U.S. Foundations and Scientific Funding in West Germany, 1945 to the mid-1970s

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Concept, Proposals and Archival Research

My project seeks to reconstruct and explain to what extent and how U.S. foundations strove to further democratic values and practices in West German academia. It also assesses the impact of these American initiatives on the consolidation of West German democracy beyond its institutional framework and its constitutional foundation, the Basic Law. In particular, the Rockefeller and Ford foundations attempted to ingrain values that were amenable to a vibrant, pluralist civil society into West Germany’s community of scholars. Beyond exploring the relationship between philanthropy and democracy, the project seeks to reassess concepts of “Americanization.” This process is to be conceived of as an ensemble of non-linear, multilateral, selective and thus limited appropriations according to the needs of the receiving society.\(^1\) This complex relationship has been underestimated in research, not least by advocates of diffusion theory that highlight the preconditions of transfers, but underestimate “the autonomy of the receiving subject as well as the bilateral character of transatlantic communication.”\(^2\)

On the basis of these general considerations, I would like to argue that American foundations sought to reorient West German academia by implanting values amenable to vibrant democracy and civil society, such as a commitment to pluralist competition, and mutual respect and discursive openness after the Second World War, initially in the
framework of the policies of re-education and reorientation, respectively. Yet the foundations did not impinge on the legal principles of academic funding in West Germany. At the same time, they resisted the mounting pressure from U.S. administrations that sought to employ the foundations as tools of their anti-communist policies in the Cold War of the 1950s. In the late 1950s when West German democracy seemed to be firmly rooted, the Rockefeller Foundation (RF) and the Carnegie Endowment for International Peace (founded in 1910 by Andrew Carnegie) increasingly shifted the focus of their activities from West Germany to the developing countries that they had started to support in the interwar period. At the same time, discontent over the abuse of philanthropic agendas and activities by foundations mounted. Critics bemoaned a lack of transparency, supposedly unjustified tax exemptions and low payout rates. The Tax Reform Act that Congress ultimately passed in 1969 was to remedy these deficiencies.

By contrast, interest in and admiration of U.S. foundations grew in West Germany only in the late 1960s. On this side of the Atlantic, political as well as scientific institutions and actors turned to American concepts of academic funding when the expansion and reform of the university system nourished the search for additional revenues. In these debates, West Germans primarily used the activities of the American philanthropic ventures in the political and social sciences as an argument for their reform concepts in domestic conflicts. Due to these contrasting contexts, transatlantic exchange between German and American politicians, philanthropic practitioners and academics on methods and legal preconditions of scientific funding, at times, bordered on a dialogue of the deaf. Studies of transfers and entanglements between the United States and Germany should therefore start with investigations of mutual perceptions and rest on a flexible intellectual history that is to include cultural diplomacy. This broad understanding of international relations may supersede the national framework that is at least partially inscribed even in transnational history.
My historical investigation primarily relies on the files of the Rockefeller and Ford foundations. Thus, I inspected key documents at the Rockefeller Archive Center (RAC), in Sleepy Hollow, New York, from March 19 to 28 and from September 24 to 28, 2012. Generously supported by a RAC Grant-in-Aid, I gained valuable evidence about the aid that major American foundations provided for scientific projects that seemed to advance democracy in West German academia and society. Even more importantly, the files highlight conceptions of funding on the part of the two major American foundations. Not least, I was able to identify crucial motives of key actors of the donating and receiving institutions. In particular, the documents allow historians to gain valuable insights into the strategies that American foundations employed in order to pursue their concepts of philanthropy in post-war West Germany.

