

TAX-EXEMPT FOUNDATIONS

TUESDAY, DECEMBER 9, 1952

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE TO INVESTIGATE TAX-EXEMPT
FOUNDATIONS AND COMPARABLE ORGANIZATIONS,
Washington, D. C.

The select committee met, pursuant to recess, at 10:05 a. m., in room 1301, New House Office Building, Hon. Richard M. Simpson presiding.

Present: Representatives Simpson and Goodwin.

Also present: Harold M. Keele, counsel to the committee.

Mr. SIMPSON. The committee will come to order, please.

Mr. Keele, will you call your first witness?

Mr. KEELE. Mr. Rusk, will you resume the chair please? Mr. Rusk, considerable criticism has been leveled at the foundations, those foundations which have supported the Russian area studies. The Rockefeller Foundation has supported a number of the area studies, have they not?

STATEMENT OF DEAN RUSK, PRESIDENT, ROCKEFELLER FOUNDATION, AND PRESIDENT, GENERAL EDUCATION BOARD, SCARSDALE, N. Y.—Resumed

Mr. RUSK. They have, sir:

Mr. KEELE. Which ones?

Mr. RUSK. We have supported Russian studies through five or six separate agencies. Two small grants in 1934 to the Institute of Pacific Relations for work on a Russian-language school and for the development of instruction in Russian language. Five grants to Cornell University ranging from 1939 to 1943 toward a program of Slavic studies at that university.

Five grants to the American Council of Learned Societies from 1943 through 1950 to 1952 for such purposes as the translation of materials for Slavic studies, the procurement, reproduction, and distribution of materials on Slavic subjects, and the purchase of current Soviet publications for American libraries.

There are six grants to the Library of Congress extending from 1943 to 1950 for such purposes as a collection of Slavic materials, the cataloging and organizing of Slavic materials in the library, the preparation for issuance by the library of a monthly list of Russian accessions, a survey of Russian materials to be microfilmed in the United States, and the distribution of surplus Russian newspapers and periodicals.

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We have also made substantial grants to Columbia University totaling over \$700,000 from 1945 through 1950 for general support of the Russian Institute at Columbia University.

We have made two grants to the American Council of Learned Societies and the Social Science Research Council in 1950 and 1951 in support of the Current Digest of the Soviet Press. We have also made two grants to Harvard University for material for instruction in the Russian language.

Mr. KEELE. Will you tell us with reference to the Russian Institute at Columbia what the purposes of that study were as revealed to you and as revealed to your foundation at the time the grants were made or before they were made?

Mr. RUSK. I believe the purposes of the Russian Institute at Columbia University, which were outlined to us over the course of the years through which the grants were made, are very well stated by the president of the university, General Eisenhower, in his inaugural address October 13, 1948.

We have, of course, contemporary materials in the files in the same direction, but this is stated briefly and succinctly and I would hope that the committee would permit me to read a few statements from General Eisenhower's inaugural address on the subject. He said:

There will be no administrative suppression or distortion of any subject that merits a place in this university's curriculum. The facts of communism, for example, shall be taught here—its ideological development, its political methods, its economic effects, its probable course in the future.

The truth about communism is today an indispensable requirement if the true values of our democratic system are to be properly assessed. Ignorance of communism, fascism, or any other police-state philosophy is far more dangerous than ignorance of the most virulent disease.

Who among us can doubt the choice of future Americans as between statism and freedom if the truth concerning each be constantly held before their eyes? But if we, as adults, attempt to hide from the young the facts in this world struggle, not only will we be making a futile attempt to establish an intellectual iron curtain but we will arouse the lively suspicion that statism possesses virtues whose persuasive effect we fear. The truth is what we need—the full truth.

Except for those few who may be using the doctrine of communism as a vehicle to personal power, the people who in our country accept communism as propaganda for truth are those most ignorant of its aims and practices. Enlightenment is not only a defender of our institutions; it is an aggressive force for the defeat of false ideologies.

That concludes that excerpt from General Eisenhower's statement.

The Rockefeller Foundation, beginning at least in the early 1930's, felt that it was of the utmost importance for the American people to take a greater interest in and to become better acquainted with large segments of world cultures which had up to that time been comparatively neglected.

Most of our educational structure on foreign cultures and foreign languages had been concentrated quite naturally in Western Europe and Latin America, but there were other vast areas of the world which were of increasing importance to the people of the United States, about which we as a Nation knew very little—cultures like the Islamic culture, the Indian culture, China, Japan, and of course the Slavic cultures of Eastern Europe.

It was felt that it was of the greatest importance to widen the familiarity of American scholarship with those areas in order that, as we ourselves were expanding our world interests and coming into

contacts with peoples in all parts of the world, we would have some basis here for a greater understanding of the problems involved.

Now, as we came to the period of the war, it seemed to be of particular importance to concentrate on those areas of the world in which we were directly involved with the war itself, whether of German studies in connection with filling in our gaps in the knowledge of Germany, or Japanese studies to fill in our gaps there, or of Russian studies, because it was important not only that we would know as much as possible about our enemies but we would know as much as possible about those with whom we were engaged in the last war.

There was a great desert of information about Eastern Europe and about China and Japan, and it was felt that it was of the greatest importance to sustain a systematic program of investigation and scholarship in that area.

I might, if I could, inject an individual, a personal comment, on the basis of my own experience in this field. In 1941 and 1942, when I was in the Military Intelligence, and there came a point where it was of the greatest importance for us to encourage concentrated attention on what was then called the weird languages, such languages as Indonesian, Burmese, some of the Indian dialects, some of the languages of Indochina. That happened to be the part of the world in which I was working in Military Intelligence.

Well, now, the American Council of Learned Societies and other people familiar with the language situation were trying to work out new techniques for quick instruction in languages as an emergency measure for use during that period.

We were confronted with the necessity for finding a native-speaking Burmese. The Bureau of Census told us that we had only six people in the entire United States who had been born in Burma. When we looked into them, we found that their names were such names as Murphy and McDougal, children of British soldiers born in Burma. There was one actual Burman in this country at that time in this entire Nation, and we were able to get hold of him to help with the Burmese language study.

In the postwar period we were desperately short of people who had any real conception of many of the countries which were of great importance to us.

I doubt, for example, that up until a year or so ago there were more than a half dozen Americans in the entire country who knew very much about Indochina, and there were perhaps not more than a dozen who had much of a knowledge of a country like Indonesia, except businessmen who might have been established in plantations rather isolated and remote from the great stream of Indonesian life. So, we have attached considerable importance to these area studies.

With specific reference to Russia, we feel it is of special necessity because we are in a vast world-wide struggle with that nation. They are aggressive; they are able in their propaganda; they are attacking the free-world structure continuously and with every means at their disposal.

If we are to have a reasonable chance to survive, and if we are to put ourselves in position to meet their propaganda among the peoples of the world, it is of the utmost importance that we understand not

only what they are saying to the rest of the world but what their institutions are like and what they are saying to themselves back in Russia, because it gives us important leads and important factual information about that nation and about our principal opponent in the present scene.

We feel that the investments that we have made in these Russian studies, as in other area studies, are a considerable and important public service, and that it is a development which is likely to grow rather than to shrink, and that the results of it might easily be the development of a body of scholarship here which will put the United States in a much better position to exercise the role of world leadership into which it has been cast.

Mr. KEELE. I direct your attention to General Eisenhower's use of the word "taught." Do you suppose he meant "study" instead of "taught"?

Mr. RUSK. I have no doubt whatever, Mr. Counsel, that when General Eisenhower used that expression he meant that we should study about communism and that we should not teach communism.

Mr. KEELE. I think Mr. Leffingwell and possibly Mr. Dollard touched on this, too. In answer to questions here, I think Mr. Leffingwell said that he thought there was a calculated risk of some of those persons who studied communism embracing it as a doctrine. Will you comment on that?

Mr. RUSK. I think it is true, Mr. Chairman, that there would be a risk of some degree. It would be hard to measure it; but over the course of the years you might lose a few individuals to a Communist ideology by bringing them into some contact with that system, but it seems to me that that could be minimized in two ways.

One is to establish the highest possible standards of instruction about Russia. Because, if students come into contact with the full facts in Russia, with the actual way in which the system operates, and learn that there is a great stream of Russians trying to leave the country, and in fact a stream actually leaving the country, that there is no great stream of people migrating into Russia, that the Soviet Constitution on paper does not represent the practices of the Soviet Government in the administration of the police state, those students will be protected by knowledge from embracing a system which now has to some people apparently some original emotional appeal.

I think also that as we expand the society of American scholars in such matters, as we get more Americans familiar with Russia, we are likely to be able then to rely upon fully loyal Americans for instruction and to dispense with the assistance of some of those who had to be turned to during the emergency of the war, who proved not to be entirely satisfactory on an ideological basis.

But I think we are committed, as a Nation and as a people inheriting a great democratic tradition, to the general proposition that, where free institutions and where ideas about freedom come into contact with totalitarian regimes, the ideas and institutions of freedom will survive in that context.

It seems to me that this increase of knowledge about what this totalitarian regime means will be one of the great elements of strength in our democratic system.

Mr. KEELE. What about the support given by the Rockefeller Foundation on the Army specialized-training program at Cornell during World War II?

Mr. RUSK. In the years 1939 to 1943 the Rockefeller Foundation made, I think, a total of five grants to Cornell University for Russian studies. Those grants fell into two categories.

Four of them had to do with the long-range area studies on Russia which were a general part of the major effort that I have been talking about, with which we were involved with the Library of Congress and Columbia University and others.

In 1943, according to a report to his trustees made by President Day of Cornell, the Army asked Cornell to undertake the training of certain persons in the military services in Russian, and it was important that that be an intensive course in order that those graduates might be available to the armed services as quickly as possible.

That was taken up with the Rockefeller Foundation in the spring of 1943, and the foundation agreed to make available \$10,000 toward the costs of that special Army training program in Slavic studies. That course was in operation from the summer of 1943 through December of 1943, at which time that particular course was abandoned by Cornell.

As I have examined the record in some detail, it seems to me that that is the course which has, as counsel has indicated, attracted adverse criticism, because they had on their faculty individuals whom I think no university over a longer period would welcome on its faculty for purposes of that sort, but they were faced with a war situation, and it seemed necessary at the time, not only because of the shortage of scholars, as was then felt, but because of the need for learning something about contemporary Russia, to draw into that instructional program persons who had had fairly recent experience in Russia.

Now that, I think, led them to employ individuals who had been in Soviet Russia in the postrevolution period, and individuals who might indeed have been sympathetic to the Russian Union.

There was even some discussion at one point at Cornell of asking the Soviet Government itself to lend a person to assist in actual language instruction. Remember, this was during the war.

Now, Mr. Day has made a full statement on that to his own board of trustees, and transmitted to us a copy of that report, which, of course, I will be happy to make available to the committee if the committee wishes it.

Mr. KEELE. You mean that is the report to the Cornell alumni from President Edmund Ezra Day in 1943-44?

Mr. RUSK. No, sir; that is a report dated January 7, 1944, addressed to the members of the board of trustees.

I should make one further comment about that particular program, because it illustrates one of the continuing problems confronting an organization like the Rockefeller Foundation.

In May the foundation received an inquiry from Cornell asking if we could make any suggestions about how the curriculum might be organized and how staff might be selected—any suggestions that we might have along that line. In the letter which went back to the professor of Slavic languages at Cornell, the following two paragraphs appear [reading]:

As for comment on the curriculum and the choice of staff, it would be distinctly improper for me to offer any. When we make a grant to a university like

Cornell, it implies full reliance on the responsibility the university will take in such matters. As a matter of fact, I really haven't any comment to offer.

Now, that paragraph reminds us of the problem which the foundation faces with respect to bringing influence to bear upon appointments to the faculties of colleges and universities.

We feel that it would raise very serious questions not only of foundation policy but of university policy and possibly even public policy if the foundations should themselves enter into the administration of our great educational institutions to that extent.

Mr. SIMPSON. But, if they make a wrong guess, you would discontinue payments? You wouldn't make another grant?

Mr. RUSK. If they make a wrong guess and it was clear that the program is not the kind of program that we had in mind to support, of course we would not renew our grants. That is correct, sir.

And then the second point in the second paragraph [reading]:

As for a mention of the foundation—

in connection with this program—

it is our distinct preference that grants be reported only in routine fashion; that is, in the university financial reports or in such other announcements as the university sees fit to make. The foundation records all its grants in its annual report so that information about them is open to anyone who cares to seek it, but the feeling is here—

that is, in the foundation—

that it is distinctly preferable for a project of this kind to proceed under its own steam. In fact, there is a strong preference against associating the name of the foundation with the projects it finances.

That again has to do with the question of the association of the responsibilities of the foundation with the receiving institution, and we have tried over our historical past not to interfere in the real responsibilities of the receiving institution.

Now, as I indicated a moment ago, that particular Army training program, as I understand the situation, was wound up in December 1943 and was not resumed. In any event, the Rockefeller Foundation made no further grants to the Army training program.

We had a grant in 1943 of \$25,000 for the long-range development of the Slavic-studies program of the university, which apparently was quite a different activity.

Mr. KEELE. Why was it abandoned at the end of 1943, if you know, Mr. Rusk.

Mr. RUSK. My impression is—and, of course, I cannot testify directly to this except on the basis of the record—that there were misgivings about the success of the course itself; that there was discussion between Cornell and other institutions about whether this was the way to do it and about whether in fact some of the men on the staffs were those who were best qualified to carry on that kind of work.

And I think a combination of factors, including misgivings, resulted in abandonment of the course and its nonrenewal.

Mr. KEELE. Well, there was considerable criticism, wasn't there, of that course at the time it was going on? Didn't Woltman, in one of the New York newspapers, the World-Telegram, make quite a campaign against that school at that time?

Mr. RUSK. Yes, there was public criticism.

Mr. KEELE. They did have on their faculty Corliss Lamont, did they not?

Mr. RUSK. I believe that is correct, sir.

Mr. KEELE. And they did have Vladimir Kazakevich?

Mr. RUSK. That is correct, sir.

Mr. KEELE. And Kazakevich did go back to Russia, didn't he?

Mr. RUSK. Yes. Apparently he was a fairly volatile individual. He was at one time reported to have fought in the White Russian Army and then he went over on the other side.

As I understand the picture now, there was considerable discussion at Cornell among the faculty and among the students as to his objectivity. He, I understand, did go back to Russia, but where he is now of course I don't know.

Mr. KEELE. And Nicholas Slonimsky was on that faculty, was he not?

Mr. RUSK. I am unfamiliar with that name.

Mr. KEELE. The man from Boston, Slonimsky.

Mr. RUSK. That doesn't appear in my record.

Mr. KEELE. I believe it appears in this. I have a photostatic copy of the Cornell brochure on it.

Were there not other alleged Communist sympathizers on that faculty?

Mr. RUSK. The principal individuals who were named in the report of President Day to the trustees were Mr. Kazakevich and the person who succeed him, Mr. Joshua Kunitz. I am afraid that I do not have a list which would include the name that you last mentioned. I am not now of course denying that he might have been there.

Mr. KEELE. Well, he is listed here in this publication, Cornell University Intensive Study of Contemporary Russian Civilization, bearing the imprint of Cornell University on it.

Listed under the "Weekly Workshop Seminars No. 3, Soviet Music," Nicholas Slonimsky; development of Soviet music with emphasis on its ideas, forms, materials, and so forth. Slonimsky has been cited numerous times.

Has there been any criticism in informed sources so far as you know of the Russian Institute of Columbia with reference to whether or not the teaching is objective or slanted, or has any investigation been made by informed persons on that point?

Mr. RUSK. My impression is that there has been some press criticism of the Columbia program from some quarters. The very fact that anyone is teaching Russian and Russian studies tends to invite that kind of comment.

Our own officers have kept closely in touch with the Columbia program. We have known Mr. Philip Moseley for a very long time, and we believe that that institute is making a substantial and objective and important contribution to our understanding of the Soviet Union.

As you know, sir, the Columbia Institute is being used as a training center for officers of the armed services and for persons in the State Department, and it would appear to me that particularly in these last few years that that activity would not be going on were there any serious security problems in the minds of the authorities in Washington, who must be thoroughly alive to this problem.

Mr. KEELE. Let me put it this way. Would the Rockefeller Foundation contribute any support had it been its understanding that there was going to be any teaching of communism?

Mr. RUSK. The answer to that is flatly, "No". We would not under any circumstances support a program for the teaching of communism, in the sense in which you used it.

Mr. KEELE. Considerable criticism has also been leveled at the support given by the foundation to the civil-liberties study at Cornell. Will you tell us something about that?

Mr. RUSK. Yes, sir.

Mr. KEELE. I think you might bring those microphones a little closer to you, Mr. Rusk.

Mr. RUSK. Certainly it has been a problem which has infused most of our Anglo-American constitutional history, and has been with us since the beginning of our own Republic.

During the tensions of World War II and this postwar period, the fact that there is a security problem has clearly emerged. The world situation represents in a basic sense a vast contest between the Soviet Union and the United States as the respective leaders of the totalitarian world and the free world respectively.

In that situation we can expect to be a constant and primary target of Soviet penetration.

They will try to infiltrate our basic institutions, they will try to penetrate our institutions of government, they will try to bring disrepute upon all regular institutions in our democratic society. And so I think no one in his right mind would deny that there is a major problem of security.

On the other hand, there is a major problem of freedom. It is not merely the preservation, as a matter of conservative policy, of our great American tradition in freedom, not merely a matter of conforming our conduct to the principles set forth in the Bill of Rights in the Constitution, but it is in a more immediate sense a problem of maintaining our basic strength in this vast conflict in which we are engaged.

If America is to be strong, its citizens must have basic confidence in each other and must work out the tolerances which make our system work, because our system works on the basis literally of billions of minor decisions made by free citizens, rather than from any central authority and central source. Therefore, the atmosphere of relationships among those citizens is of vital importance to the successful operation of the system.

Further than that, if we are to exercise our world leadership effectively, we must rely heavily upon the free nature of our institutions. I say that because in this contest in which we are engaged, the material odds are stacked very heavily against our democratic system.

We can build a bridge in Greece at a cost of \$1,000,000, and the Communists can knock it down with a \$25 bomb. We can spend 4 months of great effort to take grain out of the farms of the Midwest to France, but the Communists can organize a strike in the ports of Northwest France and cripple a third of that year's Marshall plan by that action.

Now democracies are committed to the process of building, and the Communists, at least outside those areas under their control, are committed to the process of tearing down, and the building process is much more difficult than is the tearing-down process.

