europe, Princeton University Press, 2001.

[4] The "rollback" strategy consists in forcing a retreat of the Russian positions in Central Europe. It opposes the "containment" policy whose objective is to instill the state of the forces present and impede Soviet expansionism. The "rollback" was replaced by "containment" after

the collapse of the USSR.

[5] On May 6, 1953, the Council on Foreign Relations organizes a seminar, with Ford Foundation funding, devoted to relations between the USA and the USSR. Attending the seminar are: John J. McCloy (President), Henry L. Roberts (Research Secretary), John Blumgart (Rapporteur), Henry L. Roberts (banker/investor), Robert Amory (CIA), Robert Bowie (Department of State), McGeorge Bundy (Harvard), Merle Fainsod (Harvard), George S. Franklin Jr. (CFR), Howard Johnson (Ford Foundation), Devereux C. Josephs, J. Robert Oppenheimer (Institute for Advanced Study, Princeton), Dean Rusk (President of the Rockefeller Foundation), Shepard Stone and Henry M. Wriston (President of the Brown University)

Source : "Ford Foundation, a philanthropic facade for the CIA", by Paul Labarique, *Voltaire Network*, 5 April 2004, www.voltairenet.org/article30039.html