

The German Marshall Fund of the United States

TRANSATLANTIC IDEAS FACTORY

Without question, the German Marshall Fund of the United States (GMF) was Guido Goldman's greatest achievement. Originally founded to investigate and compare social problems on both sides of the Atlantic, its early function was primarily to subsidize European projects undertaken by other institutions, in addition to having a few projects of its own. However, over the last two decades, the GMF has grown into a transatlantic think tank, with a staff of one hundred and fifty-five (in 2001, it had just nineteen). In addition to its headquarters in Washington, DC, the foundation now has offices in seven European capitals, an endowment of one hundred and fifty-seven million dollars (as of December 31, 2019) and an annual budget of \$36.4 million (June 2020 to May 2021).

Every year, five percent of the foundation's endowment is spent on current expenses, accounting for around one-fifth of its annual budget. The other eighty percent of the budget comes from external sources. Most comes in the form of grants from governments and from other nonprofit foundations; those funds are used to finance specific GMF projects which, for example, work to promote democracy in eastern and southeastern Europe. Major GMF programs in this area include the Balkan Trust for Democracy, the Black Sea Trust for Regional Cooperation and the Fund for Belarus Democracy.

Despite the name, the German Marshall Fund is not German. It is an entirely American foundation, with interests across Europe, going beyond specific concerns with Germany. The projects it supports cover a wide range of European issues: it is not a specifically German-focused organization. Nonetheless, every year the GMF provides financial support to three primarily German American institutions: the American Institute for Contemporary German Studies (AICGS) in Washington, DC; the American Council on Germany (ACG) in New York, where Goldman served for many years on the board; and the Congressional Study Group on Germany (CSGG), which brings together members of the

US Congress with members of the German Bundestag. In addition, during the 1980s GMF helped to get the Institute for International Economics off the ground, now the Peterson Institute for International Economics.

The three main pillars of GMF are a think tank, a civil society engagement in Eastern Europe, and leadership programs, the crown jewel of which is the Marshall Memorial Fellowship (MMF), a scholarship program for future leaders in politics, business, and civil society.

Founded in 1982 to make young European leaders more familiar with the United States, every year the MMF prepares around seventy people for leadership roles on both sides of the Atlantic. This training is wide-ranging in its scope. Participants receive up to a year of instruction and mentorship in their respective home countries, followed by an intensive travel program to deepen their knowledge about Europe and the US. GMF also organizes meetings between the participants, helping to expand the Fund's extensive leadership network.

Thanks in particular to MMF fellowship alumni, the organization's expanding leadership network now connects some four thousand people in business, politics, media, academia, and civil society. Some MMF alumni have advanced to the highest levels of political and corporate life. They include, to give just a single example, the American politician Stacey Abrams, an African American Democrat who came very close to being elected governor in the state of Georgia in 2018, and, prior to the 2020 presidential election, was repeatedly spoken of as a possible candidate for US vice president. Abrams now plays a key role within the Democratic party. The extraordinary victory of Joe Biden in Georgia in November 2020, turning the state Democratic in a presidential election for the first time since 1992, is also credited in large part to Abrams, who worked tirelessly to mobilize Black voters to register and to vote.

Of course, given the large number of fellowships awarded, there are less laudable alumni, for example the current Hungarian prime minister Viktor Orbán, once a liberal but now transformed into an arrogant, authoritarian right-wing populist. Overall, however, the fellowship program has been a tremendous success, greatly benefiting the work of the German Marshall Fund.

The value and significance of this kind of network can be seen in an example cited by Kevin Cottrell, who was a good friend of Guido Goldman and who has for many years been responsible for promoting young transatlantic talent at GMF. He explains how, since 2002, both American and European soldiers

who served in Afghanistan have encountered similar problems on returning to civilian life, including unemployment, social exclusion, and inadequate psychological care. A long-standing Marshall Memorial Fellowship project, run by alumni with seed-funding from GMF, researches their needs.

The purpose of the project is a comparative investigation into the differing conditions soldiers encounter upon their return to the United States and Europe, with a focus on establishing what help soldiers need and the best ways to operate and equip a successful veterans agency. What has to be prevented at all costs is anger and frustration among those returning from war, which can lead veterans to sign on as mercenaries, fueling dangerous conflicts around the world, as happened with veterans of the Serbian army. The risk is considerable and is particularly pressing today, for example with veterans of the conflict in Ukraine.