Now to balance that difficulty of the material odds, we have got to rely heavily upon the political and moral strength of the ideas which are inherent in our democratic way of life.

I happen to believe that those basic ideas are generally shared by men and women over broad areas of the earth, not because it is useful for us to think so or because we would like to think so, but because in literally thousands of international meetings over the years, you have the spokesmen for those areas talking about their aspirations and their purposes, and you realize that basically they are talking about the same sort of broad humane purposes and interests which are familiar to us here in this country. So that to find the proper balance between the needs of security and freedom is what Mr. Justice Douglas called the other day the paramount issue of our day.

It was suggested to the Rockefeller Foundation back some years ago, in '47 I believe, that it would be important for someone to initiate a study of the relation between the security program of the Government and civil liberties, in order to throw some light on this overriding and paramount problem.

The matter was discussed with Professor Cushman at Cornell, who had had considerable experience in that field and who was well thought of among his colleagues in the American bar. Professor Cushman made it clear that he thought it would be disastrous for anyone to undertake that program who is not fully alive to the fact that there was a security problem, as well as to the fact that there was a problem of freedom.

He seemed to be, with that realistic understanding of the nature of the problem, the person to head it up, and on that basis the Rockefeller Foundation undertook to support a study of civil liberties in relation to the security program.

We had no prior judgments on the matter. We did not know exactly what the entire study would produce. But we thought that, since that was an issue which was almost certain to be a matter of major importance to the Congress, perhaps even to the Supreme Court, certainly to the jurisdictions of the 48 States and to public discussion, the issues involved ought to be laid bare.

Now one of the important results of that study has been a series of books, books which we know are likely to be controversial in character because they are dealing with controversial subjects in a controversial period of our history.

One of those books, the first book by Mr. Gellhorn, has been widely heralded as a useful and objective contribution to the very difficult problems raised, particularly in the field of science in its relationship between freedom and security.

Incidentally, that is a subject on which my distinguished predecessor, Mr. Chester Barnard, commented on at some length in his last review for the Rockefeller Foundation, and you may wish to get his views on that when the opportunity arises. But it is not easy to know where the line ought to be drawn between security and freedom, and how much of a price you ought to pay purely in terms of your own strength, in the relationship between security and, say, free science.

As I indicated yesterday, American scientific and scholarly thought is a part of the great stream of western thought, mutually interdependent, one man contributing to the next man's advance, and one of the

issues here of course is to what extent we interfere with that stream for the essential security which we have to have. And so it is issues of that sort that we felt needed to be explored, and on that basis we made a grant to Cornell University.

Mr. KEELE. Did you know the men that were going to work with Dr. Cushman?

Mr. RUSK. We knew at the time that the grant was made that it was his plan to use among others Mr. Walter Gellhorn; I believe we also knew that he was to use Miss Eleanor Bontecou. Whether we had contemporary knowledge of any of the others—I think we also knew he was to use Professor Carr, of Dartmouth.

Mr. KEELE. Gellhorn has been aligned or identified with a number of organizations which have been cited by the House Un-American Activities Committee as subversive, has he not?

Mr. RUSK. We listed his name in our answer to D-15 on that basis.

Mr. KEELE. And if he were a man of Communist sympathies, I take it from other statements you have made in your report you would hardly expect of him the objectivity which the Rockefeller Foundation says it requires of those working on its projects.

Mr. RUSK. If we had thought he was a man of Communist sympathies or a member of the Communist Party or committed to sympathy with the Soviet Union, we would not have made a grant which would have supported his work in this field.

Mr. KEELE. Well, motivation is a hard thing to weigh, isn't it? We have only such methods as common sense indicates in determining what a man's sympathies are; isn't that correct?

Mr. SIMPSON. What are the years, the ones we are talking about?

Mr. KEELE. '48 to 1951, 136,000.

One of the suspicious circumstances, I take it, as to Communist sympathy is the belonging to numerous organizations which have been found to be by responsible Government agencies Communist, or Communist-front or Communist-dominated, is it not?

Mr. RUSK. That would be a matter that would need investigation; yes, sir.

Mr. KEELE. Well, Mr. Gellhorn has belonged or been identified with a number of those organizations, has he not?

Mr. RUSK. It has been so charged; yes, sir.

Mr. KEELE. But of course we don't have personal knowledge of many things in life, do we?

Mr. RUSK. That is correct.

Mr. KEELE. You have been testifying to a great many things which occurred many years before you took over the presidency.

Mr. RUSK. That is right.

Mr. KEELE. But you feel certain of the facts, do you not?

Mr. RUSK. That is correct.

Mr. KEELE. Now, with the same line of reasoning, if citations appear with reference to Gellhorn in the House Un-American Activities Committee, are you prepared to accept those as citations without passing upon the judgment as to whether he is a Communist?

Mr. RUSK. Well, without passing upon the judgment as to whether he was a Communist or to the point as to what conclusions the House itself would expect one to draw from those citations, it is clear, as I understand the situation, that he has been listed in various House reports under this heading.

Mr. KEELE. And doesn't that at least arouse in your mind an apprehension concerning his sympathies?

Mr. RUSK. I think it naturally should raise a question on which one would need assurance, and I think at this point I might say that as the foundation saw it at that time, and sees it now, Mr. Gellhorn was a well-known and distinguished professor in one of our leading law schools, whose colleagues on the faculty hold him in high repute, who consider that his lifelong interest in civil liberties necessarily involved him in many so-called protest organizations and necessarily enlisted his interest in individuals who themselves were subject to serious question because they are the ones who often get involved in these civil-liberty problems.

He had served with the Department of Justice from time to time, and he appeared to be a man who could be relied upon to do an objective study in this field.

I think that assurance is borne out to some extent by the reception which his original book received, and I shall be glad to submit for the information of the committee a considerable number of book reviews and impressions which were received from many sources as to the objective and imaginative quality of that study.

I think the committee might be interested that very recently the Association of the Bar of the City of New York received a grant to make a study of the administration of family law, and they appointed a committee of distinguished lawyers, including a former law partner of Mr. Henry Stimson, to investigate the field carefully and to come up with a suggestion for a person to supervise that study. The committee looked over the field, concluded that from the professional point of view Mr. Gellhorn was an admirable person for that, made a full study of these charges which were before them, and concluded that they should proceed to name him to the study.

And I think it might be worth saying that the Association of the Bar of the City of New York is not in any sense an ultraliberal or in any sense a subversive organization.

We know from conversation with Mr. Gellhorn that some of the allegations he would undoubtedly deny flatly, and that others he would put back into a time context which would throw some additional light on them. But since I cannot speak, of course, with direct knowledge of all the details, and since I do not know Mr. Gellhorn myself, it may be that the committee would wish to get other information either from him or from other sources available to it on this subject.

Mr. KEELE. You feel, however, that in viewing the situation now that there was nothing in Gellhorn's record which would militate against the making of grant under comparable circumstances today?

Mr. RUSK. Well, we would, of course, make the same careful examination with his colleagues and with his associates and examine his work as we attempted to do at the time the original grant was made.

If no new materials are developed, newer than those which were presented at the time that the grant was made, I suppose that we would presumably come to the same conclusion.

But that is a matter which is not before us, which has not been brought up since I have come into the foundation, on which we have not received any late or different or new information, and so I could not give you of course a flat answer to that question, which has not really been raised for the foundation in any other way.

Mr. SIMPSON. What does that add up to, the fact of citation by one of the congressional committees? Does it not necessarily limit the scope of your grant? I misunderstood you yesterday then.

Mr. RUSK. I believe that yesterday you asked me if we made a grant to an organization cited by the Attorney General, and I stated then that—

Mr. SIMPSON. I said, to any one of the congressional committees or the Attorney General. You distinguished between the two.

Mr. RUSK. I think there is some distinction between the two based upon the way in which these individuals are listed by the respective committees.

Mr. SIMPSON. I want that explained.

Mr. RUSK. Yes, sir. In the case of the Attorney General's list, the listing is as a subversive organization or Communist or Fascist or whatever it is.

The policy of the foundation has been to make no grants to organizations on that list, and in fact no grant has been made to any organization appearing subsequently on that list, so that our attitude on that one is entirely clear, Mr. Simpson.

Secondly, we have a general policy to make grants only to organizations who themselves have earned a tax-exempt status from the Federal authorities. Now that itself provides us with a considerable check on the nature of the organizations to whom we are making grants.

Mr. SIMPSON. That finding though as to whether or not it is tax-exempt is made by the executive department.

Mr. RUSK. That is correct, and so is the listing on the Attorney General's list.

Mr. SIMPSON. That's right. I am referring to the legislative side, congressional committees. I would like to know the policy there.

Mr. RUSK. Clearly, if we find information in a congressional report or find an individual organization listed in a congressional report, that at least suggests to us the necessity for very careful examination.

As we read the introduction to index 4, the House committee is saying that the mere appearance of a name in this index does not itself indicate that the person involved is subversive, and in fact if one looks through that list, one finds some of the most eminent and distinguished Americans in American public life.

We have been unable to find any list which lists individuals who are cited by a congressional committee as subversive. We have been unable to find that the committees themselves consider their reports on those matters as conclusive; and so I believe a Federal court here in the District of Columbia has recently ruled that the mere membership in an organization, even which is listed by the Attorney General, is not itself conclusive as to the question of subversion.

And when the Joint Anti-Fascist Refugee Committee case against McGrath came up to the Supreme Court in 1951, there was a very considerable discussion by the Court as to the problem of identifying and listing subversives.

The Court was split 5 to 3, with, I believe, Mr. Clark disqualifying himself, but on the majority side there were five separate opinions, and I believe three dissenting opinions, but in that decision the Supreme Court sent the case back down and refused to answer precisely the question as to whether the listing by the Attorney General

was conclusive or must be based upon hearings. And I believe that case is now pending in the District court perhaps for trial.

Mr. KEELE. Well, the point was that they had not had their day in court; wasn't that the basis?

Mr. RUSK. I think that was involved.

Mr. KEELE. So you are relying, then, in the Attorney General's case on situations where admittedly they have not had their day in court?

Mr. RUSK. Well, that is a matter for the courts to determine. We feel that as a matter of foundation policy and public policy, that we should take the listing by the Attorney General with the utmost seriousness, assuming that the Attorney General himself not only has made a full investigation but expects at least other departments of Government to act on the basis that that finally is what it purports to be.

Now we do not find that the House committees have reported their lists exactly on the same basis. In the introduction to index 4 the House committee states:

The fact that a name appears in this index is not per se an indication of a record of subversive activities. It simply indicates that said name has been mentioned in connection with testimony or a report submitted.

Mr. SIMPSON. The answer, then, is—I am not criticizing you—that the fact that the man's name appears in a so-called citation by a legislative committee is not conclusive against your foundation possibly making a grant to that man?

Mr. RUSK. That is correct, sir; and we do not understand that the Congress itself intends it to be so used.

Mr. KEELE. Now what is the situation with reference to a report such as that one made by the McCarran subcommittee with reference to IPR?

Mr. RUSK. That report is of course a very serious matter. It is itself based upon a very long record, some 14 or 15 volumes of published hearings, which I myself have not yet had an opportunity to examine in full.

But there is no question but that such questions as were raised in a report of that sort should be taken with great seriousness by organizations in the foundation field, and that we should be fully on notice that relationships with institutions or individuals dealt with in that report would have to be on the basis of complete assurance after full investigation of all possible circumstances involved.

Mr. KEELE. Well, now, actually the foundation itself became suspicious of IPR back in 1946, did it not?

Mr. RUSK. That is correct, sir. We developed some very important misgivings about the situation back in 1944 and 1945.

Mr. KEELE. And how long did you support IPR?

Mr. RUSK. We have made grants over the entire period from 1925 to 1950.

Mr. Counsel and Mr. Chairman, the relationship between the Rockefeller Foundation and the Institute of Pacific Relations has been a very long continuing one from 1925 down to 1950. It has been reported regularly in our annual reports, but in the most recent years it has elicited a good deal of public interest as well as some sharp public criticism.

Although this represents only one-half of 1 percent of the funds appropriated by the Rockefeller Foundation for grants during the period involved, it is a matter of considerable importance to the foundation, and I believe also of considerable interest to the committee. I wonder if the committee would permit me to make a rather considerable statement on our record of relationship with the IPR?

Mr. KEELE. I don't think there is any limitation.

Mr. SIMPSON. The subject is of great importance, and I feel that you should be given such time to make your presentation.

Mr. RUSK. Thank you very much, Mr. Chairman.

The purpose of the Rockefeller Foundation's grant to the Institute of Pacific Relations was to promote the well-being of mankind by contributing to international understanding in the Pacific through a program of scholarly research, publications, and international conferences about that area. When World War II came, there was a strong additional reason for the foundation to continue its financial support to the IPR, as an agency upon which the United States Government was relying as one of the few sources of information in regard to the Pacific theater of operations, a service for which the IPR was commended in 1945 by the United States Navy. When hostilities ceased, the foundation gave additional terminating aid, on a diminishing scale, in order to preserve the potentialities of the IPR in helping to contribute scholarly research and publication toward the pressing postwar problems of the Pacific.

These objectives seemed to the foundation to be entirely consistent with the aims of United States Government policy. In giving support to the IPR as an agency for the promotion of these objectives, the foundation relied upon the information available to it, which for many years following the founding of the IPR in 1925 justified confidence in the organization as a scholarly and unbiased research agency. When this confidence was shaken by rumors and information coming to the foundation's attention, the foundation made every effort, within the limits of its powers and without assuming the responsibilities of direct control, which properly belonged to the governing body of the IPR, to ascertain the facts. Its conclusion, on the basis of the evidence available to it, was that while there had been ground to question the judgment and probably the objectivity of certain of the IPR staff leaders, these individuals appeared to be out or on their way out, and that the public interest would be served by helping the responsible IPR officers and trustees to salvage and restore the organization's public credit and usefulness.

If there is any issue here as to support of communism, Mr. Chairman, there can be no doubt as to the Rockefeller Foundation's attitude on that issue: The foundation did not provide funds to the IPR or to anyone else to be used to promote communism. In the foundation's view, the well-being of mankind, to which its funds are dedicated, is unattainable without freedom—especially freedom of thought—and communism means the suppression and destruction of freedom. The foundation not only abominates communism in all its manifestations, but it equally rejects the methods of communism, no matter who employs those methods or what pretexts are urged to justify them.

Throughout the period of nearly 40 years since its organization in 1913, the Rockefeller Foundation has been alive to its responsibilities as the administrator of a large fund for the benefit of mankind, be-

cause the foundation has accepted that as one of the basic responsibilities laid upon it by its founder and by the founder's family.

It has tried to conduct its affairs publicly and in a manner to deserve public confidence. There is nothing in the record of the foundation's grants to the Institute of Pacific Relations which should impair such confidence.

I am trying to set forth an account of the financial support provided by the foundation to the American Council of the Institute of Pacific Relations, and to the Pacific Council Institute of Pacific Relations, which is the international body; the foundation's purpose in providing such financial assistance; and the considerations which determined the attitude of the foundation toward the two organizations during the controversies of the mid-1940's, which have been so widely commented upon.

During the period 1926-50, the Rockefeller Foundation contributed \$1,267,559 to the Pacific Council, Institute of Pacific Relations; during the period 1931-50, it contributed \$617,800 to the American Council, Institute of Pacific Relations. Of the totals to the two organizations, \$742,500 was provided for support of their general administrative budgets and \$941,100 for research on problems affecting the Pacific area; \$201,759 was contributed toward a number of activities such as experiments in teaching Chinese language to English-speaking students, translations of Chinese historical source materials into English, and conferences under IPR auspices.

The sums provided by the Rockefeller Foundation amounted to 37 percent of the receipts of the two councils of the Institute of Pacific Relations, the remainder coming from a wide variety of sources, business corporations, private individuals and otherwise. But these sums were only one-half of 1 percent of the more than \$368 million in grants made by the Rockefeller Foundation for all purposes during the same period.

In requesting these grants, the IPR at all times represented that it was carrying out the purpose of its founders to promote peace and better understanding among the countries bordering on the Pacific by means of a program of research, conferences, and publications dealing with the problems of that area.

It maintained that its extensive research and publications program was wholly unbiased and objective, and it disclaimed any party or policy line, and it stressed the benefits to be gained from permitting free expression of the most diverse shades of opinion.

That these representations failed to reflect the true purpose and character of the IPR at least for a number of years, and that the net effect of IPR activities on United States public opinion has served Communist interests, is charged in a report issued on July 2, 1952, by the Internal Security Subcommittee of the Senate Committee on the Judiciary, Senator McCarran, chairman.

These charges have been vigorously denied by the IPR itself, and the report has produced a wide diversity of editorial comment ranging from praise to excoriation. When a controversy has become so heated, the question of where the exact truth lies may never be settled beyond dispute. It is noted, however, that the great bulk of research and publications work of the two IPR organizations has not been seriously called into question. The criticism has apparently centered upon cer-

tain persons who served for a time in positions of staff leadership or who contributed to IPR publications.

The McCarran committee concludes that the majority of the foundations and corporations which contributed to the support of the IPR "were not familiar with the inner workings of the organization," and that "The effective leadership of the IPR often sought to deceive the IPR contributors and supporters as to the true character and activities of the organization."

Now it is true that no one in the Rockefeller Foundation had knowledge of confidential memoranda or other material which the McCarran committee, with investigative powers not possessed by or appropriate to private organizations, such as a foundation, found in the files of the IPR and cited in support of its charges against the organization.

The foundation has no subpoena power or other means of gaining access to such evidence, except on a voluntary basis. It had to make its judgments on the basis of information available to it through the exercise of due care and a reasonable effort to obtain relevant data.

Obviously the foundation could not then know that certain persons closely associated with the IPR would several years later refuse to answer questions as to Communist affiliations. Had the foundation had contemporary knowledge of some of the information made available by later investigation, there is little doubt but that the foundation would have raised grave questions, which, if not satisfactorily answered, would have led it to withhold further support.

As a matter of carefully considered policy, the foundation refrains from any attempt to supervise or control the activities of recipients of its grants or to intrude into their inner workings. Any attempt to exercise its financial power for purposes of control would, in our view, represent such an interference with our great educational and research institutions as to raise the gravest questions of public policy.

This, however, does not preclude the possibility of such action as is available to the foundation where, after a grant is made, it develops that the funds are being used for purposes other than those for which the funds were provided.

