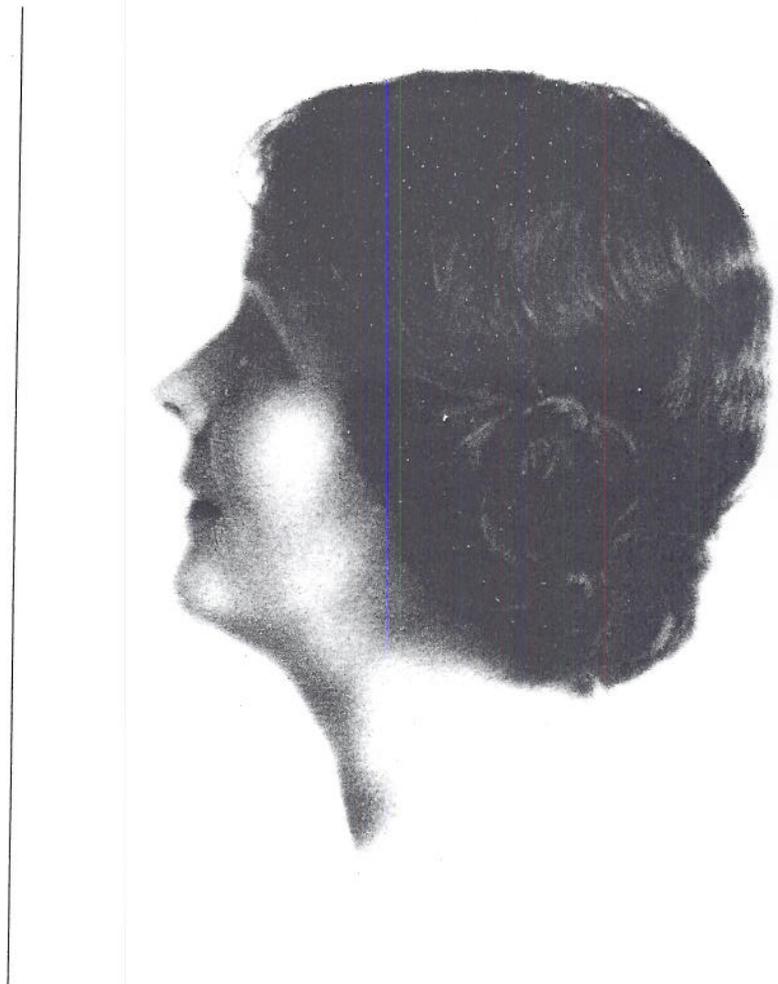
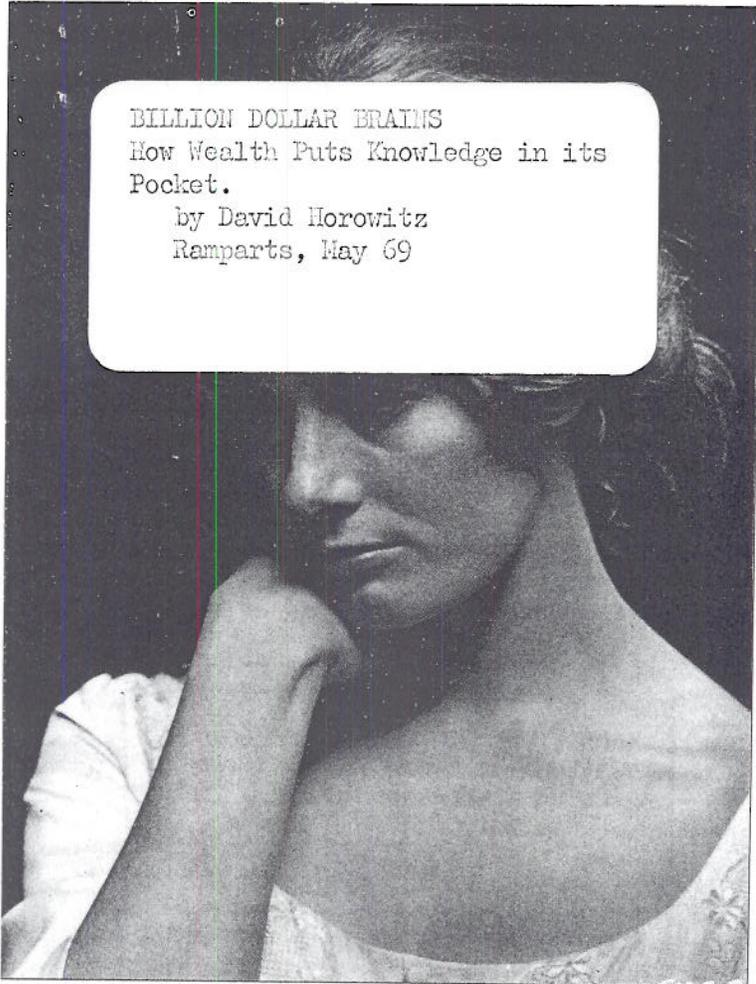


BILLION DOLLAR BRAINS  
How Wealth Puts Knowledge in its  
Pocket.

by David Horowitz  
Ramparts, May 69



"She will help womankind to a new knowledge of the possible strength and beauty of their bodies, and the relation of their bodies to the earth, nature and the children of the future. She will dance, the body emerging again from centuries of civilized forgetfulness, emerging not in the nudity of primitive man, but in a new nakedness, no longer at war with spirituality and intelligence, but joining itself forever with the intelligence in a glorious harmony.

"Oh, she is coming, the dancer of the future; the free spirit, who will inhabit the body of new women; more glorious than any woman that has yet been; more beautiful than the Egyptian, than the Greek, the early Italian, than all women of past centuries—the highest intelligence in the freest body!"

She sought to free the bodies of women from the corsets and constricting clothes they had worn; her own dance costumes, filmy tunics cut along Greek lines and made of nearly transparent material, were designed to allow the greatest possible freedom of movement, as was the slight bathing suit she designed for herself when the standard bathing costume for women was a long black dress worn with black stockings and rubber bathing shoes.

She noted in her autobiography, "In Copenhagen what surprised me most was the extraordinarily intelligent and happy looks on the faces of the young women, striding along the streets alone and free, like boys, with their student caps placed on their curls. I was astonished. I had never seen such fine girls. And it was explained to me that this was the first country to win the vote for women."