**Promoting Democracy: The Activities of American Foundations in Post-war West Germany**

After the collapse of the Third Reich, support for the democratization of Germany seemed indispensable for the leading officials of American foundations. As the Cold War fully emerged in 1947-1948, West Germany was to be stabilized in order to serve as a bulwark against communism. The programs of the Ford and Rockefeller foundations that had already supported the official U.S. policy of “re-education” from 1945 to 1947 closely cooperated with President Truman’s administration in devising their schemes for promoting democracy among West Germans. In this endeavour, foundations such as non-governmental actors intersected with official institutions like the Central Intelligence Agency (CIA). In the escalating Cold War of the 1950s, the CIA funded anti-communist bodies such as the Congress for Cultural Freedom, as much as major American philanthropic organizations like the Ford Foundation did. All in all, U.S. foundations were by no means independent of state
authorities in the 1950s. On the contrary, they were strongly influenced by official policy objectives, not only in that decade, but until the 1970s.6

Different from their crucial post-war activities in European states, i.e., France (where foundations had been forcibly dissolved according to the law Le Chapelier of 1791), American philanthropy specifically sought to reinvigorate democracy in West Germany. Alarmed by opinion polls that evidenced the limited support for democratic values and civic virtues among West Germans, both the Rockefeller and the Ford foundations sought to root democracy in the educational system as well as in academia. In the “cultural cold war at home and abroad,” U.S. foundations appealed to European elites through “demonstration, persuasion, and invitation.” As “conduits,” they promoted projects that complemented government policy without replacing it.7

Since academics were to play a key role in this process, American foundations funded scholars who promised to rebuild West Germany’s shattered research institutes and thereby open up academic life to broader society. They promoted new disciplines like the social and political sciences as well as the establishment of departments and institutes for American studies and contemporary history.8

In Berlin, the Rockefeller Foundation (RF) supported the Institut für Politische Wissenschaft that was established in 1950. These institutions also received funds from the Ford Foundation (FF) that expanded its activities to Germany, in particular in West Berlin, where the Freie Universität had been founded in 1948. In the eyes of high officers of the American military authorities, politicians, and foundation officials like the RF’s Raymond B. Fosdick and Shepard Stone of the FF, West Berlin was to be defended as a western intellectual bulwark against communism. In this endeavour, government agencies unequivocally supported foundation officials, as Henry J. Kellermann, Director of the Office
of German Public Affairs in the Department of State, stated in his letter of April 26 to the
President of the Ford Foundation, Paul G. Hoffman:

The Department desires to state at this occasion that it shares the sympathetic interest
of Mr. McCloy, United States High Commissioner for Germany […] in the growth of
free democratic institutions behind the Iron Curtain. The Free University is a symbol
of academic freedom as we know it which deserves the support of freedom-loving
people the world over. It is a stronghold of militant opposition to communist
dogmatism and Soviet control of thought and science … 9

In their efforts to support these initiatives, American foundations increasingly collaborated
with their German counterparts that, however, were slow to emerge in the 1950s. Particularly
in Berlin, the FF cooperated with the Friedrich-Ebert-Stiftung, a foundation close to West
Germany’s Social Democrats that was re-established in 1954. In West Germany, the
Stifterverband der Deutschen Wissenschaft that had been founded as early as 1949 became an
important partner institution. In was only in the late 1950s, however, when “Sputnik shock”
drew public attention to the challenge of Soviet sciences that major foundations were created
in the Federal Republic. In the course of the 1960s, interchange about scientific funding also
intensified with the Fritz-Thyssen-Stiftung. The FF advised leading officials of that
foundation to enhance their support for the social sciences. Moreover, the Stiftung
Volkswagenwerk that had been founded with advice from the FF was encouraged to continue
funding international projects. Not least, the American concept of “seed money” met with
considerable interest among West German proponents of scientific philanthropy. In the
1960s, an increasingly close transatlantic network evolved between major U.S. foundations
and German academic institutions.10

American Foundations and West German Agendas: Reform Debates in the
Federal Republic of Germany in the 1960s and early 1970s