While the foundation's annual reports issued year by year disclosed all of its major grants to the IPR as they were made, there has been no occasion until now for an over-all single account of this assistance.

This account begins with the promising start of the IPR, followed by years of growth and substantial achievement. It continues into a period of perplexity marked by efforts by the foundation to obtain satisfactory answers to some troublesome questions, and it leads finally to the attempt by the trustees and officers of the IPR to salvage and restore rather than destroy an organization which appeared to be able to overcome its weaknesses and to preserve its unique potentialities for developing international understanding.

The story as seen from the point of view of the Rockefeller Foundation falls naturally into four periods:

The origin and establishment of the IPR and its period of growth and achievement from 1926 to 1943. During that period Rockefeller Foundation grants amounted to \$1,429,878.

Then there was a period of perplexity and inquiry in 1944 and 1945, during which Rockefeller Foundation grants amounted to \$36,000.

There came a time of important decision in 1946, and during that year the Rockefeller Foundation made a decision, which I shall come to in a moment, and appropriated \$258,000.

Mr. KEELE. May I interrupt you?

Mr. RUSK. Yes, sir.

Mr. KEELE. Would the witness like a recess at this time?

Mr. RUSK. That would be very considerate, if I could have a moment.

Mr. SIMPSON. Let's get the fourth period.

Mr. RUSK. The fourth period was a period of attempted salvage, 1947 to 1950, during which the Rockefeller Foundation made grants of \$161,481.

Mr. SIMPSON. The committee will now be in recess for 5 minutes. (Short recess.)

Mr. SIMPSON. The committee will come to order, please.

Mr. Rusk, you may proceed.

Mr. RUSK. Mr. Chairman, I have reached the period of growth, of what is called the Period of Growth and Achievement on page 6.

The Institute of Pacific Relations had its origin in a conference held in Honolulu in 1925, under the auspices of a distinguished committee whose chairman was Dr. Ray Lyman Wilbur, president of Stanford University, a trustee at that time of the Rockefeller Foundation, and later Secretary of the Interior under President Hoover.

The purposes of its founders—to promote peace in the Pacific by conducting a program of research, conferences, and publications relating to the problems of that area—made a strong appeal to the Rockefeller boards. War, quite as much as disease, was a prime threat to the well-being of mankind. Already the clouds were beginning to gather over the Pacific, where there was no organized effort to preserve the peace. The interest of the League of Nations seemed to be focused mainly on Europe; in any event, the United States was not a member. The IPR seemed to be a pioneer in an unoccupied field, with every prospect in its favor. Soviet Russia, which was still politically unrecognized by the United States, was establishing important trade and business relationships with United States industry; Russia did not, however, join the IPR until 10 years later, and then remained for a brief period only.

To assist the new agency in getting its program under way, the Laura Spelman Rockefeller Memorial between 1926 and 1928 made grants totaling \$165,000, and after the memorial was consolidated with the Rockefeller Foundation in 1929 the foundation gave continued support in the form of grants totaling an additional \$1,264,878 by the end of 1943.

With the aid of these funds and contributions from a wide variety of other sources, the IPR during this period made a notable public record and gave every evidence of substantial achievement. Under the IPR sponsorship a series of successful international conferences brought together distinguished groups of statesmen, scholars, and men of affairs for discussion of major problems of the Pacific. The research program resulted in a series of books which were valuable contributions toward knowledge in this important area.

Frederick Vanderbilt Field, whose presence as secretary of the American Council of IPR for part of this period caused some misgiving, resigned this office in 1940, and it was not until later that

he became a contributor to and editor of the *New Masses*. He himself had pointed out to the Rockefeller Foundation in 1938, in connection with an IPR request for foundation support, that the IPR's character and long-term purpose inhibit it from political propaganda. The foundation had no reason at the time to question the good faith of this statement or of similar statements from other representatives of the IPR, oftentimes repeated.

Coming to the Period of Perplexity and Inquiry, 1944-45, it is hard to fix an exact date when foundation officers first became aware of rumors questioning the objectivity of certain IPR staff members and their work. In the beginning these rumors made little headway against the general respect for the IPR's achievement and confidence in its trustees and executives which continued well into the war years. The information materials relating to the Pacific theater of operations which the IPR had developed over the years, and had encouraged others to develop, were an important contribution to the war effort. In 1945 the IPR was awarded, in recognition of such services, the Navy Certificate of Achievement. Evidently, there were no serious doubts held at that time by the Navy Department, or, so far as the record shows, by any other Government agency, in regard to the reliability of the IPR.

The foundation, however, was growing concerned about the situation, long in advance of any expression of anxiety by Government. The foundation's concern grew out of a number of different elements: Talks which foundation officers had had with IPR staff members or former staff members, controversies about articles in IPR publications, and discussions and remarks dropped at IPR conferences which foundation officers attended as observers.

An article by an IPR staff member on the situation in China, which appeared in a 1943 issue of the IPR's *Far Eastern Survey*, was severely criticized for alleged bias by the Chinese representatives at the IPR interim-planning conference at Atlantic City in January 1944. A foundation officer who attended this conference as an observer brought back the impression that it was the feeling on the part of some participants that both the Pacific council and the American council were served by some staff members inclined more toward reform and promotional interests than toward hard, thorough, objective research.

In 1944 Alfred Kohlberg sent the foundation copies of his charges of pro-Communist bias in the IPR. The director of the social-sciences division of the foundation suggested that the charges be referred to an independent body of competent persons for hearing and determination. This proposal was accepted by Mr. Kohlberg, but rejected by the IPR. Instead, a special committee of IPR trustees reported to its board that the executive committee and responsible officers of the American council had "investigated Mr. Kohlberg's charges and found them inaccurate and irresponsible." The foundation officers would have preferred an independent appraisal of the organization's activities, I might say, not because of any views which they then held on the merits of the problem but because in their view at the time that was the proper procedure by which you could get rid of this kind of issue one way or the other.

An important conference of the IPR was held at Hot Springs, Va., in January 1945. At this conference a foundation officer, present as an

observer, gained the impression, specifically confirmed later, that the members of the British delegation were aroused and determined to bring about personnel and administrative changes that would make for more objectivity in the organization's work.

Finally, Raymond Dennett, executive secretary of the American Council of the IPR during part of this period, whose testimony is extensively cited in the McCarran report, disclosed to foundation officers during interviews in 1945 his dissatisfaction with the internal situation in the IPR. Nevertheless, even when he reported that he had submitted his resignation because of these conditions, he urged the foundation to continue its support of the IPR, saying that any other course would destroy the organization, which he would hate to see happen.

Such incidents created growing concern and doubt in the minds of foundation officers. However, no reliable evidence was before the foundation that members of the IPR staff were engaged in subversive activities, as charged several years later by the McCarran committee, or that the IPR itself was, as alleged by the McCarran committee, "considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda, and military intelligence." The Rockefeller Foundation at that time knew that Owen Lattimore—to use one name that figured widely in the McCarran investigation—had been appointed during the early 1940's on the nomination of the President, as personal political adviser to Generalissimo Chiang Kai-shek. This seemed to be reasonably good evidence that he enjoyed the confidence of the United State Government. The foundation also knew that the intelligence agencies of the Government had leaned heavily on the IPR for help in supplying information about the Pacific, and had given every evidence of satisfaction with the materials supplied.

If I may interpolate briefly there, I was on duty, as I indicated before, as an officer in Military Intelligence, with some responsibility for amassing information about the Pacific islands, Australia, New Zealand, Malaya, Burma, as a ground work for further military operations in that area.

There was literally a desert of information about most of those areas insofar as information in our possession was concerned, and I can recall that the publication materials developed since 1925 by the IPR were, in fact, a considerable contribution to the understanding of the Government in the early days of the war about that vast area.

Furthermore, it would be unfair to those confronted with such problems in 1944 and 1945 not to recall that the general atmosphere was considerably different in those years from the atmosphere now prevailing. While there was little responsible opinion that the Soviet Union of World War II was democratic or cordial to the United States, there was a widely held respect for the wartime effort of the Russian people against the Nazis and there was a hope that the common interests which brought the Russian and American peoples together in the war effort could be maintained sufficiently in peacetime to allow the United Nations to work effectively, despite wide ideological differences. The bitter disillusionment of the free world in the years since World War II arose through no lack of effort on the part of the free nations to find a basis for establishing peace but because of a

series of provocative and aggressive acts taken by the Soviet Union in violation of its most fundamental international obligations.

We then come to the time of important decision as far as the foundation was concerned in 1946.

Among these perplexities in which the foundation found itself, the officers of the foundation, with the approaching expiration of the current grants in 1946, decided to seek the advice of four former trustees of the American Council of IPR who were understood to have resigned from its board because of dissatisfaction with conditions in the organization. In varying terms these former trustees expressed concern with the attitudes of some members of the American-council staff, and with the involvement of the editorial and research workers with a leftist union [later expelled from the CIO]. None expressed belief that any American-council staff workers were Communist Party members, but there was concern lest the staff might include a few "fellow travelers." All were troubled that many American-council board members were not in close touch with the actual work, and that too much authority was left in the staff. But the over-all feeling among this group of former trustees was that the Kohlberg charges had been exaggerated, and that the most important service the Rockefeller Foundation could render was not to destroy the American council by abruptly ending its support but, rather, to renew its grants and thereby reinforce the efforts of the group who were working to strengthen the organization in line with its original objectives.

Before the time came for action by its own trustees, the foundation officers had received word that the Pacific Council of IPR had retired Edward C. Carter as secretary general, and had replaced him by William L. Holland. Mr. Carter continued in a close executive relationship with the American council, but he was obviously on the way out, and it was believed that a new point of view, with more emphasis upon seasoned scholarship, would be helpful to the situation.

Under the circumstances, the officers decided to recommend that general support—that means general administrative support—for the IPR should be terminated, but that the organization should be given a chance to adjust itself to a diminishing level of foundation aid over a period of 5 years. Support for other nonuniversity centers of international studies—for example, Mr. Chairman, such as the Council on Foreign Relations in New York, and the Foreign Policy Association—was being similarly reduced. The foundation's board, after considerable discussion, approved this proposal with the understanding that this was to be the terminal grant for support of the IPR. The total amount appropriated at that time was \$233,000, of which only \$25,000 was to be available in the fifth and final year of the grant.

Coming then to the last period, the period of attempted salvage, it was the hope of the foundation that, with the help of these funds and the active interest of the IPR's able and distinguished group of trustees, the IPR would regain full public usefulness and confidence. Important steps were taken in that direction. The influence of the staff workers' union was eliminated. Frederick Vanderbilt Field, who had resigned as secretary of the American council in 1940, resigned from both the board and the executive committee in 1947. E. C. Carter left the executive vice-chairmanship of the American council in March 1948. Dr. Ray Lyman Wilbur, one of the chief organizers of the IPR,

took the chairmanship of the American council. Dr. Wilbur commanded general confidence. He told the foundation officers that he had accepted this office in order "to restore the momentum and the health of the organization," and expressed the hope "that [foundation] interest may not die."

With the sponsorship of Dr. Wilbur, Mr. Clayton Lane, an experienced senior officer of the Foreign Service, took office as executive secretary of the American council in October 1948, upon the understanding that E. C. Carter would be off the executive committee by the end of the year. Mr. Lane gave the foundation his assurance that the reorganized staff of the IPR was competent, objective, and without any Communist bias. Following Dr. Wilbur's death in 1949, he was succeeded as chairman of the American council by Mr. Gerard Swope, former president of the General Electric Co.

The effort at salvage was making definite progress, but the unfavorable publicity continued, largely directed against the situation which had existed before these changes in personnel and organization. In May 1949, in order to meet the pressing needs of the Pacific council and to permit it to proceed with research related to the prospective 1950 conference, the foundation made a special appropriation of \$25,000 to its general budget. Early in 1950 the IPR gave notice that in spite of the utmost effort it had not been able to make the necessary adjustments to the diminishing scale of foundation support. Contributions from other sources were not coming forward on the necessary scale. The salvage effort would collapse unless the foundation came to the rescue.

The officers were reluctant to recommend further support to the foundation trustees, but in June 1950 the officers met to consider the matter with leading IPR personnel, including the following:

Gerard Swope, chairman, American Council of IPR; honorary president, General Electric Co.

Arthur H. Dean, vice chairman, Pacific Council; partner, Sullivan & Cromwell

William G. Brady, chairman, National City Bank

Dr. Hugh Borton, associate director, center of Far East studies, Columbia University

Joseph P. Chamberlain, Columbia University

C. B. Marshall, vice president, Standard Vacuum Oil Co.

J. Morden Murphy, assistant vice president, Bankers Trust Co.

Gen. William H. Draper, Jr., vice president, Dillon, Read & Co.

W. L. Holland, secretary general, IPR

Clayton Lane, executive secretary, American Council, IPR

I think that list reflects a considerable amount of responsible and conservative public interest and public service.

Three questions were put to this group:

Is it important to save the IPR?

Can it be saved?

If the Rockefeller Foundation makes a grant, will you put your shoulders to the task of saving the IPR?

The foundation officers were given assurance on these points by those present. Moved by these assurances and by the progress which undoubtedly had been made under the 1946 grants, the officers recommended to the executive committee of the foundation at its June 1950 meeting that additional grants of \$60,000 and \$25,000 be voted to the American Council and to the Pacific Council of the IPR, respectively,

the first for use over a 2-year period, and the second for 1 year, but with the understanding that a recommendation for an additional year's grant of the same amount might be expected.

After prolonged consideration the executive committee of the board of trustees of the Rockefeller Foundation, expressing deep concern over the charges against the IPR, declined to approve this recommendation. Instead, it asked the officers to make further investigation and specifically to inquire of the State Department whether or not, in the Department's judgment, a further grant would be in the public interest. Accordingly, a letter was addressed to the Under Secretary of State making this inquiry. This letter said that the foundation "is not interested to support those who do not handle evidence with integrity," and that questions had been raised concerning certain members of the IPR staff. The foundation was told informally that such matters were handled not by the State Department but by the FBI and that the State Department could not advise on the matter.

As a matter of fact, the Under Secretary of State, to whom the letter was addressed, knew that I had been recently elected to the board of trustees of the Rockefeller Foundation, and called me in to explain to me when he received this letter, not through me at all but directly from New York, that it was contrary to the policy of the State Department to give advice to private citizens and organizations in this field, and that the Department would put itself in a most difficult position if it attempted to do so, and asked me to convey to the Rockefeller Foundation informally that situation which was responsible for the failure to receive a reply.

Thereupon, on the basis of that response from the State Department, a letter was addressed to Mr. J. Edgar Hoover of the FBI, making the same inquiry, stating the foundation's understanding that five or six FBI agents had spent several weeks going through the files of the IPR, and asking for confidential advice as to the facts. Again the foundation's efforts were unsuccessful. A reply from Mr. Hoover indicated that the FBI made such reports only to Government departments.

In September 1950 the executive committee and officers of the foundation were confronted with the strongest recommendations for a further grant and with every indication that the then officers and trustees of the IPR were determined to restore the IPR to its former great usefulness; there was no contrary advice from agencies of Government responsible for security problems. The Institute of Pacific Relations has never appeared on the Attorney General's list of subversive organizations. The executive committee thereupon approved the grants upon which it had postponed action in the preceding June. No further appropriation since that time has been made by the foundation in support of the IPR.

Mr. Chairman, I deeply appreciate your courtesy in allowing me to make such an extensive statement. I believe the foregoing account indicates why the Rockefeller Foundation believes, as stated above, that there is nothing in the record of the foundation's grants to the Institute of Pacific Relations which should impair public confidence in the foundation's work.

Mr. SIMPSON. What is the policy of the foundation now with reference to IPR?

Mr. RUSK. In the first place, the foundation decided back in 1946 to reduce its support for nonuniversity centers of research and international organizations so, quite apart from any question of uncertainty, from the point of view of the policy of the foundation in making grants, I have indicated that our policy has been shifting away from grants for the types of organizations involved.

I have also indicated that had the foundation known at the time the grants were made of some of the information made available by later investigation, grave questions would have been raised which, if not satisfactorily answered, would have precluded any further support to the IPR.

Now those grave questions are on the record, and there is a vast record which requires examination. I myself do not believe that those grave questions have been at this time satisfactorily answered, and of course the Rockefeller Foundation would pay attention to any listings of Government in this field or any comments made by congressional committees. But we do not have before us any application from the IPR, and we do not have any information that they even intend putting one in.

I would think under the circumstances the chances that the trustees of the Rockefeller Foundation would take up this matter again at this point are very remote.

Mr. KEELE. In response to certain questions contained in the questionnaire, you cited the American Council of the Institute of Pacific Relations, and I think you have discussed that. Have you anything further to add to that, Mr. Rusk?

Mr. RUSK. I think not, sir.

Mr. KEELE. Then you were asked to cite other recipients of grants from the Rockefeller Foundation which had been criticized or cited by the House Un-American Activities Committee or other agencies. Among those that you named were the following, page 69 of your report: Hans Eisler, according to the statement you made there, received a grant through the New School for Social Research, toward experimental demonstrations of music and film production, of \$8,250 out of a total grant of \$20,160. That was in 1940. Will you tell us about that?

Mr. RUSK. Yes, sir, I would be glad to, and I will not ask for as much patience from the committee as I asked for in regard to the IPR.

On January 19, 1940, the Rockefeller Foundation made a grant of \$20,160 to the New School for Social Research toward a research project in the use of music in film production, under the direction of Hans Eisler, the Austrian composer.

At the time the foundation made its grant to the New School in support of Eisler's research project, its officers did not have knowledge of the facts brought to light in 1947 in hearings before the House Un-American Activities Committee.

But it seems also to be true that such facts were not generally known or available in 1940, since no critics of the foundation's grant came forward until the House Un-American Activities Committee had publicized its findings concerning Eisler's Communist affiliations—despite the fact that the foundation's grant received wide publicity in 1940 in the newspapers and was reported in the foundation's annual report for that year. This in itself suggests that the foundation is

now being judged through hindsight rather than on the basis of facts and circumstances existing at the time the grant was made.

Because of the confusion and misunderstanding which have arisen with respect to this grant, it may be helpful to recount the story. The Rockefeller Foundation did not make a grant to Hans Eisler for his personal support, although it knew that some of the funds granted would be used for his basic salary.

It made a grant to an institution for the purpose of supporting a research activity which would contribute to the world's knowledge in a particular field of experimentation in the arts. The institution, moreover, was one with which the foundation had had frequent association in connection with other grants.