Throughout her life, Isadora opposed the degradation and dependence imposed on women by the marriage contract and maintained the right of women to love and bear children as

freely as they chose. (She married Essenin in Russia, where marriages could be easily dissolved; they married for the convenience of getting him an American visa.) "Any intelligent woman who reads the marriage contract, and then goes into it, deserves all the consequences," she said in a speech to the good bourgeois lady patrons of her Grunewald school, who when they learned of one of her liaisons said they would no longer support a school where the leader had such loose morals. This speech, she noted, "caused considerable scandal . . . and was considerably in advance of the Woman's Movement of the present day."

But Isadora Duncan was not a feminist in the sense that she campaigned overtly for women's suffrage or took any part in the women's rights movements of her day. "I am not a politician. I know nothing about politics," she declared, and said only that she, like all great artists, was a revolutionist. Her feminism was inherent in her art and in her life; her struggle as a woman was a struggle on behalf of all women.

Max Eastman called her a "militant and mighty woman." She argued for sexual freedom, for freedom in movement, in clothing, in spirit. Her intelligence and sensitivity commanded the respect of most of the artists, poets, philosophers and intellectuals of her day. She was far more than the sex goddess Vanessa Redgrave portrays in the movie. Isadora Duncan should be valued for the legacy she left to women who are struggling now, as she did then, to be free. It was Eastman who summarized this legacy: "All the bare-legged girls, and the poised and natural girls with strong muscles and strong free steps wherever they go . . . owe more to Isadora Duncan than to any other person."

# BILLION DOLLAR BRAINS

## How Wealth Puts Knowledge in its Pocket



[I. ENTREPRENEURS OF HIGHER EDUCATION]

"Educate, and save ourselves and our families and our money from mobs."—HENRY LEE HIGGINSON, BENEFACTOR OF HARVARD, IN A FUND-RAISING LETTER, MARCH 1886

TODAY'S GENERATION OF STUDENTS, who at this very moment are being suspended, beaten bloody and jailed for their efforts to end the subservience of intellect to power, loosen up entrance requirements, create new departments and colleges and attempt to make the university more relevant to their needs, might be interested in knowing how the system got set up in the first place. It did not, as it might seem, spring full-blown from the head of the absent-minded professor. The development of the modern American university was not left to the natural bent of those within its ivory towers; it was shaped by the ubiquitous charity of the foundations and the guiding mastery of wealth.

On an autumn day in 1875, a solemn ceremony in Nashville, Tennessee, marked the opening exercises of Vanderbilt University, whose benefactor, the semiliterate Cornelius Vanderbilt, figures in Gustavus Myers' *History of the Great American Fortunes* as "the foremost mercantile pirate and commercial blackmailer of his day." (His first millions were pilfered from the federal government, in very modern fashion, through the corruption of post office officials.) Commodore Vanderbilt's New York minister, the Reverend Charles F. Deems, had come

down especially for the occasion, and during the concluding moments of the ceremony he rose to read the following telegram: "New York, October 4. To Dr. Charles F. Deems: Peace and goodwill to all men. C. Vanderbilt." Then Deems, a true servant of the pulpit and the purse, gazed up at a portrait of the benefactor hanging on the wall and intoned the Holy Scripture, Acts Ten, the Thirty-First Verse: "Cornelius, thy prayer is heard, and thine alms are had in remembrance in the sight of God."

Cornelius Vanderbilt was not the only wealthy patron of the times attempting to earn his passage through the eye of the needle by bestowing alms on collegiate supplicants. John D. Archbold, for example, chief bagman for Standard Oil, cast his benevolent grace on Syracuse University; Mrs. Russell Sage, whose husband began his career by stealing a railroad from the city in which he was an official, blessed Rensselaer Polytechnic Institute with a new school of mechanical engineering; and there were hosts of others.

Prior to the Civil War, when the style of giving was still aristocratic and restrained, the largest single benefaction to a college had been Abbot Lawrence's \$50,000 to Harvard. Colleges then were small, humble and well suited to their purpose as finishing schools and theological seminaries for the gentlemanly well-to-do. As the century matured, however, the rogues and robber barons of the new industrial age began to get into the act, demonstrating how paltry the conceptions

of education had been in the preceding era. Rockefellers and Stanfords endowed whole institutions, not with tens of thousands, but tens of millions. The horizons of academe expanded. Greek and Latin, classical education, philosophy—these may have been fine for effete gentlemen but of what use were they in the *real* world? The real world, of course, was defined by the money which had suddenly become available for new and expanded institutions of learning.

From Stephen Van Rensselaer to Peter Cooper, from Charles Pratt (Standard Oil) to Andrew Carnegie, industrialists flocked to finance technological institutes which would honor and preserve their names (an important consideration for many who had amassed fortunes but no families) and promote the technical progress that would keep the money mills rolling. Nor was technology the only area of learning in which businessmen sought to open new paths. Joseph Wharton, a Philadelphia manufacturer of zinc, nickel and iron, was concerned that “college life offers great temptations and opportunities for the formation of superficial lightweight characters, having shallow accomplishments but lacking in grip and hold upon real things. . . .” To overcome the shallowness of the current college generation, Wharton proposed to the trustees of the University of Pennsylvania that they set up a “school of finance and economy.” His plan was given a sympathetic hearing by the trustees. As one academic historian describes it: “The \$100,000 Wharton offered to fulfill his proposal tempted the trustees into immediate acceptance”—and the Wharton School of Finance and Commerce was born.

Not only business schools and technical institutes but medical and other professional schools made their first appearance in this period. The college was giving way to the university. And the patrons of the new age were the captains of industry, the lords and masters of the times. The power of these men in education, as elsewhere, was a function not only of the size of their capital and their dispensations, which were gigantic, but of their aggressive dynamism as well. As givers, they became “entrepreneurs in the field of higher education.”

The autobiography of G. Stanley Hall, president of Clark University, reveals that he was forced to break contracts at the orders of the founder, to reduce the scale of salaries because the founder wished to economize, and to add an undergraduate college to what he had planned as a graduate institution. This relationship was not wholly typical, in part because the president retained his independence of mind, even though he lacked the independent financial muscle to put his ideas into practice. Usually, college administrators were far more servile. Indeed, the attitude of the academic community as a whole towards its patrons bordered on sycophancy. The patrons of the university, being uncultivated themselves, often sought association with the men of learning. According to Walter Metzger, a recent historian of academic freedom, they received from academics “ornate courtesies of gratitude. They did not enter academe as intruders; they were welcomed into the realm and escorted to its high places by its very grateful inhabitants. Within the academic fraternity, to cultivate the goodwill of donors was a highly approved activity, betokening fine public spirit. To offend the bearer of gifts was an action sometimes defined as the deepest disloyalty and treachery. Cordiality was thus demanded of professors by the most compelling of motives—self-interest and the desire for social approval.”