One MMF alumnus, himself a war veteran, approached GMF seeking support for a project focused on care for veterans. At first, he had a particularly difficult challenge in dealing with the post-2014 situation in Ukraine, where a separatist conflict in the country's eastern regions, the Donetsk and Luhansk oblasts, has been fueled by Russian financial and military support. As a result of the ongoing conflict, Ukraine is now home to around four hundred thousand soldiers who have served in a war zone. But the veterans, once they return to their homes, have been left woefully short of care, abandoned to deal with hardships and trauma alone. Ukraine had no veterans agency and there was no special care for those injured in war. Even President Volodymyr Zelensky, often presented as the great new hope for Ukraine, initially did nothing to establish an assistance program for his soldiers.

However, by providing this small grant to MMF alumni, GMF was able to support setting up a group of experts in the Ukraine to address the issue; and a former fellow advised the panel. Previously a staff member at the US Department of Veterans' Affairs, he was extremely concerned about the Ukrainian government's failure to understand or take action on this problem. He alerted his former colleagues in Washington to the problem, who in turn prompted the US ambassador in Kiev to raise the issue of veterans' care with Zelensky. The Ukrainian president finally accepted the seriousness of the problem, and a new government agency and a program for war returnees were established.

PURE COINCIDENCE

Beyond the size and importance of the organization, there are other reasons why the German Marshall Fund is conspicuous among Goldman's achievements. It is an excellent illustration of Goldman's personal characteristics and his virtues as a human being: prodigious negotiating skills, a never-ending wealth of ideas, *chutzpah*, persistence sometimes bordering on stubbornness, a talent for establishing extremely durable relationships, and a gift for winning over influential and wealthy people.

Given its emergence during a particularly significant era of West German and American politics, GMF also has historic significance. The genesis and growth of the organization are a story of great ideas and daring, political friendships and rifts, political ingenuity, schemes and vanities. Time and again GMF benefited from seizing the opportunities of the moment.

In truth, the German Marshall Fund largely owes its existence to fortunate coincidence. In fact, before GMF finally was established, the idea almost failed twice, thanks to less fortunate coincidences.

In the fall of 1970—as recorded in a March 1973 memorandum to GMF's first president, Benjamin Read—Goldman was sitting with Stanley Hoffmann at the offices of the German consul in Boston. West European Studies at Harvard, which Goldman had helped to create, was once again running low on cash. The research center, then under Goldman's leadership, was in dire need of funds, needing a million dollars just to keep the lights on. It was not clear where the money might be found.

Goldman had an idea, which he wanted to present to the consul. What would happen, he asked, if you asked the West German government for a million dollars? Goldman already knew how to make the suggestion more palatable to his German audience. June 1972, then two years away, would mark the twenty-fifth anniversary of the Marshall Plan. The Plan had been announced at Harvard in 1947, and the university was keen to celebrate the anniversary. Marshall and his eponymous plan had been responsible for funneling no less than \$1.4 billion in postwar reconstruction aid to West Germany. The money was first earmarked as a loan but later reclassified as a gift, with no obligation for repayment. Seventy-five years later, \$1.4 billion is the equivalent of almost \$14 billion.

So how would it be, Goldman inquired of the consul, if Bonn reciprocated that generous American gesture with a small financial gift to West European

Studies at Harvard? One million dollars would yield about \$50,000 a year in interest, enough to keep their heads above water, for the time being at least. West Germany, Goldman went on, must have an interest in ensuring that European studies and academic exchange across the Atlantic continued to flourish at Harvard.

At that moment, for the first time since 1949, Germany was governed by a center left government. An alliance of the Social Democrats and the centrist Free Democrats had beaten the conservative parties in the 1969 federal elections. Willy Brandt—who had had to flee to Norway to escape the Nazis in 1933—now sat in the chancellor’s seat.

Brandt had previously served as the mayor of West Berlin. His time running that enclave of the West had taught him well the importance of the United States’ support, and the centrality of Germany’s alliance with the superpower. This reality gave Goldman hope that his suggestion might fall on fertile ground.

The German consul thought the idea a good one, so Goldman then flew to Washington to try to convince the German ambassador. Rolf Pauls—a career diplomat who had previously been Germany’s first ambassador to Israel—was also impressed. He even offered to promote Goldman’s idea on his next reporting visit to Bonn, especially to the new foreign minister Walter Scheel.