For example, after the rise of Hitler to power in Germany, the Rockefeller Foundation spent considerable sums in a program for refugee scholars fleeing the rise of Hitlerism and its move across the face of Europe, and we were at that time sympathetic to the needs of these scholars who were being driven from their homes by the rise of totalitarianism.

In October 1939, officers of the foundation received an inquiry from Dr. Alvin Johnson, director of the New School for Social Research, concerning the possibility of a foundation grant for a research project in film music which had been proposed by Hans Eisler. In connection with this inquiry, Dr. Johnson submitted a 9-page memorandum prepared by Eisler which set forth the purpose and scope of the proposed project. The project was to be directed toward four problems: (1) the possibilities of utilizing new types of musical material in film production; (2) problems of instrumentation; (3) problems of blending music and sound effects; and (4) problems concerning the relation of music to the content of film.

The initial reaction of officers of the foundation was favorable. The foundation had recently made a grant of \$30,000 to the Stevens Institute of Technology for a research project in the use of sound effects in theatrical production, and it was felt that the project proposed by the New School might provide similar data regarding film production.

Before proceeding further, however, officers of the foundation asked Dr. Johnson to arrange a conference between officers of the foundation and Eisler for the purpose of discussing the proposed project in more specific detail. At the same time, officers of the foundation questioned Dr. Johnson regarding Eisler's political affiliations, since rumors had come to their attention that Eisler's music was being utilized for songs for left-wing movements. In response to this inquiry, foundation officers were assured by Dr. Johnson that Eisler had no political affiliations and was wholly preoccupied with musical research.

And I might interpolate there, the record seems now to be that we were completely wrong, in assuming that that was the fact.

Following the conference with Eisler, officers of the foundation advised Dr. Johnson that they would consider the possibility of making a small grant to some agency such as the New School in support of Eisler's research, provided most of the grant were used to pay the actual expenses of the project, and not to provide a substantial stipend for Eisler personally.

That was a condition made at the time.

When Dr. Johnson indicated that the New School would be willing to administer a foundation grant on such terms, officers of the foundation requested Dr. Johnson to submit a detailed statement outlining the research procedures to be followed, administrative arrangements, budgets, and similar details. Upon receiving such a statement, officers of the foundation made several investigations, both as to the substantive merits of the project and as to Eisler's technical competence to direct the project. One inquiry was directed to the film library of the Museum of Modern Art. Another was directed to the office of radio research at Columbia University. Replies to these inquiries confirmed what the foundation had already learned from Dr. Johnson regarding Eisler's achievements in the field of music—that Eisler had had a distinguished career as a composer of music for films in Europe and that his recent compositions for the petroleum exhibit at the World's Fair had been well received in the United States, and were commented upon favorably by the press representing all shades of opinion.

All agreed that the proposed research project would make a significant contribution to existing knowledge of the use of music in film production. Foundation officers were also advised that the Oxford Press had agreed to publish the book which Eisler proposed to write, which was published in 1947 under the title "Composing for the Films."

Officers of the foundation then had a further conference with Eisler and Dr. Johnson regarding such administrative details as estimated expenses of demonstrations, arrangements for a custodian of film materials, and so forth.

Finally, after more than 3 months of investigation and study, officers of the foundation advised Dr. Johnson that they were ready to recommend a grant to the New School in the amount of \$20,160, and that was approved by the executive committee of the foundation on January 19, 1940.

As a new officer coming into the Rockefeller Foundation, being confronted with a problem of this sort, and having had sufficient experience with the types of inquiry in which we are now engaged to be able to predict at least some of the things that might be of interest, I tried my best to find any scrap of evidence, either oral or written, either in our files or in the recollections of our officers, that officers of the Rockefeller Foundation had at any time anything whatever to do with the deportation problems into which Mr. Eisler himself fell. I have been able to find no scrap of evidence that, prior to the approval of the grant, or during the months that followed, officers of the foundation had knowledge of any deportation proceedings pending against Eisler.

At no time did any person connected with the Rockefeller Foundation intervene in Eisler's behalf with regard to his immigration status, in a deportation proceeding or otherwise.

It may be helpful, however, to clarify several facts regarding Eisler's immigration status at that time, as disclosed in the 1947 hearings before the House Un-American Activities Committee. No deportation proceedings against Eisler were pending at the time the foundation's grant was approved in January 1940, but on the contrary Eisler was then lawfully in the United States on a visitor's visa. While Eisler subsequently overstayed his visitor's visa and was or-

dered to leave the United States on this ground—and not on the ground that he was a Communist—the order was canceled when Eisler received a nonquota immigrant's visa in September 1940, permitting him to remain in this country. The final installment under the foundation's grant to the New School was paid in July 1941, and the work covered by the grant was completed before the end of 1942. The House Un-American Activities Committee hearings in regard to Eisler were not held until 1947, and it was not until 1948 that Eisler left the United States in the face of deportation proceedings.

One fact remains clear, Mr. Chairman. If the foundation had had any reason to believe that Eisler entertained subversive intentions toward the United States or that, because of political affiliations, he was incapable of objective experimentation in the use of music with films, the foundation would not have made its grant to the New School in support of Eisler's film-music project. And, of course, with the benefit of hindsight we should be very glad at this point not to have made that grant.

Mr. KEELE. Well, wasn't Dr. Johnson well known to you and to the foundation at that time?

Mr. RUSK. We had had considerable relations with Dr. Johnson, particularly because of his work in the rescue of scholars from Europe.

Mr. KEELE. And hadn't he been openly taking the position at that time that he didn't care whether a man was a Communist if his work was good?

Mr. RUSK. I am not familiar with the open position that he was taking on such a broad subject.

We precisely asked Dr. Johnson to ascertain the position on that point with Mr. Eisler, and our understanding is that Dr. Johnson asked Eisler himself and made his, Dr. Johnson's, own judgment that Eisler was fully engaged and interested in his music, and was not engaged in any political activity.

Mr. KEELE. It is a rather naive question to ask a man suspected of being a Communist.

Mr. RUSK. It is, sir. I suppose it is more naive in 1952 than it might have appeared in 1940.

Mr. KEELE. Well, you are familiar with those hearings, I take it, held in 1947. On page 81 of that report they brought out a letter on June 20, 1938. Johnson, who had then been in contact with various Government officials and had been advised that Eisler's visa was being held up, wrote Eisler this letter:

I understand that your visa is being held up because you have been boosted by the Daily Worker as a Communist. I personally have no prejudice against Communists and can see no earthly reason why a good Communist should not be a good musician.

Wasn't Johnson's attitude pretty well known at that time—that he had no objection to having Communists on his staff? Hasn't he made the same statement with reference to the work of the Encyclopedia of Social Sciences?

Mr. RUSK. I regret, Mr. Counsel, that I have not sufficiently reviewed the public statements of Mr. Johnson to be able to respond directly to that.

I think it is true that there was a period during our relations with the Soviet Union when there was a view held by some that commu-

nism does not necessarily invade all aspects of scholarship and learning; that there were politically neutral branches of science and learning which were not susceptible to Communist pressure.

We ourselves, I think, now have clearly learned that that is not now the case, and that the totalitarian pressures of the Soviet regime have by gradual stages brought them into domination of all of these fields of the arts, sciences, education, and everything else, even in the field of medicine. But I could not, I am afraid, testify. I would be glad to look into that further and submit a statement, if counsel wishes.

Mr. KEELE. Well, actually the employment of Eisler by the New School for Social Research was the factor which permitted his visa to be extended, was it not?

Mr. RUSK. That may, in fact, have been the case in terms of his ability to find employment in this country; but that, at the time, we did not know and were not connected with it.

Mr. Counsel, on page 82 of the same hearings there is a statement by Dr. Johnson quoting from Eisler's letter to him on this question of Communist sympathies.

I realize that a statement by Eisler to this point would not be considered very probative, but you would note that at the top of page 82 Eisler had told Dr. Johnson:

You know my sympathies are anti-fascistic, but I assure you I am not a member of any political party, neither the Communist Party. I am a composer. All my aims are musical ones, and I see everything from a musical point of view.

That we could comment on very sharply now, but that was a part of the same record.

Mr. KEELE. I think it must be admitted that there were a number of prominent persons, including Mrs. Roosevelt, who were then interceding in behalf of Eisler; isn't that well established now?

Mr. RUSK. I have not myself examined the record. I have heard that said.

Mr. KEELE. Well, wasn't that brought out in those same hearings?

Mr. RUSK. Yes; but I have not made a personal examination of the full hearings. That is my problem.

Mr. KEELE. Well, what is the view of the foundation now? Does it affect the artistic work of the man if he is a Communist sympathizer, in the opinion of the foundation?

Mr. RUSK. I think there are two answers to that, Mr. Counsel. Both can be quite emphatic.

I think the Communists themselves have clearly demonstrated by their public acts, not only in the Soviet Union but elsewhere, that they themselves have moved politically into these fields of the arts and sciences, and so that question is entirely clear from the Communist point of view.

From our point of view, we would not make a grant to a Communist even if someone could demonstrate that somehow music and science are outside the interests of communism. We do not, and do not intend to, make any grants to Communists under any circumstances whatever, if we can possibly avoid it.

Mr. KEELE. And I think you have already said you would not have made this grant had you known then what is known now.

Mr. RUSK. I have no doubt about it, sir.

Mr. KEELE. Another man whom you listed in your report was J. B. S. Haldane. I think he was criticised in House Report No. 209.

You cited, that on April 1, 1947, 12 grants of \$53,572 were made over a period 1935-47 to the University College, London, England, for research in genetics, under the direction of Haldane. What are the facts with reference to those grants?

Mr. RUSK. As I have indicated, Mr. Counsel, the Rockefeller Foundation made grants totaling \$53,572 during the period 1935-47 in support of the work of Prof. J. B. S. Haldane, a distinguished British geneticist. All grants were made to the University College of London, to provide research equipment, supplies, and technical assistants for research in the field of genetics under Haldane's direction.

Haldane has long been regarded as one of the world's leading geneticists, with an unusual competence in biochemistry, physiology, and mathematics, as well as genetics.

While Professor Haldane's association with the British Communist Party became known to the officers of the Rockefeller Foundation in 1942, further support of his work was recommended until 1947, based primarily upon his established reputation as an outstanding scientist, upon the absence in his published research of any indication that the objectivity of his scientific research was being affected by politics, upon his record of confidential work for the British Government during World War II, and upon the advice of his scientific colleagues in Britain.

After the Lysenko dispute in the Soviet Union, Haldane announced himself as a Darwinian, that is, he lined himself up with the main body of western science in genetics. In 1952 he was awarded the Darwin medal by the Royal Society of England, which is certainly a well-established and well-known organization. Professor Haldane's present relation to communism is, I suppose, therefore open to at least some qualification, because of his break with communism on this important scientific view, but the foundation ceased its grants in 1947, although it did give grants for about 5 years during which it was known that he was associated with the Communist Party.

Mr. KEELE. Now I am unable to reconcile that with the statement which you had previously made, unless it is explainable on the grounds that the policy of the foundation has changed.

Mr. RUSK. I think the policy of the foundation has changed to some extent under the pressure of world events, but also I think the actions of the Communists themselves, both in the international field and in the scientific field, have brought about a change in policy, because if there is reason to believe that a scholar or scientist is not prepared to act on the basis of objective data, then the answer for the foundation solves itself.

In these fields where communism is entering everywhere, purely on scholarly grounds, in addition to the security and national grounds involved, we would not make grants to Communists under present circumstances.

There was a view among British scientists during the period 1942-47—and this was discussed with them during that period—that Haldane's contributions to western science, particularly in the field of genetics, were important enough for continued support despite the fact that he appeared to be playing around with Communist politics, outside of his genetics.

I think that we would have the gravest difficulty in entertaining any application from a person in Haldane's position at the present

time, but there has been some moderation or modification of policy based upon the build-up of the security problem on the one side, which has become increasingly clear, and the increasing invasion of totalitarianism into the fields of scholarship and science by the Communists themselves.

Mr. KEELE. All right. The next item or person whom you have listed on page 69 was Curie. Will you tell us about that, the grants and so forth, and the circumstances surrounding it, and your explanation of it.

Mr. RUSK. Yes, sir, I would be glad to. Grants to a total of \$15,684.42 were made to the Radium Institute and to the laboratories of nuclear chemistry and atomic synthesis of the College of France during the years 1935-39. These grants were made for training personnel associated with Joliot-Curie and for equipment and supplies used in the laboratories.

The Rockefeller Foundation's interest in this work grew out of the foundation's major interest in developments in the field of physics relating to radioactivity which had occurred during the early 1930's. Scientists all over the world were concerned with the newly developed uses of controlled radioactive substances as indicators to show the diffusion, permeability, and storage properties of tissues for given elements and chemical compounds.

Another important use was the possible treatment of disease with these controlled radioactive substances. In order to carry out research in these fields, close cooperation among several branches of science was required—physics, chemistry, biology, medicine.

And an important part of that research in the thirties was then being conducted under Joliot-Curie, who had received the Nobel prize in 1934 for his work in the field of radioactivity. The French Government itself was already supporting this research with substantial appropriations.

The nature of the Rockefeller Foundation's interest in this work in those years is well brought out in a rather ironic way in a statement that appeared in the President's Review for 1940. This was after our grants to Joliot-Curie had been made. Mr. Fosdicks, in that President's Review in 1940, said:

With so much creative human talent employed in devising increasingly powerful engines of destruction, it is at least some comfort to know that today in the United States work is proceeding on two of the mightiest instruments the world has seen for the peaceful exploration of the universe. One is the 200-inch telescope nearing completion on Mt. Palomar, Calif.; the other is the giant cyclotron under construction at Berkeley, Calif.

That was looked upon as a great instrument for the peaceful exploration of the universe by our President in 1940. And he referred in that same report to the "insatiable intellectual curiosity which is the mark of civilized man."

Now our interest during the thirties was not in the security aspect or the explosive aspects of atomic energy, but in the medical aspects and in the effort to push out the horizons of human knowledge in this infinitesimal direction in much the same way in which we were trying to help push them out into the high heavens through the Mount Palomar instrument. But by 1942 the importance of the new development was brought to us in a very dramatic way.

It became necessary after Pearl Harbor for the University of California to step up its construction of the giant magnet for the cyclotron. They needed an additional grant, which was not then available from Government, in order to pay their workers to go on a 24-hour shift, rather than on the normal rate at which the magnet was being built.

They asked the Rockefeller Foundation for the \$60,000 required, offering to have one of our officers taken down to Washington to be put under special security classification for the purpose of receiving information on why it was important.

The foundation preferred to place its faith in the University of California, and the board of trustees, without any knowledge of the purpose—perhaps one or two of our scientific staff members had some knowledge as a matter purely of scientific speculation—but the board of trustees without asking the University of California for the purpose, appropriated \$60,000, and we were told after the war that that made a substantial difference in the timing in which the atomic bomb was eventually produced.

Now I mention that story because somewhere between 1940 and 1942 the importance, the difference in the nature of interest in this field, of course, impressed itself upon the Rockefeller Foundation.

As far as Joliot-Curie is concerned, he has gone from bad to worse. We understand from associates in France that he clearly went Communist in 1943. If that information is correct, that presumably would be after we had made the grants, but I would not place too much reliance on when that change occurred. We certainly didn't know of that Communist Party membership at the time the grants were made.

But he has gone to the outer limits in the betrayal of every scientific standard in his association of himself with the Soviet Union in such things as the germ-warfare charges. And, of course, the Rockefeller Foundation would not make a grant to him under these circumstances.

If the question is, are we now sorry that we ever did, we would like to say yes, unequivocally. I think the main body of western scientists, however, would still say that we gained something from Joliot-Curie's scientific contribution during the 1930's. But on policy grounds, our position is utterly unequivocal.

Mr. KEELE. Let us take up the persons listed on page 70 of your report, unless there is some further question by the committee with reference to Joliot-Curie.

Mr. RUSK. In the case of Mr. Louis Adamic, we made a grant of \$3,000 in 1937 for work which resulted in the book *My America*, and to assist in collecting material on the cultural life of foreign-language groups in the United States.

That seemed to be attractive at the time on two grounds. One, the importance of the assimilation of foreign-language groups into the basic structure of American life.

The committee will recall that in the post-World War I period, a great deal of effort was given around the country to try to integrate into the American scene the so-called hyphenated Americans, and Louis Adamic's work appeared to be making a substantial contribution to an understanding of that problem.

And the second was his literary competence. He appeared to be a man who knew how to write well.

But in any event he was credited at the time with having contributed materially to the assimilation of foreign-born nationals into the American community.

To the best of our knowledge no charges of any special sympathy for the Soviet Union had then been made, and it was not until 2 years after the grant that he signed the statement of the Committee for Cultural Freedom, which began to raise questions.

Mr. KEELE. I suppose you have read the article purporting to be by Adamic in *The Nation* on June 28, 1952?

Mr. RUSK. No, I am afraid I have not, Mr. Counsel.

Mr. KEELE. I read this quotation from *Confessions of Thirty-third Degree Subversive*:

Or let's consider this episode in my reprehensible career. One day in 1937 I was sitting on the stage in a ballroom in the Waldorf Astoria Hotel during the proceedings of the annual New York Herald Tribune Forum, when the polite stranger next to me introduced himself as David Stevens, and turned out to be the head of the humanities division of the Rockefeller Foundation.

Instead of listening to the speakers, most of whom were subversives, of one kind or another, Mr. Stevens and I held a whispered conversation about a magazine article of mine he had just read, and the first thing I knew he asked me if I could use a grant-in-aid.

I wasn't exactly broke at the time, but the offer was one of those flukes that could happen only in America, and who was I to scorn our way by refusing a Rockefeller grant. On the other hand, being a subversive and hep to some of the history of great American fortunes, and also being tired after finishing a book, with my whole character in a wobbly and sagging condition, I didn't, I couldn't, refuse Rockefeller money. In short, I took it.

Mr. RUSK. Have we asked Mr. Stevens for a statement as to whether that meets his own recollection?

Mr. BELKNAP (counsel for Rockefeller Foundation). I don't think we have. Mr. Stevens is in California.

Mr. KEELE. I think it is a humorous article.

Mr. RUSK. It could have happened, Mr. Counsel, but I would like to confirm it with Mr. Stevens.

Mr. KEELE. What about Vera Dean?

Mr. RUSK. We made a grant of \$2,000 in 1941 to the Foreign Policy Association toward the expenses of Mrs. Dean's trip to South America for the study of political and economic relations of Latin America with the United States and Europe.

Mr. KEELE. What is that date again?