ONE OF MAJOR HIGGINSON’S primary concerns in conducting his philanthropic campaigns on behalf of Harvard had been that the end of aristocratic tutelage appeared to be imminent, that “Democracy has got hold of the world, and *will* rule.” How fortunate, then, that with a little sprinkling of the wealth that was literally pouring into their pockets (“Think how easily it has come,” Higginson remarked to one of his correspondents), the wealthy donors could sustain a filial relationship with the teachers of society’s elite and the shapers of its knowledge: “Our chance is *now*—before the country is full and the struggle for bread becomes intense and bitter. . . . I would have the gentlemen of this country lead the new men, who are trying to become gentlemen. . . . Give one-fourth of your last year, and count it money potted down for quiet good.”

And if any ingrates tried to raise an audible note of discord to mar the harmony of Knowledge and Industry, of the ideal and the practical, retribution was swift.

During the radical upsurge of the ’80s and ’90s, a series of exemplary firings of liberal scholars took place, usually as a result of the professors having linked some of their abstract ideas with the issues of the hour (populism, free silver vs. gold, the monopolistic trusts). As the liberal English economist J. A. Hobson pointed out at the time, “Advanced doctrine may be tolerated, if it is kept well in the background of pure theory; but, where it is embodied in concrete instances drawn from current experience, the pecuniary prospects of the college are instinctively felt to be endangered.”

Of course, no college administration admitted that it was interfering with the spirit of free inquiry. Far from it. The professors were dismissed, the colleges said, not because of their views, but because of their lack of professionalism, their partisanship (justification of the status quo was of course considered in keeping with scholarly neutrality and objectivity). While the threat of dismissal was to retain a certain utility as an instrument for inducing “responsible” academic behavior, in the long run the actual costs of carrying it out were to prove excessively high. The protestations the administrators were already forced to make showed that, as a method of sanitizing higher education, the presumptive sack was too crude for scholars, and therefore inefficient.

Where it is available, however, the carrot is always more efficacious and gentlemanly than the stick. As education became more and more bound up with the success of the industrial system, therefore, the nexus of control exercised over academics came increasingly to lie in the positive advantages which the established powers were able to bestow on a professionalism ready to serve the status quo and to withhold from “partisan” scholarship ranged against it. Advancement, prestige, research facilities, entrée into high society and later into government itself, were all reserved for responsible—and respectful—exemplars of the academic profession. Radicals were left to wither on the university vine.

Reinforcing this sophisticated approach was the appearance of a new institution on the educational scene, at once far more powerful than even Vanderbilts or Stanfords, and presenting a far less menacing front to the unsuspecting academic mind.

#### [II. ENTER THE BIG FOUNDATIONS]

*“The very ambition of such corporations to reform educational abuses is itself a source of danger. Men are not constituted*

educational reformers by having a million dollars to spend.”  
—JACOB GOULD SCHURMAN, PRESIDENT OF CORNELL, 1892-1920

“AS ONE REVIEWS THE RELATIONSHIP between institutions of higher learning and the major foundations during the critical first two decades of this century,” writes a former division chief of the Rockefeller Foundation, “one finds oneself wondering if it is too much to say that the foundations became in effect the American way of discharging many of the functions performed in other countries by the Ministry of Education.” The division chief need not have been so modest.

Between them, the Rockefeller and Carnegie Foundations (there were several of each) had an annual revenue which, as a congressional report of 1915 pointed out, was “at least twice as great as the appropriations of the Federal Government for similar purposes, namely, educational and social service.” But the lump sums only begin to tell the story.

In the first place, while the Carnegie and Rockefeller Foundations decided on an expenditure of funds during this period which amounted to a fifth of the *total* income of colleges and universities, “When one realizes . . . that essentially all the funds available to the foundations were free for the encouragement of innovation while almost all the regular income of the university was tied to ongoing commitments, it is easy to comprehend the overwhelming significance of the foundations’ part.” (Robert S. Morison, a former director of medical and natural sciences for the Rockefeller Foundation.)

In the second place, while the foundation millions really represent taxable surplus that ought to be in the hands of the community and dispensed by a real Ministry of Education, they actually come from the charitable trusts in the form of “gifts.” And this very fact transforms their power and gives them a geometric possibility known as “matching.” The Rockefeller Foundation offers to put up \$10 million but stipulates that the beneficiary must raise two or three times that to receive its benefaction. This puts the Rockefeller Foundation in the driver’s seat, as far as conditions are concerned, and doubles or triples the power of its money. Thus, the massive endowment drives between 1902 and 1924 were inspired by the necessity of raising \$140 million in order to receive \$60 million from the Rockefeller’s General Education Board. By 1931-32, it was estimated that the foundations had directly stimulated the giving of \$660 million, or fully *two-thirds* of the total endowment of all American institutions of higher learning—colleges, universities and professional schools.

Furthermore, the potential for qualitative influence on the part of the foundations was enhanced by the fact that they were the largest single contributors to these endowment funds, and, more importantly, by the fact that as income sources they were *permanent* features of the educational scene, and hence their future goodwill had to be cultivated as well. This is probably the most subtle and significant new factor in the foundation approach to educational benefaction. For these are “perpetual trusts,” and while a Cornelius Vanderbilt may die and leave his millions to playboy heirs no longer interested in the training of tomorrow’s elite, the Rockefeller and Carnegie Foundations which were here yesterday will be here in the future, managed by active leaders of the business world who understand the vital role that an educational estab-

lishment can play in the preservation and expansion of their wealth-producing system.

ANDREW CARNEGIE DID NOT ORIGINALLY SET OUT to impose a general system of standards on American institutions of higher learning. Rather, he thought to make a grand gesture of generosity by using some of the millions he had stolen from the public through watered stock in his steel combines to ameliorate the condition of a dedicated and penurious segment of society: the college teacher. And so Carnegie announced that his Foundation would provide free pensions to all college teachers. It seemed like a very simple proposition.

