

TAX-EXEMPT FOUNDATIONS

Their Attack on Education and the American Founding Fathers

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FOUNDATIONS: “The result ... of the network in which [the tax-exempt] foundations have played such a significant role seems to have provided this country with what is tantamount to a national system of education under the tight control of organizations and persons little known to the American public. The principles upon which this country was founded are now in scorn as a result of the changes fostered by the foundations’ control of educationThe foundations are fostering under the guise of public spirited largesse a theory and philosophy totally diverse from that of the Founding Fathers. A joining of the power of law with that of wealth has been used to wean us from our loyalty to the principles of individual libertyWealth controls culture. Since their inception the foundations have used their wealth to change American culture to one of collectivism.”

— Norman Dodd

The Foundation World

Its Impact and Influence on America

by Michael Lloyd Chadwick Editor

Between 1933 and 1953 a change took place in the United States which was so drastic it could be accurately described as a "revolution." It was during these critical years that the nation's worst depression occurred and the American people became involved in a catastrophic world war. Shortly afterwards they found themselves in a no-win "undeclared war" in Korea. As crisis piled upon crisis significant changes took place in the structure of American life. One of the more obvious changes was the rapid shifting of ultimate responsibility for the economic welfare of the people from the private sector to the Executive Branch of the Federal Government.

Rather amazingly, this revolutionary transfer of power was achieved without violence and in a propaganda climate which led the majority of the American people to give it their full consent.

By the early 1950's, however, there were many people both in and out of government who felt that something was seriously wrong. It was charged that the resources of America's vast educational system had been misappropriated to teach concepts which were destructive to the entire fabric of the American constitutional system. It was also felt the schools were being utilized to promote the acceptance of economic ideas which are

diametrically opposed to the open society of the American free enterprise system.

The question automatically arose, "Who is responsible for all of this?" A preliminary inquiry indicated that the main thrust was coming from several private foundations which had spent hundreds of millions of dollars in tax-exempt funds to promote textbooks and teachings which were "socialistic" in domestic affairs and "one world" in foreign affairs. The three principal offenders were said to be the Carnegie Endowment for International Peace, the Rockefeller Foundation and the Ford Foundation.

So much public indignation had been generated by 1952, that the 82nd Congress passed House Resolution 561 to set up a special "Select Committee to Investigate Foundations and Comparable Organizations." Many considered this to be one of the most important investigations in the nation's history. The Committee was instructed to determine whether or not any of the foundations had been "using their resources for un American and subversive activities or for purposes not in the interest of the tradition of the United States." (House Report No. 2514, January 1, 1953, p. 2)

The Cox Committee

This Committee was named after its chairman and became known as the “Cox Committee,” but unfortunately it did not accomplish a great deal. The time factor was rather limited and the unexpected death of the chairman resulted in a very superficial inquiry being conducted. Nevertheless, it did establish that there were signs of strong subversive influence on the decision-making level of several leading foundations. However, the impact of this discovery was virtually nullified in the Committee’s final report by giving considerable weight to the testimony of the foundation officers who had insisted that the subversive elements on their boards were not of any particular significance.

The Minority Views of Congressman B. Carroll Reece

Congressman B. Carroll Reece was a member of the Cox Committee and was not at all satisfied with the final report. He added an appendage which urged that “if a more comprehensive study is desired, the inquiry might be continued by the 83rd Congress (Ibid .. p.14)

Congressman Reece felt that the hasty and superficial inquiry of the Cox Committee left the nation without the answers it needed. He therefore introduced House Resolution 217, which was passed by a vote of 209 to 183 on July 27, 1953. The resolution provided that:

“The Committee is authorized and directed to conduct a full and complete investigation ... to determine which of such foundations and organizations are using their resources for un-American and subversive activities; for political purposes; propaganda, or attempts to influence legislation.” (House Report No. 2681. December 16, 1954, p. 1)

First Attempt to Block the Investigation

The members of the new Committee were: B. Carroll Reece of Tennessee, Chairman; Jessie P. Wolcott of Michigan; Angier L. Goodwin of Massachusetts; Wayne L. Hays of Ohio; and Gracie Pfost of Idaho.

It is important to note that three of these five individuals had voted against the Reece resolution in order to prevent this Committee from coming into existence. This was the first attempt by the powerful influences working behind the foundations to control and block the investigation.

Second Attempt to Block the Investigation

The resolution directed the new Committee to prepare a report by January 3, 1955. On August 1, 1953, the Committee was granted \$50,000 with the agreement that additional funds

would be forthcoming after the first of next year. Committee counsel was obtained on September 1, 1953 and the compilation of a staff began on September 15th. However, it was soon apparent that the promised funds would not be forthcoming. The second attempt to block the investigation of the Reece Committee by the foundation world therefore came in the form of starving the Committee by lack of sufficient funds.

Committee Research Directed by Norman Dodd

Between September 15, 1953 and April 29, 1954 the Reece Committee operated. In essence, under the direction of its Research Director Norman Dodd.

It is interesting to note that the Committee was organized the members wanted to study the data collected by the Cox Committee, especially on the subversive aspects of the foundations. For some mysterious reason the entire file dealing with the subversive activities of the foundations had disappeared.