Mr. RUSK. Yes, in 1941.

Mr. KEELE. I thought you said 1951; sorry. 1941; all right.

Mr. RUSK. Yes, sir, and that was 8 years before the reference indicated here in the House report?

Mr. KEELE. And what about Hallie Flanagan Davis?

Mr. RUSK. Hallie Flanagan Davis benefited indirectly from five grants made by the foundation for the support of the theater. There were no direct Rockefeller Foundation grants to Mrs. Davis. Two were to Vassar in 1937 and 1939, two to Smith in 1942 and 1947, one to Dartington Hall Trust in Great Britain in 1950.

Mr. KEELE. Was anything known of her at that time or her activities?

Mr. RUSK. The only thing that I have been able to distill out of an examination of our records, Mr. Counsel, is that Mrs. Davis' work,

both as a theater director and as a writer, has involved her in controversial situations and subject matter.

Her views, however, have seemed to competent authorities to be within the range of honest differences of opinion among specialists in the dramatic field, but I must say that I do not have much information on that.

Mr. KEELE. Well, we talked about Gelhorn. I think we might speak of J. B. S. Hardman now.

Mr. RUSK. Yes, there was a grant in 1947 of \$23,500 to Columbia University for a study of trends in labor-union leadership by Mr. Hardman.

Mr. Hardman was in charge of the educational activities of the Amalgamated Clothing Workers from 1920 to 1944. Subsequently, he was director of the Inter-Union Institute and editor of the publication *Labor and the Nation*. Since all of these activities were addressed to the education of union leaders, and since Mr. Hardman was considered by experts in the field to be a thoughtful student of the labor movement generally, it was felt that Mr. Hardman had a considerable contribution to make toward better understanding of the forces which mold and influence the character of union leadership.

I believe that was one of the few instances, perhaps one of three or four, not more, where the grant was made later than the actual date of citation, but that grant was made on the basis of an attempt to assist the labor movement with a study on the development and education of labor leadership, and after an examination and checking with people in whom we had confidence as to Mr. Hardman's true situation.

Apparently he had been in controversies in the early 1920's which suggested that he at one time perhaps might have had association with the Communists but had broken with them, and his position required some examination. It was made and the grant was made.

Mr. KEELE. It appears in the notes that he uses the initials "J. B. S.," which are also the initials of Lord Haldane. Actually Hardman's name is Jacob Salinsky; isn't it?

Mr. RUSK. I believe he came from Russia and changed his name over here.

Mr. KEELE. And Granville Hicks?

Mr. RUSK. We made a grant in 1944 for \$3,695 to undertake a study of the development of American thought and tradition, with particular reference to small American communities, resulting in a book called *Small Town*.

He had been on the faculty of Smith College, Rensselaer Polytechnic Institute, and Harvard. Here is a case where a man had been a member of the American Communist Party, had then resigned and publicly renounced the party, and then was given a foundation grant, and then came the citation by the House committee.

We feel that he had straightened himself up on this point before the citation appeared. In any event, it was our understanding at the time the grant was made that he had publicly denounced communism, and was strongly anti-Communist.

Mr. KEELE. And with reference to Thomas Mann?

Mr. RUSK. Similarly we made two grants to Princeton University in 1938 and 1939 totaling \$4,500 toward Mr. Mann's salary as a member of the Princeton faculty during those years.

We had made many such grants since 1933 to assist universities in offering faculty positions to distinguished scholars and scientists and men of letters who had to leave their posts in Europe with the advent of totalitarian regimes.

Of course, Thomas Mann is a very well known literary figure, Nobel-prize winner in 1929, and any American has an opportunity to judge his work by looking at his books.

Mr. KEELE. And Linus Pauling?

Mr. RUSK. Linus Pauling is a distinguished chemist at the California Institute of Technology. Over the past 20 years grants of \$1,250,000 to the California Institute of Technology have been made in support of long-range comprehensive programs of research involving the application of chemistry to basic problems of biology.

This program is under the principal leadership of Linus Pauling, head of the division of chemistry, and of Prof. George W. Beadle, assisted by more than 25 other scientists.

Linus Pauling is clearly one of the world's outstanding chemists, and he has made scientific contributions of great distinction and significance.

He and his colleagues have made recent advances in the field of protein chemistry which may well prove of the most profound significance for biology and medicine.

He has declared unequivocally that he is not, and never has been, a member of the Communist Party. The State Department, in 1952, first refused and then granted Pauling a passport for a trip to the United Kingdom and France.

I suspect in this case, Mr. Counsel, we have an instance of a highly distinguished scientist who maintains the highest possible standards in his own particular work, but who is capable of being a little frivolous in fields other than that in which he is doing his scientific work, and I suspect that we may have to leave some room for some tolerance in a situation of this sort in order to benefit from the major contribution which this man can make in the field of science.

Mr. KEELE. You mean this man is probably an illustration of Mr. Hutchins' bon mot that political sagacity is not correlated with academic eminence?

Mr. RUSK. From what I know of the situation, I think that would fit it very well, sir.

Mr. KEELE. And Oscar Lange?

Mr. RUSK. Oscar Lange is a man, again, who has gone from bad to worse. We made grants of \$6,050 over the period 1933 to 1936 for studies of economic equilibrium.

In 1949 he renounced his United States citizenship to become Polish Ambassador to the United States, and we understand from the latest rumors we can cull that he is now in an academic post in Poland. This is a case which the Rockefeller Foundation clearly regrets, and based on hindsight, we would be glad to be in the position not to have made it.

Mr. KEELE. And then Ignace Zlotowski.

Mr. RUSK. Zlotowski was the beneficiary of a grant of \$1,800 to the University of Minnesota toward his salary as a staff member in 1940. He was dealt with along the lines of the refugee scholars and scientists program. He had fled from France at the time of the German invasion.

He, again, is one of those rare cases in all of the 29,000 grants we have made. We consider him lost from the fold, and we would be glad to strike him from our rolls if we could.

Mr. KEELE. All right; you have discussed the Institute of Pacific Relations at considerable length. Let's move to those individuals on whom attention was focused by the McCarran report, those that you have listed on page 74. Thomas A. Bisson first.

Mr. RUSK. Yes, sir. I might say that entire group represents a number of persons—

Mr. KEELE. I think you might deal with that group as a group, too.

Mr. RUSK. Those grants were made in small amounts at various times during the support of the foundation toward the general work of the IPR.

As a matter of fact, they appear on this list because they appeared in Senator McCarran's report on the IPR.

In each case the grant was made, of course, before the report of the committee which is cited July 2, 1952, but they represent such things as grants to Mr. Bisson to enable him to complete his book entitled "Japan in China," a grant—

Mr. KEELE. He wrote The Economic Deconcentration Program.

Mr. RUSK. I believe he did; yes sir. I think the basic information is in here. Perhaps, if you would wish to ask any question about each or any of them, I would be glad to respond.

Mr. KEELE. Well, why don't you take up Bisson, Lattimore, and Rosinger as a group. They were all criticized in the McCarran report. It would be easier. Why don't we discuss those as a group, or any others that you wish to pick out of those we are going to come to in this report.

Mr. RUSK. Well, I can mention the latest grant to Thomas Bisson in 1949: \$3,300 to the University of California on this book The Economic Deconcentration Program under the Japanese Occupation, which was to be based upon his experience as a member of the Government section of SCAP.

We made an inquiry to Prof. Peter Odegard, chairman of the department of political science at the University of California, under whose sponsorship and supervision Mr. Bisson's work was to be performed, and we felt that we had satisfactory assurances from Professor Odegard as to the quality of the work to be done, and we proceeded on the grant.

Mr. KEELE. Is that the Odegard who was president of the American Council of Learned Societies, or is it the other Odegard?

Mr. RUSK. That is another one. This is the Peter Odegard who participated with the Ford Foundation in their study which was the basis of the development of the Ford Foundation's program.

Then this small grant to Mr. Owen Lattimore in 1949 was a grant which arose out of a misunderstanding between or among the officers of the foundation in a situation where the president of the foundation was on a 3-week trip through the South in connection with the work of the General Education Board. This matter arose with the officers who were left behind.

They were under the impression that the absent president was in favor of the grant, an impression which subsequently proved wrong; and, because of the timing required in getting Mr. Lattimore off to

this meeting in New Delhi, and because Johns Hopkins University had expressed a desire that the foundation give them this assistance in order to let Mr. Lattimore go in place of the president of Johns Hopkins, the officers in New York made the decision to proceed on the grant without having an opportunity to discuss the matter with the president, who was then away for 3 weeks.

It is easy now for a new man coming in to say that it would have been more prudent for the officers to have waited until they could have discussed the matter with the president. I hope perhaps they will bear that in mind while I am in office. But I am sure that the officers themselves would permit me to observe that they probably made a mistake in that case.

It is interesting, Mr. Counsel, that during this period the foundation had declined some seven applications from or on behalf of Lattimore; and I think, had it not been for one of those chance misunderstandings which can sometimes happen, it is entirely likely that this, too, would have been declined.

Mr. KEELE. It probably would have been declined if President Bronk had had something to say about it.

Mr. RUSK. I am not too sure, because he was the man for whom Mr. Lattimore was substituting at this meeting. I couldn't comment on that, Mr. Counsel.

Mr. KEELE. All right. Mr. Rosinger.

Mr. RUSK. Mr. Rosinger had a fellowship for research work of the IPR in the field of international relations in 1939, and a \$7,000 grant to the IPR toward the Annual Review of the Far East and American Far Eastern Policy, edited by Rosinger. That grant was made in 1948: a \$2,000 grant to IPR toward the expenses of Rosinger's attendance at the New Delhi conference sponsored by IPR.

We did not know at the time that he would later refuse to answer under oath whether he had been a member of the Communist Party. In the face of that circumstance, of course, we would naturally have very grave misgivings about these grants which were made in the past.

Mr. KEELE. I think there is a group of about seven more. Let's take up Barnett.

Mr. RUSK. Yes. Mr. Robert W. Barnett was given a travel grant in 1937 for \$114. He was given a fellowship of \$1,785 in 1938 for the study of the Chinese language at Michigan and Yale; a fellowship of \$1,858 for research work with the IPR in 1939; and, in 1940, an \$800 grant to IPR toward Barnett's expenses to China for the study of conditions in Shanghai and east-central China.

I happen to know Mr. Barnett because he served under me while I was Assistant Secretary of State for Far Eastern Affairs in the Department of State, and I had every opportunity to observe his work. I had a clear understanding with the Deputy Under Secretary for Administration that, if any possible question or doubt could be raised about anyone working in my part of the Department on grounds of loyalty and security, that question would be raised immediately and I be put on full notice.

Mr. Barnett is now in the State Department in the Office of European Affairs; and, of course, questions of that sort are adequately dealt with under the security program, so that I have no reason myself to regret this relationship. He has done a fine job of public service, as I have observed it directly.

The committee might be interested to know that, when I mentioned in the longer IPR statement that four former trustees who had left the IPR nevertheless recommended that the foundation should continue its support, these included Mr. Barnett's father, so that he was concerned about the situation in the IPR; and I happen to know, on the basis of personal conversations, that so was Mr. Robert W. Barnett.

Mr. SIMPSON. The committee will be in recess until 2 o'clock.

(Whereupon, at 12:25 p. m., the proceedings were recessed to reconvene at 2 p. m. of the same day.)

AFTERNOON SESSION

Mr. SIMPSON. The committee will come to order.

Mr. Rusk, will you take the stand, please.

STATEMENT OF DEAN RUSK—Resumed

Mr. KEELE. Mr. Rusk, when we recessed I think we had gotten down to the item "Derk Bodde," is that correct, or had you discussed him?

Mr. RUSK. No, we had not discussed that, Mr. Counsel.

Mr. KEELE. Will you address yourself to that.

Mr. RUSK. In 1938 the foundation gave \$15,000 to the University of Pennsylvania for assistance over a 4-year period toward Bodde's salary as a member of the staff in far eastern studies. At the time he seemed to be a scholar who was worth backing.

We note in his further development that in 1942-45 he was a specialist in China in the Office of Strategic Services, and that in 1948-49, although it had no connection, of course, with the Rockefeller Foundation, he visited China under the provisions of the Fulbright Act.

Mr. KEELE. And with reference to John K. Fairbank, what have you to say?

Mr. RUSK. The foundation gave Professor Fairbank a fellowship of \$2,500 in 1945 for the study of rehabilitation of personnel in foreign languages, and in 1950 it made a grant of \$2,780 to Harvard University toward the preparation of Fairbank's book called "China's Response to the West," which itself is a collection of writing by Chinese authors over the period of the last century, indicating China's response to their contacts with the West in that period.

Mr. Fairbank is a well-known member of the faculty of Harvard. He holds views which, of course, have been debated, and some controversy has arisen over some of those views, but to the extent that I have seen him—and I have seen him only occasionally during my own public service—I have felt that his views were within the range of difference and disagreement in a highly controversial field.

Mr. KEELE. Do you recall whether he was characterized at the McCarran hearings as a Communist by Louis Budenz?

Mr. RUSK. I am not familiar, Mr. Counsel, with the exact circumstances of that characterization. I do understand that Mr. Fairbank himself has vigorously denied that charge, but I am not certain of the origin of the exact charge.

Mr. KEELE. Now, who is Mortimer Graves?

Mr. RUSK. Mr. Mortimer Graves is on the staff of the American Council of Learned Societies. We have made four grants to the

American Council of Learned Societies for the use of Mortimer Graves, a grant in 1935 for a report on the means of increasing American understanding of the Far East, and in 1936, \$2,750 to the American Council of Learned Societies toward Mr. Graves' study of the role of humanities in international understanding.

In 1947, \$1,287 toward Graves' report on far and near eastern studies in Great Britain, and in 1948, \$4,000 to the American Council of Learned Societies toward Mr. Graves' trip to near eastern countries to formulate a program of near eastern studies.

Mr. KEELE. What is his position with the American Council of Learned Societies?

Mr. RUSK. I believe he is the executive secretary. Yes, he is executive secretary of the American Council of Learned Societies.

Mr. KEELE. That is a position of some influence with that organization, I should think.

Mr. RUSK. Yes, sir, it is, certainly on the administrative side.

I think the basic policies of the organization and the activities conducted within it are, of course, under the broad supervision and the direct participation of the many committees formed under the American Council of Learned Societies by its component organizations.

Mr. KEELE. How long has Graves been with the American Council of Learned Societies, do you know?

Mr. RUSK. For many years, at least over 20. I will check that in just a moment. Sorry, I have lost my notes.

Mr. KEELE. I think you are entitled to one pause. You have done very well thus far. Actually, if you know in approximate figures, it will be sufficient, unless you have the data there.

Mr. RUSK. Mr. Graves joined the staff of the American Council of Learned Societies in 1927, serving at various times as an associate director, and more recently as the administrative secretary under the executive director.

Mr. KEELE. The question I am going to ask you now may be improper in the sense that I am going to ask you to go back a bit before you joined the foundation, at the time when you were in the State Department. I think you can very properly decline to answer this question if you choose, that is, since it simply goes beyond the time when you were with the present organization.

But from your experience in the State Department, isn't it a fact that Mortimer Graves had considerable influence in connection with fellowships and international exchange of students, Fulbright exchange and so forth?

Mr. RUSK. Mr. Counsel, I am perfectly happy to answer any questions at all on which I have the information. My own knowledge of Mr. Mortimer Graves' work came not so much in the State Department but during the war when I was in the Army.

Insofar as the State Department period is concerned, I was not in that part of the State Department which was dealing with fellowships and grants, travel aids, leadership programs and things of that sort. That was handled in another section of the State Department which was considerably outside of my range.

I have no doubt that any international exchange program, whether of scholars or of teachers in the field of humanities, would bring any such program into considerable contact with the American Council of Learned Societies.

My own recollections of Mr. Graves arose from the early war period, when I was in military intelligence, when strenuous efforts were being made to develop intensive studies in the so-called weird languages that I mentioned earlier, and the American Council of Learned Societies, and particularly Mr. Graves, were very active at that time in helping to locate individuals and institutions who might lend a hand to that early wartime language program.

Mr. KEELE. Are you familiar with the citations in the House Un-American files with reference to Mr. Graves?

Mr. RUSK. I am familiar with some of them. I am not sure that I have seen the paper that you have before you, because I don't recognize it.

Mr. KEELE. Well, Mortimer Graves is cited in the House Un-American Activities Committee as a sponsor of the Citizens' Committee to Free Earl Browder. That is revealed by an advertisement in the May 11, 1942 issues of the Washington Post, page 9.

Attorney General Tom Clark cited the Citizens' Committee to Free Earl Browder as Communist in a letter furnished the Loyalty Review Board and released to the press by the United States Civil Service Commission on April 27, 1949.

Attorney General Biddle cited the group as a Communist organization. That appears in the Congressional Record of September 24, 1942, page 7687, and in the House Un-American, in the special committee in its report of March 29, 1944, cited the Citizens' Committee to Free Earl Browder as a Communist-front organization.

Mortimer Graves is also reported to have been a sponsor of the National Council of American-Soviet Friendship, as shown by letterhead dated March 13, 1946, a memorandum of the organization issued March 18, 1946, called the National Council of American-Soviet Friendship, November 6 and 8, 1943; was a member of the sponsoring committee of the National Council as shown by the bulletin of the committee on education June, 1945.

Attorney General Tom Clark had cited the National Council as subversive and Communist in letters released December 4, 1947, and September 21, 1948.

Soviet Russia today, for September, 1939, page 25, listed Mortimer Graves as one of the signers of the open letter for closer cooperation with the Soviet Union. This has been cited as a Communist enterprise by the special committee, that is, on House Un-American Activities in its report on June 25, 1942.

Then the leaflet China Aid News, June, 1940, listed Mortimer Graves as chairman of the Washington Committee for Aid to China. He spoke at a discussion meeting of the organization at the First Baptist Church, Washington, D. C., February 11, 1941, as shown by the leaflet, Stop Shipments to Japan.

The special committee in its report of March 29, 1944, page 143, cited the Washington Committee for Aid to China as a Communist-controlled organization.

There are other citations, but I think that is enough. Now in view of those citations, would you look with some care, more than ordinary care, shall we say, into grants made to the American Council of Learned Societies?

Mr. RUSK. Mr. Counsel, I believe your question was with respect to contributions to the American Council of Learned Societies in

connection with these citations of Mortimer Graves, a member of its executive staff.