But no sooner had the proposal been made than the president of the Carnegie Foundation, Henry S. Pritchett, advised the benefactor that higher education in America was in a state of utter confusion. Since, with the exception of a certification system associated with the University of Michigan, there were no general standards for defining a college or university, there was a plethora of conceptions of what a college should be. While among these institutions were diploma mills run solely for the profit of the proprietors—inevitable in a market system—there were also community financed and administered colleges, often set up by religious denominations and reflecting the needs of the communities themselves: chaos or freedom, depending on how you looked at it. President Pritchett looked at it and decided that “some criterion would have to be introduced [into the pension scheme] as to what constituted a college.” After all, it wouldn’t do to give a free pension to just any teacher. One must have standards. (Besides, there were economic constraints; in the end there wasn’t even enough money to go around for teachers in the “bona fide” colleges certified by the Foundation.)

So the Carnegie Foundation announced that it was going to provide pensions for teachers in colleges; “colleges,” according to the Foundation, were possessed of at least a \$200,000 endowment (later this was escalated to \$500,000) or, in the case of State universities, an annual income of \$100,000—requirements which served to force the institutions into an even greater dependence on wealth. Colleges had strict entrance requirements, including so many hours of secondary education (these came to be known as “Carnegie units” and had a revolutionizing, and many would maintain damaging, effect on the secondary school curriculum). A college had at least eight distinct departments, each headed by a PhD (the beginning of the enthronement of that stultifying credential).

No institution that wanted to attract or retain quality teachers could afford to resist the Foundation’s offer, and so these became the standards of the day. The process and its power was well exemplified in the Foundation’s additional stipulation that institutions accepted into the program must give up their denominational affiliations. (In the broad university scene, this stipulation was subverted by the General Education Board which followed Carnegie’s conditions in making its own grants, but chose to support the big denominational colleges while ignoring the small ones.) Among the colleges which gave up their religious character to receive Carnegie money were Wesleyan, Drury, Drake and Brown. Colleges which refused to comply with Carnegie and Rockefeller conditions were “left to die from financial starvation and other ‘natural’ causes.”

THE ENORMOUS IMPLICATIONS of this sequence of events were remarked upon by the Walsh Commission, which in 1915 conducted the first government investigation of the foundations (and their relation to the industrial empires of their benefactors): "It would seem conclusive that if an institution will willingly abandon its religious affiliations through the influence of these foundations, it will even more easily conform to their will any other part of its organization or teaching." (Provided, of course, that the influence is ever so subtly exerted.)

What has to be remembered is that the reforms which the foundations had demonstrated such an impressive power in inducing were all in fields of college activity to which they were not directly appropriating a single dollar. Similarly, for the most part, they did not themselves invent the standards which they were able, via the power of their purse strings, to impose, but *selected* them from existing proposals. Ivy Lee, the Rockefeller public relations man who was one of the pioneers of the new benevolent image of corporate America, had described for the Walsh Commission the importance of appearances. "We know," Lee wrote, "that Henry VIII by his obsequious deference to the forms of law was able to get the English people to believe in him so completely that he was able to do almost anything with them." It was the *forms* of law, of democracy, that had to be observed to achieve maximum influence and power. Looked at *formally*, the foundations were imposing nothing. They did not invent the standards; the colleges were at every point free to accept or reject them. Their own role was not one of compulsion, but support. They were even advancing the cause of academic freedom by making the professors more secure. In the appearance of things, as opposed to their reality (which was quite the same as if the foundations had the force of law behind their prescriptions), lay the chief danger of foundation power. For its very subtlety was its strength. Where overt control would have been resisted, these no less effective forms of influence were tolerated. In the realm of the mind, the illusion of freedom may be more real than freedom itself.

If in the period of its origins the university was heavily dependent on foundation support, it was no less so in the period of its growth. As the university system expanded and non-foundation sources of income became available for endowment and building funds, administration and teachers' benefits, and other areas in which the foundations had played a pioneering role, the foundation directors began to shift their sights towards the new areas of innovation and growth. As the above-cited former division director of the Rockefeller Foundation put it, foundation funds were now "increasingly reserved for new and presumably venturesome undertakings which, once they had proved their worth, would be taken over by the universities' general funds." It was precisely the availability of foundation funds for the "growing edge" of knowledge, "for experimenting with new educational methods, developing research programs, and demonstrating the value of new knowledge," that made it possible for the foundations to maintain their guiding role in the shaping of higher learning in America. For with few exceptions, and until very recently, foundation funds were the only significant monies available for nonmilitary organized research and institutional innovation in the academic world.

The ability of the foundations to dominate the margins of

REWARD is either of *gift* or by *contract*. . . . When of gift, it is benefit proceeding from the *grace* of them that bestow it, to encourage or enable men to do them service.

—Thomas Hobbes, "*Leviathan*"

growth in the university system was viewed with a critical and prophetic eye by Harold Laski, shortly after he had spent a few tumultuous semesters at Harvard. The passage of time has only made his perceptions more acute. "A university principal who wants his institution to expand," he wrote, "has no alternative except to see it expand in the directions of which one or other of the foundations happens to approve. There may be doubt, or even dissent among the teachers in the institution, but what possible chance has doubt or dissent against a possible gift of, say, a hundred thousand dollars? And how, conceivably, can the teacher whose work fits in with the scheme of the prospective endowment fail to appear more important in the eyes of the principal or his trustees than the teacher for whose subject, or whose views, the foundation has neither interest or liking? . . . What are his chances of promotion if he pursues a path of solitary inquiry in a world of colleges competing for the substantial crumbs which fall from the foundation's table? And, observe, there is not a single point here in which there is the slightest control from, or interference by, the foundation itself. It is merely the fact that a fund is within reach which permeates everything and alters everything. The college develops along the lines the foundation approves. The dependence is merely implicit, but it is in fact quite final . . . where the real control lies no one who has watched the operation in process can possibly doubt."

### [III. WHAT'S GOOD FOR HARVARD . . .]

"There are two great clichés about the university. One pictures it as a radical institution, when in fact it is most conservative in its institutional conduct. The other pictures it as autonomous, a cloister, when the historical fact is that it has always responded, but seldom so quickly as today, to the desires and demands of external groups." —CLARK KERR, 1963

ON PAPER, THE CONTEMPORARY AMERICAN system of higher education looks wonderfully diverse, a vast pluralistic sea of independent academic communities. There are more than 2000 institutions of higher education in America, 800 publicly supported and 1400 private. Half the publicly supported colleges are district or city schools, and two-thirds of the private institutions are denominational. If higher education were in practice anything like its appearance on paper, then despite the historical evolution of the university, its links to wealth and the ability of the foundations to dominate its innovational areas, the sheer quantity

of institutions would cause the foundation largesse to be spread so thin that its influence would evaporate.