In West Germany, American philanthropy was tainted with U.S. occupation policy in
the first few years after 1945. Despite the considerable funds that West German institutions
and scholars received from American foundations even in the first post-war years,
unrestrained philanthropy met serious reservations among many West Germans. Thus, state control over foundations was preserved in the law of the various states of the Federal Republic.\(^{11}\) It took the economic miracle of the 1950s to draw the attention of politicians and academics in the Federal Republic of Germany to American concepts of philanthropy. As state revenues rose, demands for an expansion of higher education became more urgent. West German politicians, officials and scholars like Georg Picht also promoted their reform agendas. Their concepts for overhauling West Germany’s university system were partially influenced by American experiences that had been transmitted by *remigrés* and guest scholars, in particular. The emerging brain drain from the Federal Republic to the United States, too, fuelled reform discussions in West Germany.\(^{12}\)

Against the backdrop of these debates, plans for the American concepts of corporate philanthropy were increasingly advanced by West German politicians and foundation officials. Yet it was only in the 1960s that funding by corporations according to the models of John D. Rockefeller, Henry Ford, and Andrew Carnegie met increasing interest in the new West German state.\(^{13}\) In particular, this concept inspired the creation of the *Robert-Bosch-Stiftung* in 1964. By contrast, the formation of the *Fritz-Thyssen-Stiftung* had been preceded by strong cooperation between citizens and state authorities in 1959. Despite contrary assurances by one of the instigators, the banker Robert Pferdmenges, that procedure had by no means complied with the prevailing understanding of philanthropy in the United States.\(^{14}\)

In the 1960s, the student protests in the Federal Republic lent support to politicians who pleaded for a fundamental overhaul of the German university system.\(^{15}\) Influenced by the paradigm of overall modernization in the late 1950s and early 1960s, foundations also were to be tapped or established in order to secure the desired scientific progress. Thus, the *Stifterverband für die Deutsche Wissenschaft* that had been constituted in 1920 and newly founded in 1949, invited experts to report on American foundations in the latter half of the
1950s. Apart from providing information on the legal framework and institutional structure of these organizations, speakers highlighted their philanthropic activities in the Federal Republic and West Berlin. Secretary of the Interior, Gerhard Schröder, and President Heinrich Lübke explicitly heralded philanthropy as an expression of civic commitment to democracy.\textsuperscript{16}

Academics and philanthropic organizations, too, increasingly referred to the concept of wealth as an obligation. Citing Andrew Carnegie’s “Gospel of Wealth,” which had identified the rich as “the mere trustee and agent for his poorer brethren” in 1889, West German advocates of large-scale philanthropy highlighted the central role of wealthy businessmen as donors in scientific philanthropy.\textsuperscript{17} They also idealized charitable corporations, which had increasingly replaced charitable trusts in the United States since the nineteenth century, as harbingers of a vivid civil society. Thus, corporate funding was advanced as a model in the Federal Republic as much as in some other West European states. Most importantly, West German reformers pleaded for a more uniform foundation law that was to expand the notion of \textit{Gemeinwohl} in order to exempt them from taxes. Not least, traditional state control was to be lessened in favor of tighter regulations on foundations’ transparency and accountability.\textsuperscript{18}

\textbf{Conclusion: Cross-over Relations and the Persistence of a Transatlantic Gulf in Scientific Funding}

The available archival sources highlight the analytical potential of cross-border investigations on the impact of foundations on university and educational reforms, both in the twentieth century and the present. Yet they demonstrate that the “Americanization” of German philanthropy was limited, at least with regard to foundations. The findings of this contribution also point to the important role of selective appropriation, i.e., “hybridization,”\textsuperscript{19} and the lack of synchronization in transatlantic communication. In the late 1940s and the 1950s, American reform concepts of scientific philanthropy that were to promote
democratisation and the reorientation of academic life were at best partially adopted in West Germany. In this country, processes of “globalization” included rhetorical references to “America” as an undisputed model.