We listed Mortimer Graves in our answer to D-14 and -15 because his name appeared in connection with the McCarran subcommittee report on the Institute of Pacific Relations. It was our understanding that in the citations to which you referred, the committee itself had not cited Mr. Graves on that, but had merely cited the organizations in those reports. Since of course his name appeared here and we wanted to report our grants to him, we did not repeat that additional citation.

But coming directly to your question, the Rockefeller Foundation has contributed to the support of the American Council of Learned Societies for more than 20 years, and the Laura Spelman Rockefeller Memorial and the General Education Board have also made grants to this organization.

This council was founded in 1919, and it is the federation of 24 national scholarly organizations, including such distinguished organizations as the American Academy of Arts and Sciences, the American Philological Association, American Historical Association, American Economic Association, American Political Science Association, a very long list of important American scholarly organizations.

The Rockefeller Foundation has felt that it has been able to give some modest encouragement to those who are working in the broad field of humane studies, by giving grants to the American Council of Learned Societies to be used by committees for research projects under the general sponsorship of that council.

In the field of humanities, where organized effort at best has some limitations, it is not always easy to find an institutional organization through which the philosophers and historians and the artists can organize their effort and find expression.

The policies of the council are determined by a board of directors and general administration of the council's activities is in the charge of a full-time executive director appointed by the board of directors, and then there are various staff members under that.

The committees drawn from these organizations of American scholarship and the several academic fields, assume the responsibility for the selection of candidates for fellowships or grants in aid awarded by the council itself.

Our own support to the American Council has consisted of grants for general support of its budget, for grants in support of the council's fellowship program and grants for specific projects undertaken by the council.

It has included such things as the cataloging of American collection of Chinese and Japanese books, the development of personnel and resources for teaching modern languages, the preparation of the Dictionary of American Biography, the Committee on Protection of Cultural Treasures in War Areas, research in paleography, English translation of modern materials in near eastern languages and such subjects in the field of humanities.

The officers of the foundation have reviewed from time to time both the general administration of the American Council and the conduct of its special projects as requests for additional support have been presented, and we have not felt that such reviews have suggested the

conclusion that the foundation's support of the council was being abused for political reasons, and that therefore it should be terminated.

I might say that the foundation is somewhat concerned that its own contributions to the American Council for Learned Societies have been considerably larger in proportion to the general support of that organization than has come from the constituent membership bodies, and we would be very glad to see some of the burden which we have carried in the past taken over by others with more direct interest and concern in the field of humanities.

But we have tried not to deviate from the foundation's established policy of not trying to dictate to receiving organizations about their internal administration and their personnel selections.

We believe that some indication as to the general reliability of the American Council of Learned Societies, as seen as a whole, can be drawn from the fact that in 1951 the Office of Naval Research, which was then acting on behalf of the three Defense Departments, signed a contract with the council for the preparation of a national register of humanists in the social sciences.

As far as Mr. Graves is concerned, if any question should ever arise as to any grant to him as an individual for an individual project, I feel certain that the foundation would want to receive fully satisfactory answers to questions which would be raised by the type of information which you, yourself, have just indicated.

Mr. KEELE. Well, to what extent would you permit men in what might be considered to be key personnel positions, or at what point—let me put it that way—would you be inclined to look askance at an organization with a man of definite Communist sympathies? Let us assume an extreme case. Supposing Mr. Earl Browder was executive secretary of that organization, what then?

Mr. RUSK. I think the extreme cases are easy to answer, Mr. Counsel. I think there is no question that that would create an insuperable obstacle.

Mr. KEELE. Now at what point down the line are you going to draw the distinction?

Mr. RUSK. That is a very hard line to draw, Mr. Counsel. You saw from my statement this morning about the 25-year history with the IPR, how difficult it is to exercise judgment in a situation of that sort and to balance off the responsibilities of a contributing organization with the responsibilities of those organizations and directors who are themselves immediately responsible for the staff and for the activities involved.

Clearly there is a point where the foundation must satisfy itself that administration is being conducted with integrity and that scholarship is being carried out on the basis of objective regard for the facts.

Mr. KEELE. Now, so far as I know, you have raised no objection, nor your organization, to this investigation, have you?

Mr. RUSK. To this investigation? No, sir; we have not.

Mr. KEELE. Then why, in your opinion, would Mortimer Graves have written a letter to me criticizing this investigation on the ground that what should be investigated is why there aren't enough moneys allotted to the humanities?

Mr. RUSK. I could not answer that, of course, for Mr. Graves. I think that there has been expressed around the country some mis-

givings that an investigation of this sort might produce damage to educational and philanthropic institutions, and I will be glad to speak my own view of that matter in a moment if you like, sir.

But also it is quite true that people who are engaged in the field of humanities are themselves disturbed that such a considerable part of not only foundation efforts, but governmental appropriations, and the university and college emphasis appear to be going into such fields as the natural sciences, the medical schools, and so comparatively little into the field of humanities.

We ourselves have expressed some concern that, as far as the foundation is concerned, those who are engaged in the field of humanities find a better answer among themselves and in their own relation with the public to present a compelling reason and a compelling case for additional support.

I am sure that people in the humanities field are concerned about that hesitancy on the part of such organizations as ours, and that it might produce a comment of the sort you indicated.

Mr. KEELE. Well, why is there a hesitancy on the part of foundations to contribute to the humanities, humanism?

Mr. RUSK. I think there would not be any lack of confidence about further work in humanities as a field, but whether a particular organization such as the American Council of Learned Societies, which represents all of these distinguished organizations, is itself the best vehicle and the best organization for the encouragement of humanities, is, of course, an open question.

But I think also it is reflected in the actual budgetary situation on campuses. The humanities people, your classical language people, are, of course, well known for this problem, but your humanities people do not feel that they have an adequate claim on the division and distribution of university and college budgets.

It is quite true that perhaps as the result of competition in the field, perhaps as the result of interest in the practical aspects of scientific development in the applied sciences, that during these periods of great wars and cold war and tensions, emphasis does shift to the technical and scientific sides, away from the more philosophical and speculative studies such as are found in the humanities.

Mr. KEELE. That might be a natural result of the intense interest focused on security, might it not?

Mr. RUSK. That might be, sir. The Rockefeller Foundation, I think, is trying to take an additional look at this question from the point of view of its own interests and operations, because we feel that it is of the utmost importance that effective work go forward in the field of the humanities.

Just last month at Arden House in New York the foundation had a conference of a distinguished group of scholars in the fields of political and legal philosophy, to inquire into the state of scholarship in those fields, to see where there was any point at which foundation work could be effective in extending such scholarship, and to contribute new vitality and emphasis to the all-important basic ideas in the political field. So, I hope that my remarks will not be interpreted outside this room, among my friends in the humanities, as meaning that our own interest is lessening.

I am just saying that there are questions which are now being reviewed in the humanities field itself and by the great educational in-

stitutions and foundations, as to just how you can proceed to move along in this all-important field of the humanities.

Mr. KEELE. I think there remain only about three more of these. William L. Holland.

Mr. RUSK. Mr. William L. Holland is now the executive secretary of the Institute of Pacific Relations. In 1932 he was awarded a fellowship of \$2,899 for the study of the cause and effects of world economic depression in the Far East.

As I say, he is now the executive secretary of the Institute of Pacific Relations.

Mr. KEELE. And E. Herbert Norman?

Mr. RUSK. He is a distinguished member of the Canadian Diplomatic Corps who received a fellowship—I think perhaps three fellowships totaling \$5,861—for studies in Japanese and Chinese languages at Columbia and Harvard during the years 1936 to 1938.

Mr. KEELE. Now the last one, Andrew W. Grad.

Mr. RUSK. Andrew W. Grad was the recipient or the indirect beneficiary of a grant of \$7,400 to the Institute of Pacific Relations in 1948 toward Mr. Grad's study of the Japanese town of Fukaya.

Before the grant was made, official clearance by the Chief of General MacArthur's Civil Communications Section was obtained, as well as an assurance of interest and cooperation from Professors Embree and Rowe of Yale University.

That study of the town of Fukaya has had a mixed reception. Professor Rowe himself I believe does not look back upon this as a particularly beneficial study. I think we ourselves are dubious about whether this is one of those that panned out.

Mr. KEELE. There was some question as to the quality of the scholarship in that; wasn't there?

Mr. RUSK. Yes, I think that question did come up, and once in a while a foundation that is dealing with as many scholars as we are does run across a situation where things just don't pan out in terms of capacity as we would have liked.

Mr. KEELE. I think we have talked about everything that you have listed or on which we have had some question about, except the China Aid Council.

Mr. RUSK. The Rockefeller Foundation made one grant to the China Aid Council—\$7,500 in April 1948—to enable the Chinese Welfare Fund of Shanghai, through its artists and writers committee, to provide for the translation into Chinese of important literary works in western languages. One of the principal reasons for the grant was to help balance the large number of translations from Soviet literature, which were flooding the Chinese market, by translations from American, English, and other western literature.

The artists and writers committee was representative of Chinese writing circles at the time—that is, in Shanghai in 1948. Although it was known to include a number of left-wing writers, it also contained Kuomintang Party members and professors of National Government universities. The chairman of its supervisory committee was the President of the Control Yuan, one of the five main bodies of the National Government, Mr. Yu Yu-jen. Now I think at the time it was felt that the presence of some left-wing writers in the committee was accepted as an unavoidable and calculated risk in order to have a

Chinese instrument through which writings in the western languages could find their way into Chinese and into the Chinese community.

Before this project was undertaken by the foundation, it was discussed informally with and was commented upon favorably by members of the State Department staff, I believe in the information side of the Department, concerned with cultural relations in the Far East. Five thousand dollars was paid out under this grant before the Communist occupation of Shanghai, and no payments were made following Communist occupation.

Mr. KEELE. Did you consider the fact that this organization has been cited by the Un-American Activities Committee as a subsidiary of the American League for Peace and Democracy, which in turn at that time had been cited by the Attorney General as designed to conceal Communist control in accordance with new tactics of the Communist International?

Mr. RUSK. Our records show, Mr. Counsel, that the grant-in-aid was made in April 1948, and that this organization was cited in December 1948. Is that the date of the citation that you have, sir?

Mr. KEELE. 1942.

Mr. RUSK. Oh, no, sir; then we do not seem to have taken that into account.

Mr. KEELE. In all fairness I think it can be said, Mr. Rusk, that you yourselves have cited all of the instances that we have been able to ascertain except one. That is the American-Soviet Science Society, which I believe has been cited. Do you have anything on that?

Mr. RUSK. Yes, sir; I think I do have something on that one.

Mr. KEELE. A \$25,000 grant was given on that in the annual report of 1946.

Mr. RUSK. Yes, sir. On June 21, 1946, after some discussions with the State Department, the foundation authorized a grant of \$25,000 in support of the general scientific activities of the America-Soviet Science Society, payment to be conditional on, however, the society's establishment of its right to tax exemption.

This is one of those interesting cases where the policy of the foundation with respect to making its grants operates to protect us against something which is considered to be against public policy, as it turns out over the years, because since the tax-exempt status was never granted to the organization by the United States Treasury, no funds were ever paid, and the foundation's appropriation lapsed.

So although there was an appropriation in the books and reported in the annual report, no payments were made and it lapsed.

I should say, however, Mr. Counsel, in connection with the general policy involved, that there have been times in our history when it appeared to be the policy of the United States Government to establish some sort of contact between the scholars and scientists of the free world and the Soviet Union, particularly between the United States and the Soviet Union.

In 1949 the State Department published, in April, a little pamphlet entitled, "Cultural Relations Between the United States and the Soviet Union" which reviewed the efforts since the twenties on the part of the United States to establish some sort of reasonable and fair relationship between our two countries.

I won't try to review that whole story, but it starts with attempts made by American business in the 1920's to provide engineering and

capital plant assistance to the Soviet Union. That was before the recognition of the Soviet Union by the United States.

This was made back in the late twenties and thirties. And it extended all the way over to 1947, at which time Ambassador Bedell Smith went in to see Mr. Molotov to ask if Mr. Molotov would not take favorable action on some nine proposals that were then pending before the Soviet Government from the United States looking toward cultural and scientific exchange. Those proposals were turned down by the Soviet Union of course.

I mention that merely to say that there have been times when that sort of relationship was the public policy of this country, and in 1946 that appeared to be the policy framework within which the foundation was operating. But I do call attention to the fact that the tax exempt provision prevented our continuing with it, and we in fact made no payments under it.

Mr. KEELE. Then you very properly omitted it because the question was, Had you contributed? While there has been an appropriation and we caught it in your report as having been made, the money was not paid.

Mr. RUSK. That is correct, sir, and I regret that we did not at least make a note of that so that you would have saved that trouble.

Mr. KEELE. It should not be listed under the answer to the question, sir.

I think roughly there are about 25 of these instances we have addressed ourselves to. How many grants did you say there are that the Rockefeller Foundation had made?

Mr. RUSK. Over the years we have made 28,753 grants. We listed here 2 organizations and some 23 individuals out of that total.

Out of our 5,814 scholarships, we found it necessary to list only 8 in the list which you have before you out of that list of scholars, and even there that list of 8 former scholars would not itself be a list of those who the committee had itself determined should be disqualified from such assistance. Some of them were simply criticisms for being members of one or another organization.

We feel, Mr. Chairman, that the batting average in this situation is worth a passing note. A private organization does not have extensive investigative resources of its own, and I think there would be considerable question as to whether a private philanthropic organization should devote a substantial part of its efforts to the elaborate investigative organization that might help us to be absolutely sure.

We feel that by and large as a matter of practice and over the years, despite the surging change of events which has brought about changes in attitudes and public policies from time to time, that we have been rather fortunate that out of 28,753 grants, this section of the questionnaire has only involved 2 organizations and at most some 23 individuals.

Mr. KEELE. I think you have stated on several occasions that Rockefeller Foundation would not knowingly contribute to any support or assistance of any individual who is known to be a Communist or of any organization, I think you also included, which was controlled or dominated.

I would like to ask whether in your opinion you know of any instance of which the Rockefeller Foundation or any other foundation

has knowingly contributed to any Communist-dominated organization or any Communist individual?

Mr. RUSK. I know of no such instances at all, Mr. Counsel.

Mr. KEELE. There is a paragraph in your answer on page 49 that I should like to read:

It has been often said both by foreigners and Americans that foundations are a persuasive tribute to the capitalistic as contrasted with the socialistic or communistic organization of economic life.

They are a form of free enterprise whose contribution to education touches upon two fundamentals, the never-ceasing pursuit of knowledge and the free process which protects the mind against the aggression of totalitarian thought and regimentation.

I wonder if you would like to elaborate on that as to the effect of foundations upon the capitalistic system?

Mr. RUSK. I think there can be no question but that an organization like the Rockefeller Foundation would not knowingly and deliberately set out to impair the basic institution of private property, or to minimize the vital impact of profit motive in our economy, or to try to draw together into one point of central control and domination the vast economic and social processes of our Nation.

As a matter of fact, the reaction that I have had from friends around the country, when confronted with the fact that this question has even been raised, has been one initially of pure incredibility, because it seemed so certain to them that an organization like the Rockefeller Foundation was not working toward Socialist, Communist, or any such objectives.

There are many things which foundations can do to make the system of free enterprise and the democratic political structure more workable. I perhaps did my friends in the social sciences an injustice yesterday by minimizing somewhat the contributions which they have made in those fields toward the solution of our basic problems. But, certainly in one respect there has been a very substantial contribution which has been mentioned already before this committee, and it is such work as that done by the National Bureau of Economic Research.

Our economic system relies upon the making of intelligent decisions literally by the hundreds of millions, by individual entrepreneurs and by customers and employees throughout the year.

If those individuals can make those decisions on the basis of knowledge rather than on the basis of ignorance, and on the basis of some understanding of the great processes involved rather than on the basis of superstition, then there is probably a better chance that this economic system of ours can operate on the assumptions and within the framework in which it has grown up.

When I first came into the foundation, I was much interested in knowing whether the economic work of the National Bureau of Economic Research had in fact contributed specifically to the effective operation of our economy, and I made a special point of inquiring around among business associates and friends whom I met in private business, to ask them what use they made of these materials. I was struck that here was a point anyhow where business and where the world of affairs turns regularly to the campus and to the academic world and to the research world for direct and continuing assistance in dealing with these great social and economic factors.

And the point which was emphasized over and over by these businessmen was this: That the work of the National Bureau of Economic

Research helps these businessmen themselves to make decisions on their own responsibility which bring under a greater degree of control these vast surges of the business cycle, and that the violence of the impact of the business cycle has been reduced by this knowledge in the field of economic research.

I feel, Mr. Chairman, that the work of a foundation in developing individual talent, in pushing back the frontiers of knowledge in the natural sciences as well as the social sciences, in getting a broader understanding among our people as to the basic principles upon which a democratic system works, itself makes a major contribution to the American traditional way of life as we know it, and at the same time does something which is equally traditional, and that is leaves the door open for imagination and for development to improve our situation and to develop our capacities further.

Mr. KEELE. That leads me to the rather obvious question, Why do you think the fear which undoubtedly played a large part in producing this investigation, the fear of the foundation, exists to any extent?

Mr. RUSK. I suppose we could dispose at once of the irresponsible criticism which appears to come sometimes from those who have a vested interest in hatred and suspicion, and I have no doubt that the Congress of the United States is fully behind the great private organizations like the universities and foundations in not wanting us to surrender the control of our policy to that sort of criticism.

In any event, I think a hasty glance over the list of all of those who have served on the boards of these great foundations over the years, would make it clear that the foundations are not going to surrender to that kind of irresponsible criticism.

We might also dispose of any irresponsible foundations that might have appeared on the scene and any abuses of the foundation privilege.

If there are those abuses, they ought to be removed, and the foundation, the Rockefeller Foundation, would not be at all sensitive to or antagonistic toward criticisms of irresponsible action in this field.

I mentioned yesterday that some criticism is normal and can be expected. When controversy becomes too heated, it is useful sometimes to look back over our history. Our hookworm experience in medical education and our work in Negro education remind us that we have had our controversies before. As a matter of fact, we were born in controversy. We were denied a Federal charter when we first applied for it in the Congress.

But going beyond that, which is more or less passing—

Mr. KEELE. May I interrupt?

Mr. RUSK. Yes, sir.

Mr. KEELE. However, the basis of the refusal was not on the ground of fears of the foundation's activities?

Mr. RUSK. It was certainly not on the basis that they feared foundation policy toward the left.