The fact is, however, that the American system of higher education is a highly centralized, pyramidal structure in which the clearly defined escalating heights intellectually dominate the levels below. Perhaps the most tangible indication of the rigid hierarchy which characterizes the academic community is the concentration of PhD programs in select prestige centers at the apex of the pyramid. For the PhD is at once a validating credential and the certificate of entry into the academic profession. It also represents an arduous apprenticeship in the accepted principles and acceptable perspectives of academic scholarship; it defines the methodological and ideological horizons which command academic respect and within which the "professional" operates.

Although there are over 2000 colleges and universities in America, 75 per cent of the PhD's are awarded in a mere 25 of them, institutions which constitute a Vatican of the higher learning, the ultimate court of what can and what cannot be legitimately pursued within the academic church. Most of these select universities—Harvard, Yale, Princeton, the University of Chicago, Columbia, Johns Hopkins, Stanford, MIT, Cornell—had emerged as dominant institutions by the advent of World War I. Together with such latecomers as the University of California, they form a relatively tight-knit intellectual establishment. As David Riesman and Christopher Jencks observe in their study, *The Academic Revolution*:\* "These universities have long been remarkably similar in what they encourage and value. They turn out PhD's who, despite conspicuous exceptions, mostly have quite similar ideas about what their discipline covers, how it should be taught, and how its frontiers should be advanced."

The similarity of ideas and perspectives among scholars who otherwise lay strenuous claims to intellectual independence and ideological diversity presents no real mystery to the outside observer—the apprenticeship and training of academics within the centralized structure of the university system could be expected to produce no other result. The first stage in an academic career is the completion of a PhD, an effort which in the non-exact sciences can take anywhere from five to ten years, and which is accomplished under the watchful eyes and according to the principles and conceptions of the already established masters of the guild. Having completed the PhD, which represents his first serious work as a "scholar," the apprentice professor still has four to seven years of non-tenured status during which he is subject to review on an annual basis. This period of insecurity during which he is at the mercy of his tenured superiors (and in most institutions the university administrators as well) coincides with a time in his personal life when he has probably acquired a family and sunk some local roots. Hence the threat of being dispatched to the hinterlands should he fail to show—by publication of approved articles and further commitments of his intellectual energy and reputation—that he is still a responsible fellow and understands what is scholarly and professional according to accepted canons, is a real threat indeed. Especially when the

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\*This book, which purports to be a "sociological and historical analysis of American higher education" and which took ten years to research and write, makes only three passing references to foundations.

action needed to dismiss him is the excessively simple and unobtrusive one of not renewing his contract at the end of the year. The Jesuits only asked for a human mind up to the age of seven years in order to control it forever; the American academic establishment has it to thirty-five. Is it any wonder that the product is generally so timid, conservative and conformist?

RESPONSIBILITY FOR THE MONOPOLISTIC structure of the academic marketplace (a structure which neatly mirrors the economy on which it is founded) lies with the great foundations who at the outset of the university era made a calculated decision to create a "lead system" of colleges, which by virtue of their overwhelming prestige would set the standards for, and in effect dominate, the rest of the educational scene. Thus, while the foundations stimulated two-thirds of the total endowment funding of all institutions of higher learning in America during the first third of the century, "the major portion" of the funds they were responsible for were "concentrated in some 20 of these institutions." (Hollis, *Philanthropic Foundations and Higher Education*.)

Even more important than the concentration of endowment funds was the concentration of innovational and research funds, and funds for the creation of those facilities which provide the basis for a major center of learning. "The development of major university centers of research," an official account of the Rockefeller philanthropies explains, "became the most important part of the [Laura Spelman Rockefeller] Memorial's program. Chicago, Harvard, Columbia, Yale . . . and many others were assisted in developing rounded centers of social-science research. This frequently involved fluid research funds appropriated to the university to be used in its own discretion; aid to university presses; the provision of special sums for publication; grants to enable a number of the centers to experiment with different types of training . . . and various other devices for stimulating and encouraging the development of techniques and teaching in the social studies." In 1929, the chancellor of the University of Chicago, Robert Hutchins, summed up the achievements of this agency in the following terms: "The Laura Spelman Rockefeller Memorial in its brief but brilliant career [it was later merged with the Rockefeller Foundation] did more than any other agency to promote the social sciences in the United States."

The practice of concentrating funds in major university centers during this strategic period when the birth of institutions of research in the university complex took place has remained a permanent pattern of foundation financing. Thus the Ford Foundation distributed \$105 million worth of grants in economics and business from 1951 through the first quarter of 1965, but 77.5 per cent of this went to only ten universities and five business-controlled research and policy organizations (Resources for the Future, the Brookings Institution, the Population Council, the National Bureau of Economic Research and the Committee for Economic Development). This has had an absolutely decisive effect in perpetuating the concentration of institutionalized knowledge which the direct endowment of individual wealth had instigated. In 1912, 51.6 per cent of the articles in the major academic journals of economics were written by economists from only ten universities. In 1962, although the individual universities had changed somewhat, 53.8 per cent of the articles were still being written

at ten centers. Eight of these institutions were among those most favored by the Ford Foundation.

With few exceptions, of course, these major university research complexes coincide with the strongholds of the old wealth, the aristocratic centers of the American upper class (Harvard, Yale, Stanford, etc.). It is here that the channels to Wall Street and Washington are most open and inviting to the co-optable professor, and that social attitudes and traditions exert the most powerful and most subtle conservatizing pressures. (It is for just these reasons, moreover, that such schools can afford the flexibility that has earned them the undeserved reputation of being the most academically "free.")

**O**NE OF THE OLDEST of these centers outside the eastern Ivy League establishment (where the connections are well known) is Stanford University, down the peninsula from San Francisco. While by no means unique, the Stanford Research Institute (SRI)-Stanford Industrial Park complex built around Stanford University provides, in fact, the most up-to-date example of the new levels of intimacy which Wealth and Intellect (and latterly the federal Defense establishment) have attained in the postwar period. (Only one Stanford trustee is not a corporate director: John W. Gardner, former president of the Carnegie Foundation, former secretary of Health, Education and Welfare, and presently head of the foundation/corporation-sponsored Urban Coalition.) William Hewlett and David Packard—two Stanford undergraduates who set up an electronics shop in their garage before World War II, got on the war production gravy train and eventually wound up with a billion-dollar military-industrial giant, the Hewlett-Packard Company—perhaps best exemplify the seamless web of vested interests which envelops this house of intellect.