As interest in American scientific funding rose in West German reform debates in the 1960s, major foundations came under attack in the United States. Interest in West German academia waned and philanthropic relations between the United States and the Federal Republic remained asymmetrical. Moreover, transatlantic philanthropy was repeatedly marred by misunderstanding. Thus, transatlantic communication and translations (as an ensemble of social and inter-cultural practices) are not to be reduced to “bridge-building” after 1945, as they also led to conflicts and rejections in German-American relations. Thus, recipients of grants from the Rockefeller and Ford foundations in post-war West Germany, as well as their American benefactors, occasionally failed to understand each other. Above all, the files demonstrate that West German actors utilized American foundations in order to advocate legal reforms of philanthropy. Interestingly, political opponents to those measures in the higher echelons of government rather referred to the peculiar traditions and preconditions in West Germany rather than to the critical debate in the United States. Altogether, scientific philanthropy was a “contested concept” in transatlantic relations.

After 1945, American foundations aimed to inculcate key values of a vibrant and pluralist democracy in West Germany. In this process of indirect and protracted transmission, the interaction between representatives of U.S. foundations and West German actors and institutions that promoted democracy from 1945 to the early 1970s (i.e., the VolkswagenStiftung and the Stifterverband für die deutsche Wissenschaft) was as crucial as the role of mediators such as the remigrés who had fled to the United States after the Nazi seizure of power and returned to West Germany in the 1950s. They initiated and supported contacts between American foundations and their German counterparts. That group, too,
vigorously promoted a viable democracy that was to be supported by specific values amenable to the newly-emerging civil society. Beyond the small group of remigrés, U.S. foundations significantly contributed to this process of democratization that grounded the nascent “Atlantic society.” In academia, it was based on a network of exchanges that these philanthropic organizations set up from 1945 to the early 1960s. As such, they were civil society actors and contributed to the emergence of an “international third sector.”

These activities preceded the debates on the applicability of legal foundations and the institutional structure of the Third Sector in the 1960s. In those controversies, references to “America” were to promote concepts of a new and more open academia in West Germany. It was to comply with the values and norms commonly associated with democracy and civil society, respectively. In the Federal Republic of Germany, scientific philanthropy ultimately paved the way to “inner democratisation” and the transition from “redemptive republicanism” to “integrative republicanism.” Thus, the academic ventures supported by major American foundations indirectly fuelled reform concepts that were to restrict the state influence on academic funding. Like American pop culture, American philanthropic activities nourished demands for more freedom in West German academia and thus contributed to democratisation.

In their pleas for the American “model”, though, West German actors ignored that the influence of governmental agencies on foundations had grown in the United States since the reforms of the Roosevelt administration and had even increased with the onset of the Cold War. In the global confrontation with the Soviet Union and its satellite states, the non-profit sector was tarnished by governmental interests and state interventions.

At least initially, German observers also discarded the mounting criticism of foundations in the United States in the mid-and late 1960s when they were accused of failing to distinguish between philanthropic and commercial activities. It was only in the early 1970s
when German legal experts and politicians publicly voiced their concern over the supposedly unrestricted and uncontrolled power of tax-exempt foundations. Altogether, my research has demonstrated the long-term and indirect impact of American foundations on the transformation of philanthropic practices in West Germany.

More as an argument than as agencies of academic funding, they have contributed to expanding the activities of foundations that benefited from the restriction of state control. Yet the dynamics of “self-Americanization”²⁸ was limited. As a last resort, West German politicians stuck to the tradition of regulating the activities of foundations. Even in educational research, adherence to state control ultimately trumped a commitment to scientific funding in civil society. Although foundations have started to be freed from the shackles of state control since the 1990s, the influence of business interests and the introduction of professional management into foundations have gradually untied foundations from society. It remains to be seen whether this type of philanthropy will reinforce civil society and democracy in unified Germany and secure the most valuable asset of foundations: their relative autonomy from the state and market forces.²⁹

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American studies, see Gisela Strunz, *Westdeutschland 1945* p. 8.