Mr. KEELE. The Solicitor General at that time, as I recall it, wrote the President and condemned in no uncertain terms the manner in which Rockefeller money had been made, on the ground that they were then engaged in trust busting and so forth, and that it was unthinkable, as I recall it, that they should now charter and license a foundation using that money.

In other words, in the light of the thinking at that time, what they were attempting to say, "This is tainted money. We shouldn't take it." Wasn't that the net effect of that?

Mr. RUSK. I think there was some element that there might be some influence on our educational institutions, coming from this much money being used for philanthropic purposes.

I do think that it did not take long in the experience that followed for that general fear to subside, but I did want to point out that criticism is something that we cannot always avoid and shouldn't expect to avoid. Most of the great pressing issues of our—

Mr. KEELE. But I return to the point that that was hardly criticism, Mr. Rusk, it seems to me, of the foundation because as yet you weren't operating; were you? It was only in apprehension of what you might do.

Mr. RUSK. It was an apprehension of what a foundation might be and do.

Mr. KEELE. And that was in the climax of the antitrust prosecutions, of Kennesaw Mountain Landis' outrageous fine that he imposed in Chicago for antitrust violations, and in the general uproar that followed that. Isn't that true?

Mr. RUSK. That is correct, sir.

Mr. KEELE. I am now talking, however, about this fear which is not widespread, but is at least widespread enough to make itself felt that the foundations are attempting to weaken the capitalistic system. I am asking what in your opinion is the basis of that, or if there is no sound basis, what is the cause of it? Is it lack of knowledge?

Mr. RUSK. I think an underlying cause—perhaps one or two comments before I comment on the lack of information. The underlying cause is the same set of causes that produce questions and criticisms about many other institutions of our present life.

We find them in the world tensions and the baffling complexities of the problems with which we are confronted, and especially for Americans who are being called upon to carry unprecedented burdens in this new role of world leadership, and who don't seem to see solutions on these current problems in the sense in which we are accustomed to finding solutions.

The old military phrase is that "the difficult we do at once; the impossible may take a little longer." It is hard to find clear answers as to some of these most troubling questions that we have, and so the result is a degree of fear and of frustration and suspicion.

Now courage and good sense will probably assert themselves in due course, but it may take some time, but out of this 40 years of history through which our organization has lived, we find much of tumult and uncertainty and disturbance.

And then foundations are working at the frontiers of human knowledge in a place that is mysteriously remote to most people, and they are in highly controversial fields where man is trying to lay the slenderest framework of reliable knowledge, the fields of human behavior.

Controversy itself, as I indicated yesterday, seems to be a clue to the location of some of the problems needing attention, and so we need not be too surprised in the foundation world if we find that when we enter such a storm center, we get tossed about a bit. It is in the nature of the problem.

I think it is true, Mr. Chairman, that there is a lack of general public information about what foundations are doing and are trying to do. I suppose that the foundations themselves should accept a fair amount of responsibility for telling that story, but I am not sure that the foundations themselves should try to tell too much of that story, for reasons which I have indicated yesterday.

It may be that ways and means are to be found to get the universities and colleges and the scientists and the scholars themselves more in the picture telling their stories, because that is, in effect, what the foundation story is when we support their work.

And it is quite fair to say, as we tried to indicate in our answer to your questionnaire, that foundations do face quite genuinely and frankly troublesome questions of policy about their own activities. It has been said often in these hearings that it is difficult to give money wisely, in one way or another, but it is difficult to know how these comparatively slender resources, that 3 cents on the philanthropic dollar during the year—is that the figure?—how these comparatively slender resources can best be used when opportunity and need are so vast, and how you get at the problem of strategic giving.

And there are bound to be differences of view on that matter. Harassed college presidents will feel themselves to be project poor and will be suffering in their university and college overheads. The foundations find that their resources are not big enough to go into the endowment field to endow this troublesome overhead, which all universities and colleges are confronted with these days.

Those are going to lead to differences of view and criticisms, but that is wholesome, useful, constructive, and out of it the foundation themselves can benefit a great deal.

And then, too, foundations can and do make mistakes, and those mistakes are and should be spotted by the public when made, and that will lead to criticism. It isn't pleasant now to know that we gave a grant to Hans Eisler, in 1940, and it is not inappropriate that some say we did give such a grant, because we did.

The thing that may be more difficult to understand is something which the committee has demonstrated in the hearings thus far that it is fully aware of, and that is that foundations have to make mistakes if you are going to get the job done.

I heard someone, a member of our board, the other day say that a foundation that is never wrong is never right, and unless we have some ability to make these mistakes, we will not get constructive jobs done.

So mistakes are going to be a natural cause of criticism, but we believe that over the years, and by and large, and over the vast field of efforts which are open to foundations that they have done a commendable job, and it is our great hope that out of the information which has been developed by this committee that a greater degree of public understanding will arise.

Mr. SIMPSON. The committee will stand in recess for 5 minutes.

(A short recess was taken.)

Mr. SIMPSON. Will the committee come to order, please?

Mr. Rusk, will you resume the stand? As I have listened, Mr. Rusk, to your testimony and to your frank discussion of the several instances which the committee has seen fit to bring to your attention, and indeed that you voluntarily told the committee, I am persuaded

that to the extent there was anything wrong or unwise in connection with those grants, that they were the result of error, lack of information, undoubtedly unobtainable at the time the grants were made. Is that a fair statement?

Mr. RUSK. That is my feeling of the matter, having reviewed it since I came into office, sir.

Mr. SIMPSON. And you rather clearly explained that those grants similar to that type wouldn't be made in the future if you had as a matter of foresight what you now have as a matter of hindsight by way of information.

Mr. RUSK. Yes, sir.

Mr. SIMPSON. Speaking as one member of the committee, I want to say to you as director of the foundation that we are greatly appreciative of your kindness in appearing voluntarily and giving the committee the benefit of your information and experience.

I believe that that is all that we have now, Mr. Rusk.

Mr. KEELE. Mr. Barnard.

Mr. Barnard, would you state for the record your name, your address, and your connection past and present with the Rockefeller Foundation?

STATEMENT OF CHESTER I. BARNARD, CONSULTANT TO THE ROCKEFELLER FOUNDATION

Mr. BARNARD. My name is Chester I Barnard. I live at 52 Grammercy Park North, in New York City.

I have been a trustee through June 30 of this year for 12 years with the Rockefeller Foundation, a member of its executive committee throughout that period, a member of its finance committee throughout that period, and its president for 4 years ending June 30, 1948.

At the present time I am retained as consultant to the foundation, but I am not an officer or trustee or employee of the foundation.

Mr. KEELE. Will you give us a little of your background and experience, aside from your Rockefeller connections?

Mr. BARNARD. Not to go back too far now, I was for 21 years, until 1948, the president of the New Jersey Bell Telephone Co. During that period I organized and was the director of relief of the State Relief Administration of the State of New Jersey.

During the war period for 3 years, 1942-45, I was president of the United Service Organizations. Prior to that time I was Special Assistant to the Secretary of the United States Treasury for a short period in 1941.

In 1946 I was a member of the board of the State Department, popularly called the Lilienthal Board on the International Control of Atomic Energy.

In recent months, before I retired from the Rockefeller Foundation, I was appointed a member of the Board of the National Science Foundation, and after that was elected the Chairman of the Board. I am at present Vice Chairman of the President's Commission on the Health Needs of the Nation.

I think I am classified for tax purposes as self-employed. From the Rockefeller Foundation standpoint and the Bell system standpoint, I am a retired officer.

Mr. KELLE. I think that clarifies the record. Mr. Barnard, you have been present at all times that Mr. Rusk has been testifying in the past 2 days?

Mr. BARNARD. Yes, sir.

Mr. KEELE. Are there any points on which your views would be different from those expressed by Mr. Rusk?

Mr. BARNARD. There are no points on which my views would be different. There are undoubtedly points where I would place a somewhat different emphasis.

I would bring to bear on the statements the difference of experience, but there is absolutely no disagreement. I have only noted one positive error that I knew about in his statement, and one negative. The positive error was to attribute to me the history of the Rockefeller Foundation.

Mr. KEELE. I noticed that.

Mr. BARNARD. I am sorry I couldn't accept that attribution.

Mr. KEELE. He meant Mr. Fosdick, didn't he?

Mr. BARNARD. Mr. Fosdick he meant. The error of omission was in connection with the constituent members historically of the Rockefeller Foundation; the International Education Board was created by Mr. John D. Rockefeller, Jr., and not by Mr. John D. Rockefeller, Sr.

Mr. KEELE. Well, I still think his batting average was pretty good.

Mr. BARNARD. I would call it 100 percent.

Mr. KEELE. We would like you to elaborate any points where you feel you might have placed the emphasis somewhat differently or where you would have answered somewhat differently based on your experience.

Mr. BARNARD. I think I would have explained the very difficult situation with respect to security in somewhat different terms, and I think it is worth while to bring to your attention, because it is a continuing problem, and because it involves some fundamental aspects historically of the work of the foundation.

It has been fundamental in the work of the foundation that it made no discrimination between people on account of their race, their religion, their political belief, or their nationality. The question was their competence and their character.

Questioning people on their political belief only became important as the security question arose in the United States, and during all this period that we have been concerned with, I think most anyone would have been justified in thinking from the behavior of public officials of this Government that collaboration and cooperation with the Soviet regime was the rule of the day, at least I so interpret it, and I never believed in it.

I always believed from what Marx and Lenin and various others had said, that fundamentally there never can be anything less than a conspiratorial party designed to destroy by ideological grounds, if no other, the United States and any similar democratic country operating on free enterprise, but we were not concerned with those questions until they became active here.

The questions were not asked. I think I ought to put in the record that as soon as I took office, I took a very active interest in that question. My first step in connection with it—and I was pretty much in the dark; I didn't know about the Attorney General's list, never having seen the records—

Mr. KEELE. House Un-American?

Mr. BARNARD. House Un-American Activities.

Mr. Weaver, the director of the division of natural sciences was at that time—June 1948—in Europe in contact with the scientists of the Western Continent and Great Britain. I got word to him that I would like to have him canvass the safe and conservative scientists of Great Britain as to what their attitude would be about either giving support to or withdrawing support from if there was any being given, to scientists in Britain who were known to be Communists or affiliated with Communist organizations. That was the first step.

The word he brought back was that the British community would regard it as an extraordinary thing if we paid any attention to the political affiliations of anybody in the scientific world in that country.

I have been told by visitors from Great Britain since that would still be the attitude, but other information I have indicates, as I thought would be inevitably the case, that the non-Communists in Great Britain would have to change their attitude, and I think that is probably true.

But on the initiative of the officers of the foundation, we actually began to get busy on the question of how did they behave in view of the security problems that faced this country.

There had been a progressive giving of attention to that aspect of our work. I mentioned that in the past few years we paid no attention to political views or religious views. We worked with Mohammedans, with Hindus, with people of all sorts all over the world on the things we were doing.

One aspect of that is the problem of academic freedom. I suppose everybody in the Rockefeller Foundation—trustees and officers and others—have had a deep conviction always that one of the things to cherish in this country is the freedom of people in academic institutions to express themselves, whether you agreed with them or not, and that any interference with that freedom in the academic world was a fundamental injury to the life of the American people.

I think we still believe that, but we recognize that there is a security problem in this country, and we think that the foundation and academic world also have to recognize it and find the way to a middle ground which gives a fair solution to the necessities of both sides of this problem.

I think that is all I have to say on this subject.

Mr. KEELE. What do you think about the requirements of reporting for foundations and tax-exempt organizations?

Mr. BARNARD. I think all tax-exempt organizations ought to make reports, except religious institutions. I wouldn't extend it to that. But a reasonable amount of reporting—perhaps even for any trust, whether it be a foundation or not, anything that operates under the protection of the laws, even without tax exemption—it seems to me is something that public authorities have a right to inquire into. They do in the case of trusts that are not tax-exempt. They always have. They have had to make income-tax reports. I see no reason why the Government should not be aware of the fundamental main lines of the assets, the income and the uses of the income of any of these foundations. I think it would be a salutary thing for all of them.

Mr. KEELE. Not only ought the officials of the Government to have the right, but ought not the public too have access to those?

Mr. BARNARD. I think so.

Mr. KEELE. They ought to be readily accessible, ought they not?

Mr. BARNARD. They cannot be properly criticized unless the public does have access to them. But I think the degree of reporting, such as is done by the Rockefeller Foundation, ought not to be required.

Mr. KEELE. It would be impossible for the small foundations to go into that extensive reporting, wouldn't it?

Mr. BARNARD. That is right.

Mr. KEELE. Only the larger foundations with large, competent staffs and with large programs have either the technical ability or the reason for that sort of reporting; isn't that true?

Mr. BARNARD. That may be true from the standpoint of public interest, but by definition a small foundation would have a small job to report.

Mr. KEELE. That is right.

I am talking about the intensiveness of the reporting that the Rockefeller Foundation makes. That is due largely to the scope of your activities and the size of them and the importance of them. The small foundations would have a relatively smaller number or relatively smaller amount to say about what they were doing. It would fall with no greater burden if reasonable upon the smaller foundations than upon the larger ones.

Mr. BARNARD. And the public interest is not quite the same. A large foundation like Ford, Carnegie, Rockefeller, Century, and various others that you can name, is always involved in the problem that faces the National Science Foundation: To what extent by indirection, if not directly, are you interfering with the freedom of action in the development of science and knowledge and scholarship in the academic world and what bearing does that have on the public interest?

It seems to me there is a fundamental interest rather than avoidance of taxes or some other collateral thing that may be important that is involved in reporting that makes it a matter of public importance.

Mr. KEELE. Have you any comments generally on the inquiry we are making here; that is, on the subject matter, which you would like to make?

Mr. BARNARD. That raises a question. Is this inquiry a good thing, either specifically or generally?

Of course, a member of a foundation is bound to say, first of all, that depends on what Congress does about it. If you did not like what Congress did, you might say it is a bad thing. But speaking more generally, I have had a lifelong experience in public utilities and also as a director of insurance companies, both of them under constant public reporting and scrutiny, and I think that is an exceedingly essential and constructive thing. I do not think we would have the degree of efficiency or honesty that we have in this country in the operation of the great institutions if it had not been that they were subject to public scrutiny. It has sometimes been subject to abuse. Everybody knows it. It is sometimes made unduly costly, but, on the whole, I think it has been very constructive. I do not see any reason why these foundations are not really in the same class.

I would venture to say that I think this inquiry, much as you dread inquiries, has been a good thing for the Rockefeller Foundation. I think it will improve the judgment of the people who have to carry out its work. I think it will stimulate the trustees in the efforts that they put into this thing.

So my answer generally is very favorable, when they are conducted as this one has been conducted. It is possible to conduct inquiries, as Senator O'Connor and various other people have indicated, that aren't constructive. It stirs up turmoil and doesn't get anywhere except into some smear situation, but that certainly has not been true here.

Mr. KEELE. Mr. Barnard, you have had a wide experience, both as a businessman and as a trustee and officer of foundations. Do you know of any instance where foundations have used their money for the deliberate or knowing purpose of weakening the capitalistic system or of throwing it into discredit?

Mr. BARNARD. No, I do not.

Mr. KEELE. The charge has been frequently made, as you know, that it has done so. I keep persisting in questions as to the basis, good or bad, on which that charge is made, why it is made, and why it has received as wide a credence as it has. Can you throw any light on that?

Mr. BARNARD. Yes; I think so. There is a natural tendency for people who are very earnest, who may be fanatical protagonists of a particular policy or particular point of view, to regard everything which does not support that point of view as being inimical and as being from the devil. The isolationists have always criticized and feared the Rockefeller Foundation because it is set up for the well-being of mankind throughout the world. Anyone who is a convinced isolationist, a very narrow one, could hardly have any enthusiasm for an organization that took a broader point of view than that. That is one phase of it.

Another basis of it is that those people whose requests are refused almost inevitably are inclined to try to save what they think they have to save, their self-respect, by saying, "This outfit has no money from me because it is supporting that dirty line over here."

I do not take it as seriously as you might if you have to listen to complaints, because I think I understand the origin of it. There is nothing you can do about it because frequently you cannot tell people why you do not give them money. If someone, a group or an individual, comes and says, "I want this," you cannot laugh his proposition down and try to make him ridiculous, nor can you tell him that in our own judgment he is not competent. He cannot accept that from you. It is the kind of an answer you have to avoid and take the consequence of it, that is, being accused of playing favorites. I think that is part of it.

The institutions who do not get from this foundation at least much, if any, support are inclined to feel that you must be playing favorites with Harvard or Yale or the University of Chicago, or others, and it is not possible to say publicly the only reason you cannot give it to them is that they do not have a group of scholars or scientists in their organization that is really competent for the kind of high-level stuff that we want to support. You couldn't say it publicly because it hurts the institution. So you have to let

them say, "Well, this foundation business is discriminatory," and so forth, and let it go at that.

To publish the truth about these things is not publicly acceptable, just as it wouldn't be acceptable about some individuals.

Mr. KEELE. It is almost inherent in the nature of the work that there is going to be criticism.

Mr. BARNARD. I think that is true.

Mr. KEELE. It is almost inescapable, I should say.

Mr. BARNARD. I think that is correct, Mr. Keele.

It is one reason for private foundations as against government foundations, because the National Science Foundation will never be as free from complications that are involved in this situation as are the private foundations. Even the private foundations have to pay some attention to the appearance of things. It wouldn't do for the Rockefeller Foundation to pick out Harvard University, which happens to be my university, and give nearly all its money to projects there. That would begin to smell wrong. But in the case of a public institution, the question of distribution geographically and politically comes up for criticism. It has to be taken account of.

Mr. KEELE. Mr. Barnard, we have sought to find critics who were opposed to the foundation idea as such. Thus far we have been unsuccessful. Do you know of any person who has opposed the idea of foundations?

Mr. BARNARD. Yes, I am.

Mr. KEELE. Then we have at last found one.

Mr. BARNARD. I am opposed to foundations that are rackets for the avoidance of taxes. Some of them are. I had hoped that this inquiry would get into that because they are inimical to the really honest foundation—I am talking about those that are set up as a means of avoiding taxes, and in those cases where the funds used come from capital gains, which do not have to be recorded as capital gains when they are given to a foundation which is created and then are mere vehicles for carrying on the pet research of the fellow who founds them, I am inimical to that kind of thing.