Both Hewlett and Packard are trustees of Stanford and SRI, and both are directors of several large corporations in the Stanford Industrial Park. An impressive number of corporations in the park are in fact "spin-off" firms, resulting directly from research in Stanford's chemistry, electrical engineering and physics laboratories. Packard, who was recently named deputy secretary of Defense, is also a trustee of the National Merit Scholarship Corporation and the U.S. Churchill Foundation. Hewlett is a member of the President's Science Advisory Committee. Their positions of eminence in educational philanthropy and military-industrial moneymaking ("Profit is the monetary measurement of our contribution to society"—David Packard) are far from unique. Fellow SRI trustee and former Stanford University trustee Stephen D. Bechtel, of the Bechtel Corporation (builder of bigger and better military bases and longer oil pipelines), is also a trustee of the Ford Foundation. Another holder of dual trusteeships at Ford and Stanford is the Shell Oil Corporation, which has directors on the boards of both.

For the corporations involved in the Stanford-SRI-Industrial triangle, the relationship is pure gravy. Most of the industries involved are heavily research- and technology-oriented. The Bechtel Corporation, probably the biggest construction firm in the world, employs on a permanent basis (rather than under contract) only 2000 people, most of them high-grade engineers. The electronics firms are similarly intellect-oriented; in the words of one journalistic account of the success-studded career of a Stanford professor who became

I beg you to consider: if this is a firm, and if the Board of Regents are the Board of Directors... then... the faculty are a bunch of employees and we're the raw material.

—Mario Savio, before the FSM sit-in, Dec. 2, 1964

a moving spirit in the SRI and finally a director of Hewlett-Packard and other "Stanford" corporations: "The industry's raw material is brain-power, and the university's students and professors are a prime source." Stanford not only supplies its corporations with the raw material, but provides refining facilities as well. Thus, under a new program Stanford engineering courses will be piped into the industrial enterprises via a four-channel TV network.

For the enterprising professor and student, the avenues to corporate success are manifold. William Rambo, associate dean of Stanford's engineering school, has said that he expects his students to become executives and company directors. All this opportunity for personal advancement (and aggrandizement) must inevitably have its effects on education. Perhaps as insightful a commentary as any was contained in James Ridgeway's impressions after visiting the SRI complex: "Professors once sneered at businessmen and the profit motive," he wrote, "but since they have been so successful in taking up the game themselves, the profit motive is now approvingly referred to as the 'reward structure.'"

[IV. RIGGING THE MARKETPLACE OF IDEAS]

"Mr. Rockefeller could find no better insurance for his hundreds of millions than to invest one of them in subsidizing all agencies that make for social change and progress."

—FRANK P. WALSH, CHAIRMAN OF THE COMMISSION ON INDUSTRIAL RELATIONS, 1915

**D**OMINATING THE AVENUES OF PRESTIGE and supplying the main funds for social research within the universities, while providing the principal access to influence in the outside world, wealth has inevitably exerted the most profound, pervasive and distorting effects on the structure of knowledge and education in the United States. This has been achieved through lavish support and recognition for the kind of investigations and techniques that are ideologically and pragmatically useful to the system which it dominates, and by withholding support on any substantial scale from empirical research projects and theoretical frameworks that would threaten to undermine the status quo. (Exceptional and isolated support for individual radicals may be useful, however, in establishing the openness of the system at minimum risk.)

Although it is an indubitable social fact that wealth provides the sea in which academic fish must swim, no self-respecting professor would admit to the full and unpleasant implications of that fact. Thus, Robert Dahl, former president of the American Political Science Association, and one of the most eminent beneficiaries of foundation support, while admitting that the foundations, "because of their enormous financial contributions to scholarly research, and the inevitable selection among competing proposals that these entail, exert a considerable effect on the scholarly community," maintains that "the relationship between foundation policy and current trends in academic research is too complex for facile generalities." (Of course there have been no systematic attempts by academics to investigate the cumulative impact of this relationship and discover even arduous generalities.) According to Dahl, "Perhaps the simplest accurate statement is that the relationship is to a very high degree reciprocal: the staffs of the foundations are highly sensitive to the views of distinguished scholars, on whom they rely heavily for advice." For a sophisticated analyst of political power this statement exhibits remarkable naivete. For it is precisely in determining which distinguished scholars (e.g., Professor Dahl or C. Wright Mills, S. M. Lipset or Herbert Marcuse) they choose to listen to that the foundations "determine" everything that follows.

The foundations themselves regard their funds as "risk capital" which can be employed "to demonstrate the validity of a new idea" (Morison). If the idea is successful, if the investment of funds covering facilities, research needs and salaries for collaborative effort establishes the idea in the intellectual mainstream, then full development can be financed from "normal" sources of capital (e.g., from the university budget, the corporations or the government).

A spectacular example of how the alliance between brains and money can become an unbeatable combination in the academic marketplace is afforded by the rise of the behaviorist persuasion and its offshoot pluralist ideology in the social sciences. Beginning as a localized academic phenomenon, with the benefit of the foundations' capital it ultimately achieved unchallenged national preeminence. The intellectual inspirer and organizer of the new "value-free," statistical-empirical outlook was Charles E. Merriam, and his department at the University of Chicago was the hothouse of its early development. Such stellar names in behaviorism as Harold Lasswell, V. O. Key Jr., David Truman, Herbert Simon and Gabriel Almond were either graduate students or, in the case of Lasswell, a faculty member, in Merriam's department before World War II.

A politically-oriented individual, as well as a political scientist (he ran for mayor of Chicago on a "Bull Moose" Republican ticket), Merriam began his organizing efforts in the academic world in the early '20s. As he himself summed up the crystallizing experience of his subsequent career, he had once gone to a high official of the University of Chicago and asked for a stenographer and other assistance in order to conduct an enquiry. The reply was that "the University could not possibly afford to aid all its professors in writing their books." The "answer" to this situation, wrote Merriam, "was the Social Science Research Building . . . and . . . the Public Administration Center"—both financed by the Laura Spelman Rockefeller Memorial, under the direction of Beardsley Ruml. (Ruml, who went from the Scott Company to the Carnegie

Foundation to Rockefeller, was later to become dean of the Social Sciences Division at Chicago.)