A Preliminary Report by Norman Dodd

On April 29, 1954, Norman Dodd prepared a preliminary report for presentation to the members of the Reece Committee. This report was exploratory in character and outlined the pattern of inquiry which the research staff would be pursuing.

Third Attempt to Block Investigation

The effect of Dodd's preliminary report was electrifying. Within a matter of hours, steps were taken by powerful forces to block the rest of the Committee's investigation. The Establishment media deluged the nation with stories that the investigation was futile and should be terminated.

The smear job on the Committee was the third major tactic utilized by the foundation world to harass and terminate the committee. It soon became obvious why the Reece Committee was considered such a threat. Congressman Reece later described the situation in these words.

"The evidence that had been gathered by the staff pointed to one simple underlying situation, namely, that the major foundations by subsidizing collectivist-minded educators, had financed a socialist trend in American Government.

"We informed the foundations in advance that our findings suggested that the foundations had for a long time been exercising powerful, although sometimes indirect political influence in both domestic and foreign policy, predominantly toward the left-to say nothing of the support by the foundations of the Institute of Pacific Relations which led the movement to turn

China over to the Communists and which was admittedly Communist dominated.

“The doubts and reservations concerning the validity of the complaints against the large foundations were largely dispelled by the almost hysterical reaction of the foundations to the summary presented to the committee by the committee staff on the opening day of the hearings.

“The excitement bordered on panic; as was observed by the demonstrations through the public relations channels of the large foundations and this convinced me, and others of the American public, judging from the letters received ... that the general picture which had taken shape was not very far from the truth.” (Speech before National Press Club Luncheon. February 23. 1955. p.3)

After Norman Dodd’s Preliminary Report appeared, powerful individuals in America made their move to ensure that the Committee would be permanently terminated. It was obvious that the Reece Committee had already gone too far. This Committee was about to officially document for the first time in history that the United States was the victim of a deliberate conspiracy to dismantle the Constitutional rights of the people. This conspiracy is aiming at no less than the creation of centralized

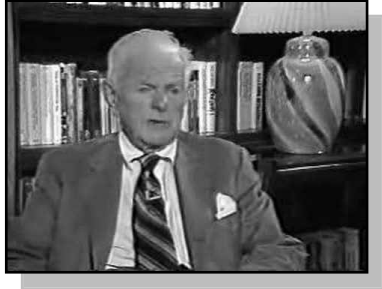
supranational institutional mechanisms from which it will rule the world under collective management.

Committee Hearings Brought to a Standstill

After nineteen days of hearings, powerful political machinery behind the scenes was deployed at the Capitol to stop the Reece Committee completely. The last hearing was held on July 9, 1954.

The hearings were canceled partly because of the ‘abrasive and uncontrollable actions of Congressman Wayne Hays, who later admitted to Norman Dodd that Major Persons from the White House had been up to see him. “He wanted me to cooperate in dusting up this investigation,” Hays stated. (Interview with Norman Dodd, November 12-13. 1977)

Even though the hearings were discontinued, a sufficient quantity of evidence was accumulated by the Committee’s staff to clearly demonstrate that the major foundations had been spending hundreds of millions to divest the United States of her traditional system of values and replace them with socialist goals designed to prepare America for provincial status in a global world government. The remainder of this issue will be devoted to examining the evidence gathered by the Reece Committee. It seems to be entirely apparent that these events of the past were a clearly defined prelude to the present.



Norman Dodd Describes Initial Shock As Reece Committee Analyzed Carnegie Minutes

by Michael Lloyd Chadwick

The following information is taken from an interview with Norman Dodd conducted by Michael Loyd Chadwick on November 12-13, 1977 in Keene, Va.

Norman Dodd was a graduate of Yale University. Early in his life he specialized in banking, becoming an officer of the Bank Trust Co. in New York City in the 1920's. Later he was a private investment counselor and in 1954 accepted an appointment to direct research for the Reece Committee. Mr. Dodd passed away January, 1987.

How Many Foundations Should be Investigated?

Mr. Chadwick: How did you begin your Investigation?

Mr. Dodd: When we got to Washington we wanted to find out how many foundations we were called upon to investigate, but nobody knew. The best guess at that time as to the number of foundations was 7,000. We knew perfectly well that it was impossible in any serious way to investigate 7,000 foundations in the time span we were allotted and with the size of our appropriation.

My assistant and I therefore assumed that since the Congress was interested in knowing what effect the foundations had exerted on the country, we would work primarily with those foundations which had been in existence the longest. It turned out that we then had to investigate 12.

Twelve Foundations Control 80% of America's Endowment Capital

It also turned out that these 12 foundations represented 80 % of the capital endowments possessed by the foundations as a whole. By concentrating our effort we were able to abandon the usual methods of congressional surveys which are to work out a questionnaire, mail it out to 7,000 foundations, and then tabulate the results. Instead, we asked these 12 foundations specific question based on what we already knew about their activities.

The Ford Foundation Receives Directives from the White House

This brings me to two experiences which I will describe to you. The first was my response to an invitation during November