Mr. KEELE. We have had this argument made to us, that comparatively well to do people who feel it incumbent upon them to contribute their 20 percent or 5 percent of those corporations which they control feel that if they do not have a foundation to which they can make that contribution, then their friends and enemies can tell from year to year by the contributions they make about what their financial return is. In other words, the argument goes that social pressures are brought upon certain groups to contribute to charities each year and that, if for instance, they can give \$20,000 in 1952 as 20 percent and on the succeeding year they can only give \$10,000 within the 20-percent limit, then anyone who is interested can calculate that they are down one here. Likewise, if they make contributions from the corporation up to 5 percent, that people can calculate on that basis. Therefore they prefer to have a family foundation into which they can make these contributions and that they will withhold some from year to year so they can spread it evenly over a period of years and thus conceal what their charity or philanthropic giving is.

I would like to hear from you your views on that sort of thing.

Mr. BARNARD. I wouldn't think that was very important. As I recall the publication of income-tax statistics, the percentage of con-

tributions that are deductible is nowhere near 15 percent, which was the level up until recently, to say nothing of 20.

Mr. KEELE. I believe Mr. Andrews told me today, and I would take his word as pretty near final, it is about 2 percent.

Mr. BARNARD. Yes; it is somethink in that order. There may be some people who are affected by that, but I wouldn't think that important. I think much more important is the question of getting members of the family and retainers on the payroll who could be paid out of tax-exempt income.

Mr. KEELE. In your opinion, are abuses along the line you have indicated here affecting foundations—and I am talking about bona fide foundations—those who are attempting to do a good job. Are they affecting them adversely in the public mind?

Mr. BARNARD. I do not think they have yet. The development of these foundations has been very rapid in recent years. When the Rockefeller and Carnegie Foundations were set up there were practically very few others of any size. In recent years there have been a lot of foundations created out of oil-land money which has come in, but I do not think that has affected public opinion yet.

Mr. KEELE. You think there is a danger?

Mr. BARNARD. I certainly do.

Mr. KEELE. Do you think that public reporting, if required, would tend to lessen that danger?

Mr. BARNARD. Well, even the reporting the Internal Revenue Bureau requires, which is only a year old, I think, lessens the danger very much, too. I understand those reports are open to public inspection. They are not secret reports.

Mr. KEELE. They may be inspected at the office of the collector of internal revenue where filed. If you wanted to inspect what a California foundation was doing and you were in New York, you would have to go to California to have a look, which makes it a bit inconvenient, as we find.

Mr. BARNARD. Yes.

Mr. KEELE. In this matter of public reporting, if required by law, should it be made available to the public? I mean by that, what would be your suggestions as to how that should be done, or where should reports such as that be filed, having in mind the public has an interest.

Mr. BARNARD. I think it should be filed with the Internal Revenue Bureau which ought to have a section created to deal with this. How many foundations are there? Thirty-five hundred foundations?

Mr. KEELE. It has been estimated, if you recall, there were 35,000, I believe, tax-exempt organizations, and Mr. Andrews said that within the framework of those having a capital of \$50,000 or more there were, I believe, 1,007. I am willing to have Mr. Andrews, who is in the audience, correct me. He nods, so I think that is correct.

Mr. BARNARD. Does that include universities and colleges and theological seminaries which are incorporated and tax-exempt?

Mr. KEELE. I am going to turn for a moment and ask. Mr. Andrews, in your computation, were you including universities and religious organizations?

Mr. ANDREWS. No, sir.

Mr. KEELE. Those are not included.

Mr. BARNARD. Only those called foundations?

Mr. KEELE. That is right.

Mr. BARNARD. It is important to know. There are a good many of these things which are not called foundations which essentially are foundations.

Mr. KEELE. A great many which are called foundations are not foundations within the framework we have been working with here.

Mr. BARNARD. That is true.

I wanted to make a comment, if I may. It is off this subject. If you will permit me.

Mr. KEELE. We will welcome it.

Mr. BARNARD. On the operation of boards of trustees, particularly in the Rockefeller Foundation, I frequently hear expressed the idea that as boards of trustees they are nothing but a police outfit or register that doesn't work on it. I have been a director of business corporations and still am for 40 years. I never have seen any board that I have been on—and I know how many of the others operate—in which the attention to the policies and the details by the directors or trustees, whichever they use, were such as it is in the Rockefeller Foundation. I do not know any organization in which a week in advance you have a complete docket book with the explanation of every item over \$10,000 that you are going to be asked to vote on, and that includes with it a detailed list of every grant-in-aid, of every scholarship or fellowship that has been granted and any other action taken, and that has attached a list of the declinations. That is just as important from a trustee's point of view as the approvals.

Nor have I ever known of any organization in which so much careful attention was given to it.

In 12 years I have missed no meetings of the board of trustees of the Rockefeller Foundation and only three of its executive committee meetings, and that is not unique at all. That is some record for people who are busy, and every one of the members on this board is busy. They read the docket book in advance. In addition to the docket book every single item in most circumstances has to be presented by the director of the division which proposes it, and he has to subject himself to cross-examination, and he gets it. He doesn't get it on every item, of course, but he gets it. So the matters that come before the board of trustees of this foundation in my experience have been given more careful attention by more competent people than I have seen in any other institution. There is just nothing like it, and the idea that this thing has been run without adequate attention by the trustees, that it is just in the hands of a bureaucracy of officers, just certainly isn't true, and it ought to be recorded here that it isn't true. It is part of the character of this institution that that is the way it has operated from the beginning, when John D. Rockefeller, Jr., was a trustee until it was terminated in 1940 under the age rule we have in the foundation with respect to trustees and officers and employees.

Mr. Rockefeller personally devoted an enormous amount of his time to the affairs of the Rockefeller Foundation, so much so that when I wanted to steal a man away from him, Mr. Kimball, who sits back here, who is vice president, which I did, the only argument I thought I could use to be effective was that this institution was his own shadow as well as his father's because of the personal attention he had given to it.

Mr. John Foster Dulles, who until recently was chairman of the board, has devoted a lot of time. I could name Walter Gifford and Winthrop Aldrich, of whom that is also true.

In most boards three or four people are the active people and the rest are registers. That is not true here.

Mr. KEELE. No rubber stamps.

Mr. BARNARD. Not here.

Mr. KEELE. In the light of your experience on boards of directors and as a trustee of the Rockefeller Foundation and as an officer, how would you compare the efficiency or degree of effectiveness with which the Rockefeller Foundation has been operated in comparison with business corporations?

Mr. BARNARD. Well, that is a very difficult kind of a comparison to make, just as it is between two different kinds of businesses.

Mr. KEELE. Yes.

Mr. BARNARD. I wouldn't want what I say about this to indicate that I could make a quantitative judgment. I have been intimately connected with it and know how it is operated, and know the people who have been doing it, and I would say its efficiency and effectiveness would rank with the very top of good business concerns.

Mr. KEELE. In other words, you would rate them high, using the same standards as you would apply to a business corporation.

Mr. BARNARD. Take the specific field of epidemiology, the control of malaria and yellow fever in various countries in which people have done work. I would say that you would find the Rockefeller Foundation's stock has been far superior than most business concerns in the very vital business of knowing the language of the people you are working with and the effectiveness of a small group of people working in a foreign language with foreign officials and foreign customs, has been outstanding, and I do not think it has been bettered by any organization anywhere. It is almost dramatic, it has been so good.

Mr. Weaver and his staff or Mr. Willits and his staff have a more intimate knowledge of the people who are important in the field in which they are concerned, world-wide, than you would generally expect to find in business organizations. That is quite an outstanding thing because the organization is very small, with only 250 people, counting stenographers, clerks, and the rest of it. It stands up very well. I happen to be very much interested in that subject, and I believe I have some competence to appraise it.

Mr. SIMPSON. What do you see for the future of private foundations?

Mr. BARNARD. I see great opportunity for the future for private foundations, but I do not want to indicate by that that I think the sky is the limit. In the first place, Government is at present not disposed to, and I think is going to be somewhat shy in the future about putting too much money into the support of basic research. It is a pretty difficult thing to understand and it is not easy for people in political life to justify. That is one aspect of it.

Mr. SIMPSON. That leaves an area, then, for the private foundation to operate.

Mr. BARNARD. Very much so. I have been impressed several times when I was the consultant to the State Department—I have on different things from time to time—with the fact that it is almost impossible for the State Department to carry on some kinds of research because

the mere approval of the enterprise itself is interpreted as taking a position with respect to international or political affairs. That is one reason. I suppose why the suggestion came from the State Department that the Council on Foreign Relations in New York should be set up, so there would be a body that was unofficial, not composed of officials of Government who could consider these things and discuss them and bring in any part of the public that you wish without committing anybody. It is just an absolute open thing. Through it Government is not committed.

There is another field in which I think that is true. From the standpoint of the Rockefeller Foundation which operates wherever in the world it can effectively, that is an important factor. That is exceedingly difficult for the Government to do. Government is trying to do it now in point 4 and ECA, but it cannot do it with the detachment that a purely private organization has.

Mr. SIMPSON. As our obligations increased in those fields, as our knowledge expands, and as has been testified, more and more areas for foundation work are bound to appear: keeping in mind the present tax laws and our economy—I ask you what does the future mean; that we will have a shortage of foundations or can the Rockefeller, the Ford and the several great ones we have today assume and properly and adequately serve that area?

Mr. BARNARD. We haven't reached the limit yet of the funds that can be appropriately used on the fundamental things that we have been talking about here in the last 2 days, but in the last analysis, we are approaching the situation where it is not money but men which is the bottleneck. The number of people who are willing to undertake scholarly and scientific work and who are competent if willing to do it, is a very small proportion of the total population. That is going to be the fundamental problem of our Government as well as our society, I think, for the future.

Mr. SIMPSON. As to the future, do you suggest that we have enough foundations?

Mr. BARNARD. No, I do not think we do.

Mr. SIMPSON. We do not need expansion?

Mr. BARNARD. I do not think so.

Mr. SIMPSON. Do you have any suggestions about whether Congress should favor the creation of them and should change our tax laws one way or another to encourage their growth? I am sure you do recall that the current tax laws applying to the individual are so high that there are not accumulations of vast amounts of money which, in turn, can be passed on to a foundation. Do you see harmful effects there?

Mr. BARNARD. No. I think the only relief Government should give to foundations should be in the tax laws, and that relief is not confined to the foundations. I mean all charitable and educational and religious things combined are important. Any relief that is given to any of them and applicable to all of them would be useful to foundations. I also would repeat that I think there ought to be safeguards so far as foundations go, so they are really foundations and not mere tax-dodging machinery.

Mr. SIMPSON. But, if we do not permit large accumulations of money, how can we expect to have more large foundations created?

Mr. BARNARD. I do not think you can.

Mr. SIMPSON. You suggested earlier in your comments that the large foundations—I assume you meant they were more desirable than the smaller ones because the smaller one has such heavy overhead that in some instances its funds are diverted to family use where they shouldn't be, and the effect of the large foundation is lost.

Mr. BARNARD. I do not think the effect of the large foundation is lost because there are others that do not operate properly. Those that do not operate properly are the menace. What usually happens on these things is that to correct that part of the situation which is pathological or not good almost inevitably tends to set up regulations and statutory controls which apply to the others as well, and complicate their operations and their positions. That is the only caution that, it seems to me, is required. If an analogy story is permitted, I once said to Mr. Morgenthau when I was in the Treasury Department that it looked to me that the Treasury, in order to keep track of a relatively small number of crooks was making life miserable for everybody who was honest. If you keep that up long enough the honest people become dishonest out of sheer necessity. He said I was right.

That is the aspect of the thing that requires much thought.

Mr. SIMPSON. We are told that under our taxing laws today the creation of another Rockefeller Foundation or Ford Foundation is practically impossible. I asked them how we are going to get along without a foundation which is going to provide the risk capital in the areas that are needed.

Mr. BARNARD. We are trying to do it now under the guise of defense. There is an enormous amount of money going in that way. By the creation of the National Science Foundation, which is a new experiment in the Government—it is modeled after private foundations, and is quite a new thing in the Government.

Mr. SIMPSON. It is Government and subject to restrictions, as you pointed out.

Mr. BARNARD. It is an experimental effort, as I see it. I hope it succeeds. I am devoting a good deal of effort and time to it because I believe the money available from the private foundations we are apt to have is not going to be sufficient for the public interest in the development of science. I have to say that foundations are concerned with things that the National Science Foundation is not, in humanities and in some aspects of social science.

Mr. SIMPSON. Thank you, sir.

Mr. KEELE. I do not believe I have any more questions. You have endorsed what Mr. Rusk has said, except as you have elaborated or changed the emphasis. We can assume that the same questions put to you would be answered in substantially the same fashion.

Mr. BARNARD. That is correct.

Mr. KEELE. Thank you.

I would like to call Mr. Rockefeller, please.

STATEMENT OF JOHN D. ROCKEFELLER III

Mr. KEELE. Mr. Rockefeller, would you, for the record, please state your name, your address, and your official capacity with the Rockefeller Foundation?

Mr. ROCKEFELLER. My name is John D. Rockefeller III. I live at 1 Beekman Place in New York City. I am a trustee of both the

General Education Board and the Rockefeller Foundation and at the present time also chairman of the board.

Mr. KEELE. Mr. Rockefeller, the committee has felt that you perhaps had a unique opportunity as the son of the son of the founder of the Rockefeller Foundation to tell us whether in your opinion, the funds of the Rockefeller Foundation have been and are being spent in accordance with the intentions and wishes of the founder, which is one of the questions which is posed in the resolution under which we operate.

Mr. ROCKEFELLER. Might I elaborate on that a little?

Mr. KEELE. Yes, indeed.

Mr. ROCKEFELLER. It seems to me that there are two angles to consider, one the matter of policy and the other the matter of program. First let me say a word as to policy.

In preparation for these sessions here I have been reading the early history of the Rockefeller Foundation and I have been very interested to see the basic policy items that were set forth at that time and how they hold today. I thought I might just present to you a few of those by way of illustration.

My grandfather said way back in the early days, "The best philanthropy involves a search for cause and an attempt to cure evils at their source." That is what we today call going to the root of social ills.

Mr. Gates, who was his close associate and policy adviser on matters of this kind, said, way back at that time, "The Rockefeller Foundation should, in general, confine itself to projects of an important character, too large to be undertaken or otherwise unlikely to be undertaken by other agencies."

It was he who coined the phrase "scatteration." He was concerned about foundations getting into too many different things.

Another principle was that foundation funds should be primarily funds for dispensing and not operating.

Then, as to the grants, in those days they set forth a number of basic considerations. They said the grants should foster in the beneficiary a spirit of self-help, not dependence. They said grants should, in general, be given on terms which would stimulate gifts by others. They said that grants should avoid the dangers of perpetuity. By that I know they meant also perpetuity in terms of foundations themselves.

As my grandfather once said, "Perpetuity is a pretty long time."

Further, they said that grants should not assume indefinitely a share of the current expenses of an institution which it does not control. Finally, in speaking of the institutions to be benefited, they said that they should be of a continuing character, which would remain vigorous after the aid was withdrawn.

Those were policies established 40 years ago. The foundation will be in its fortieth year next year. I think it is fair to say that they would all stand today.

Then, as to program. The early years of the foundation—its activities were primarily in the public health field, except a certain number of initial grants when policy was being formed and except during the war years when the foundation made available 22 million for war relief and other wartime activities.

Those early grants in public health and medicine, were used for research, prevention of hookworm, yellow fever, malaria, and many millions went toward medical education.

That was the program substantially until 1929. In that year it was broadened very appreciably, as Mr. Rusk has explained. It was in that year that there was a revamping of the various institutions created by my grandfather and, as a result of that, the social sciences were included in the program of the foundation, the natural sciences and the humanities. But the interesting thing to me is that while that seems like a very substantial departure from the original program, away back in 1905, when Mr. Gates wrote my grandfather first suggesting the foundation, he talked about various fields of activity—not all of these, but some of them. Also, in the early days of the foundation, the foundation gave thought to branching out into some of these other fields. Prof. Edwin F. Gay, of Harvard, in 1914, was asked to head a foundation committee to study the possibilities of work in the social sciences. Also, Mr. McKenzie King was retained in connection with studies in labor relations.

I just mention these to show that in the early days there was thought of a broader type of program, but it wasn't until 1929, until the foundation got actively into these fields.

One other thing I would stress by way of basic change in program over the years is the consulting activity which the officers do to such a considerable extent, because the officers are a distinguished group of men in different important fields, and much of their time is spent in advising with people from all over the country concerning problems in their areas of competence, not in terms of grant, but just for advice and consultation.

It has always been our policy to keep the program constantly under review. We realize we are operating in a very changing world. We feel it is our responsibility to keep the program in tune with the times.

My grandfather died in 1937, which was nearly 25 years after the foundation was established. He never took an active part personally in the work of the various institutions which he created. He was always deeply interested. I remember the story that father tells that several years after the Rockefeller Institute was established as a going concern he was driving near the institute in a taxicab with my grandfather, and father said, "Father, you have never seen the institute. Wouldn't you like to stop by and visit it?"—which he did.

He felt that the most effective results would be obtained by bringing together the ablest of individuals and giving them the responsibility to work out the program. Over the years I have talked with my father concerning these early days. He has indicated that constantly he was in touch with grandfather concerning the program and that grandfather took great satisfaction and derived much happiness from the work as it developed over the years.

As to my father, as Mr. Barnard said, he was much more closely in touch with the boards down the years. He felt a responsibility to see, as he visualized it, that the objectives of the foundation as set forth by the founder were carried out, but he recognized that from the beginning he was but one of 21 trustees.

As you know, the chairman of the board is an advisory position. The president is the chief executive officer.

Father remained chairman until he retired in 1940.

I might say he feels very keenly, as my grandfather did, that the foundation should not be a matter of perpetuity; that future generations should provide for their own needs, and that this institution, as and when it has opportunity to spend its funds, should so do.

That is all.

Mr. KEELE. Mr. Rockefeller, over the years that you have been interested in the foundation, from your conversations with your father, have you—and, if this question is too personal, I hope you say you would rather not answer it—detected any apprehension or fear personally or on the part of your father that the Rockefeller Foundation or foundations in general were giving support to projects or persons which might tend to undermine the capitalistic system?

Mr. ROCKEFELLER. I have not, sir.

Mr. KEELE. I have no further questions.

Mr. SIMPSON. No further questions, Mr. Rockefeller. Thank you kindly for your appearance.

Mr. ROCKEFELLER. Thank you, sir.

Mr. SIMPSON. The committee will recess until 10 o'clock tomorrow morning.

(Whereupon, at 4:05 p. m., a recess was taken until 10 a. m. Wednesday, December 10, 1952.)