The Rockefeller-Merriam team did not limit its horizons to local academic projects. The Social Science Research Council was founded in 1923, largely through Merriam's and Ruml's efforts, with Merriam as its chairman and Ruml as a member of its policy committee. Over the next ten years the Council, which was made up of representatives from the American Political Science Association, the American Sociological Society, the American Historical Association and four comparable groups in anthropology, economics, statistics and psychology, received \$4.2 million in income. Of this, \$3.9 million was from the Rockefellers, the rest from other private foundations. With these funds at its disposal, the Council became the "greatest single patron or clearing house of patronage for the social sciences," and throughout the Hungry Thirties this patronage was used extensively in behalf of the behavioral outlook.

The idea itself, of course, was ripe for the times. But as Dahl has noted: "If the foundations had been hostile to the behavioral approach, there can be no doubt that it would have had very rough sledding indeed." How many equally ripe ideas lacked the risk capital to demonstrate their validity?

After the war, the behavioral movement got into full stride, as Rockefeller, Carnegie and the mammoth new Ford Foundation (which briefly set up its own Behavioral Science Division) got directly into the act, financing an unprecedented proliferation of ambitious behavioral investigations and expensive but necessary survey research centers to amass and analyze the empirical data for behavioral studies. By then it was evident that the collaborative effort had paid off. In 1950, the behaviorist Peter Odegard was elected head of the American Political Science Association, and in subsequent years behaviorists held the presidency with increasing regularity; from 1965 to 1967, the behaviorists Truman, Almond and Dahl held the presidency, symbolizing the fact that theirs had finally become the established outlook in the field. (In a survey conducted among members of the Political Science Association in the early '60s to determine their opinion as to the best political scientists of the postwar period, only one of the top eight was not a behaviorist.)

**I**N BACKING THE BEHAVIORALISTS, the foundation trustees had not only backed men whose goodwill they enjoyed (the very mechanism of grant-giving assures this) but whose ideas had a definite utility from their interested point of view. The emphasis on observable behavior, and the acceptance of the given socio-economic framework as the basis of analysis, together with a scientific bias against the kind of theoretical probing which calls into question the basis of the status quo order itself, were naturally congenial to the men who put up the millions (as, no doubt, was the fact that behavioral information which the scientists gathered about "masses" exceeded that gathered about "elites" by a factor of 100-1, according to behaviorist Karl Deutsch).

Moreover, the information gathered in survey research into the mass behavior of consumers, voters, trade unionists and organization members generally, as well as the techniques (e.g., of administration) developed out of the research, were obviously very useful from a manipulative point of view to the elites responsible for managing social systems and maxi-

mizing returns from the status quo. Behavioral studies soon were in high demand, from government to business directorates, from the military to the CIA. Indeed, the interest of the CIA provides one of the most bizarre and illuminating incidents in the history of behavioralism and its pluralist offspring.

One of the more important promoters of the behavioral mode within the American Political Science Association has been Evron Kirkpatrick, who has served as the executive director of the Association since 1954. Kirkpatrick's background for the job was interesting to say the least. At the end of World War II, he was assistant director of research and analysis in the OSS (intelligence). In 1946, he was assistant research director and projects control officer in Research and Intelligence for the State Department. In 1947, he became intelligence program advisor for State, and in 1948, chief of the external research staff, a position he held until 1952, when he assumed the additional post of chief of psychological intelligence. It was from this position that in 1954, Kirkpatrick was appointed executive director of the American Political Science Association. The political scientists seem not to have been at all curious about the background of their executive director until February 1967, when someone had the temerity to point out that Kirkpatrick was also president of a CIA-funded research organization called Operations and Policy Research Incorporated. (The treasurer of the American Political Science Association, Max Kampelman, turned out to be the vice president of Operations and Policy Research.)

When a group of political scientists at the University of Hawaii circulated a petition calling for the resignations of Kirkpatrick and Kampelman, it became clear that an investigation was in order. It was initiated by the president of the Association, Robert Dahl, and was conducted by four past Association presidents. These preeminent representatives of political science concluded that the Association "has received no funds directly [sic] from any intelligence agency of the government, nor has it carried on any activities for any intelligence agency of government." Moreover, "We wish to record our recognition of the dedication and services of these two men to the Association in the past and our full confidence in the value of their future services."

The notion that the only significant influences the CIA could exert through the executive director were the channeling of "tainted" funds or the use of the Association as a front or perhaps a spy network, represented a view of power that was astoundingly primitive.

The study of power, and the disbelief in its undemocratic and sinister concentration in American society, are of course the hallmarks of the pluralists, easily the most ideologically significant branch of the behaviorist school, and including such prestigious names as Peter Odegard, V. O. Key, S. M. Lipset, David Truman, Gabriel Almond and Dahl. These men have marshaled all the sophistication that the trade will bear to demonstrate that America is an effective democracy where no cohesive social group (and in particular no economic class) wields predominant political power in its own behalf. In a country in which six per cent of the population owns 50 per cent of the wealth, and where an upper class representing two per cent of the population holds majority positions in every significant institution of national power, the pluralists' panglossian views of American democracy are obviously worth their weight in gold.

[ATTRIBUTES CONTRIBUTING TO CAREER SUCCESS]

<i>Attribute</i>	<i>Rank</i>
Volume of publication	1
School at which doctorate was taken	2
Having the right connections	3
Ability to get research support	4
Quality of publication	5
Textbook authorship	6
Luck or chance	7
School of first full-time appointment	8
Self-promotion ("brass")	9
Teaching ability	10

*This chart appeared in American Political Science, A Profile of a Discipline, by Albert Somit & Joseph Tanenhaus (1964, The Atherton Press, New York). It was compiled from the responses of members of the American Political Science Association, when they were queried about the factors they considered important in "getting ahead" in their profession.*

Not so the views of the pluralists' main antagonist, C. Wright Mills, whose exposure of the "power elite" provided a whole generation with a basis for understanding the society around them, while bringing him ostracism and harassment from the academic establishment and a cold shoulder from the patrons of research. (Thus, while Dahl received \$70,000 in grants from the Rockefeller Foundation in the wake of his pluralist study of New Haven, after writing *The Power Elite* Mills was abruptly cut off from foundation financing for his ambitious sociological projects.)

This points up what is perhaps the most far-reaching effect of the foundations' preeminent role in financing academic research, namely, the unbelievable dearth of organized information and systematic investigation of the men and corporate institutions that control the American economy, command the apex of the income pyramid, and dominate the strategic positions of power in the federal government. In the bibliography to *The Power Elite*, Mills lists eight studies of the American upper class which were useful to him. Not one of these was written by an academic.

The dearth has not gone unnoticed by the pluralists themselves. Observing that there is general recognition that business and politics have a more than passing relationship to one another, Robert Dahl in a recent essay draws attention to the fact that "during the past fifty years, only about a dozen articles have appeared on the subject of business in the pages of *The American Political Science Review*." Sociologists have not shown much greater interest, and at the American Sociological Association convention this year, they were justly excoriated by Martin Nicolaus: "Sociology is not now and never has been any kind of objective seeking out of social truth or reality... the eyes of sociologists, with few but honorable... exceptions, have been turned downwards, and their palms upwards."

**H**OW WIDE IS THE CHASM of academic ignorance about the dominant institutions of the American political economy? Let one example stand for many:

Dillon, Read and Company is one of the most

important investment banks in overseas areas, and a major financial underwriter of that number one political commodity, oil. Not surprisingly, therefore, as a recent study by Gabriel Kolko points out, Dillon, Read partners, including James V. Forrestal and Douglas Dillon, have occupied 18 key foreign policy posts in the postwar period, including those of secretary of the Navy and of Defense, chairman of the State Department's Policy Planning Staff, assistant secretary of State for Economic Affairs and secretary of the Treasury.

The interests which Dillon, Read partners promoted in Washington and the ongoing financial interests of the company were fatefully intertwined in the fabric of American foreign policy. For example, Dillon, Read played a major financial role in prewar Germany during the rise of fascism and a major political role in postwar Germany—preventing the deconcentration of German industry and arresting the de-Nazification of the German power structure. Economically, Dillon, Read was deeply involved in the struggle over oil in the Middle East and central Europe in the early postwar period; politically, it was involved through James V. Forrestal—a central foreign policy figure at the time—in shaping the Truman Doctrine and other key Cold War strategies in the same areas.

Nor did Dillon, Read's influence end with the Truman Administration. Douglas Dillon and Paul Nitze played important roles in both the Eisenhower and Kennedy Administrations, in relation to major events in Europe, the Far East and southern Africa, where Dillon, Read is also a primary financial force.

In short, Dillon, Read is one of the most important institutions of power in America, a subject worthy, one would think, of a certain amount of attention from those who claim to be students of the structure and operation of American society and government. Yet as far as the 50,000 American political scientists, sociologists, economists and historians are concerned, Dillon, Read might as well not exist. There are 3,300,000 books in the library of the University of California. There is not *one* (academic or otherwise) on Dillon, Read and Company. The *Social Sciences and Humanities Index* is a cumulative guide to over 200 academic journals. In the last twenty-five years, it has not shown a single reference to Dillon, Read and Company. And Dillon, Read is not exceptional. Morgan Stanley, Brown Brothers, Harriman, First Boston Corporation and Lehman Brothers, investment houses of similar importance, go unmentioned. Then there are the law firms like Sullivan & Cromwell, with partners like the Dulles brothers and Arthur Dean and clients like Standard Oil, United Fruit and the internationally entrenched Schroder Banking Corporation. There is the Chase Manhattan Bank on whose board sits Douglas Dillon together with David Rockefeller and the heads of Standard Oil and AT&T. There is the incomparably important policy organization, the Council on Foreign Relations [see "Foundations," Part I, RAMPARTS, April 1969], which not a single academic has studied. Indeed, if one takes the two or three dozen law firms, banks and other financial and industrial institutions that make up what is euphemistically referred to as the New York establishment but is in fact the nerve center of the American ruling class, one will find that there has not been a single academic attempt to subject those institutions, their interest and power networks to systematic intellectual study.

Moreover, when one looks at the attempts that have recently

been made to fill the gap, it is difficult to decide whether the advance is for better or for worse. Indeed, it is the positive effort to study business on an institutional basis (for only institutionally organized research can muster the resources necessary for such study) that demonstrates the full depths of corruption of the intellectual enterprise in the universities, a direct result of their continuing servile relationship to corporate wealth.

In 1964, a book appeared under the imprint of Wayne State University Press (Detroit) entitled *American Business Abroad: Ford on Six Continents*. In a laudatory preface, Professor Allan Nevins of Columbia University writes: "As the most complete and scholarly account of the foreign activities of a great American industrial corporation yet written, this book claims the careful attention of all economists, historians, and business specialists." One of the coauthors of the book is project director of the History of American Business Operations Overseas project at the Columbia University Graduate School of Business. In their own preface, the authors explain how the book came to be written and how the research, which required substantial funds for travel all over the world, was financed: "Important in the initiation of the project was the role of Henry E. Edmunds, Director of Research and Information for the Ford Motor Company and the head of the Ford Archives. Mr. Edmunds encouraged us to lay the project before the Ford Fund [a "nonprofit" foundation] which subsidizes activity in the public interest [!]. The Fund made a generous grant to Columbia University, and we have worked as salaried employees of the University. We have been accountable only to Columbia University."

Nothing bespeaks the corruption of the university so eloquently as the blank innocence of this preface: the subsidization of the investigation by the subject to be investigated, the initiation of the project itself by the public relations officer of the party involved, and the ingenuous disclaimer that these facts would affect the scholarly objectivity of the report since its authors were accountable only to Columbia University. Columbia University indeed!

Although the business school of every university is of necessity the extreme center of its prostitution to corporate power, we have here the self-exposure of a relationship which is clearly general. Can anyone honestly believe that the foundations, which are based on the great American fortunes and administered by the present-day captains of American industry and finance, will systematically underwrite research which tends to undermine the pillars of the status quo, in particular the illusion that the corporate rich who benefit most from the system do not run it—at whatever cost to society—precisely to ensure their continued blessings? And where will the venture capital to establish the validity of radical ideas come from? Not, certainly, from the universities, whose funds are still controlled by corporate directors, who hold the university in trust and administer it for wealth and power.

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*Part III of this series tells how the billion dollar brains forged an academic revolution and with federal support created the sinews of a global empire.*

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