In fact, Goldman arrived in Germany even sooner than Pauls, having arranged an appointment with the finance minister. Alex Möller, a Social Democrat, was a friend of Nahum Goldman, and a beneficiary of political favors from him. Möller and Guido Goldman’s father had met some years previously through a mutual friend and got on very well. Möller had once been the youngest member of the Prussian state parliament, and had been an early opponent of Hitler, imprisoned for a short time immediately after the Nazi takeover.

Möller invited Goldman to his villa in Bad-Godesberg. As Goldman remembered it, the meeting took place late in 1970, probably in the month of November. There was friendly chat and a good deal of scotch consumed, but before the alcohol could blur his thinking, Goldman made sure to give a short presentation of his idea, telling the finance minister about the difficulties experienced by West European Studies, the importance of academic exchange, and the generous help which had always come from the United States when Germany was in need.

Goldman mentioned the Dawes and Young plans, which helped keep Germany’s payment obligations manageable in the wake of World War I. He



Guido visiting Alex Möller in Karlsruhe in mid-1970s.

spoke, of course, about the blessings of the Marshall Plan after the horrors of World War II, reminding his host that the Plan had provided crucial money to get the West German state on its feet. It would be wonderful, Goldman suggested, if Germany could now see fit to help out West European Studies, in honor of George Marshall.

Möller knew all about America's contribution to Germany. Despite not speaking a word of English, he had always been a great friend of the United States. In contrast to some party colleagues, he was an early backer of Adenauer's policy of integration with the West, which had cemented the close ties between West Germany and the United States.

Having heard Goldman's pitch, Möller nodded and got down to business. If Harvard needed two or three million deutsche marks, he said, it could probably be obtained easily enough from Munich Re, the reinsurance giant.

The finance minister had previously served as CEO of Karlsruhe Life Insurance and still had good contacts in the industry.

But then Möller said something else. Pausing for breath, he told Goldman that, as a gesture of thanks for the Marshall Plan, he had a much larger amount in mind. “How much?” Goldman asked, intrigued. “About two hundred and fifty million deutsche marks,” Möller replied. Goldman could hardly believe his ears, replying in disbelief: “Minister, I’m afraid your government will never go for that!”

But the finance minister insisted, and pointed out that there was still money remaining from funds once set aside to repay the Marshall Plan. Möller told Goldman to work out a proposal as quickly as possible, which would outline what he called the “intended purpose” of the 250 million marks. A couple more glasses of scotch and the evening came to an end.

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Flying home to the United States, Goldman began to doubt what he had heard. Everyone he had spoken to about Möller’s promise said it was a pure pipe dream. Goldman feared he might not even get the smaller sum, the three million marks West European Studies so badly needed.

Several weeks passed without news from Möller: no letter, no telegram, no phone call. Goldman had almost forgotten the conversation with the minister when Möller’s office announced that he was to visit Washington in January 1971.

When Möller came to the United States to make his visit, he and Goldman met again, this time in the residence of the German ambassador. Their first two conversations covered various issues, but Möller’s big money offer was not raised until Goldman invited the minister to a third meeting, a private dinner at an upscale New York restaurant. Here, Möller suddenly asked: “Well, Mr. Goldman, have you worked out a plan?” He said Brandt had already been told about the proposed gift and had not raised objections.

Goldman had not expected this. In fact, right then there *was* no plan, but there was no way he was about to tell Möller that, and Goldman made sure he did not even suspect it. From his father, Goldman had learned that, at the key moment, some slick bluffing can be essential. Without blinking an eye, he told Möller that he had of course given the matter considerable thought. A large amount of money from Germany should not be wasted, he said. There was also no point in spreading it too thinly: it would be a waste to spend it on

founding a dozen professorships at various American universities. What he had in mind, he told the minister, was to establish an American foundation, a kind of bank to which European and American universities and institutions could turn for financial support for transatlantic projects.

When Möller asked what he had in mind more specifically, Goldman told him the proposed organization would promote European issues, academic research, and comparative work on European American questions. Even if the money was German, he emphasized, it should not be channeled toward narrow German concerns.

Then Goldman did the calculations out loud: 250 million marks would be the equivalent of about 65 million dollars. At five percent, that would work out at about \$3 million a year. "With that kind of money," said Goldman, "a foundation could do an enormous amount."

Möller was impressed. "Write all that down," he said, "I'll pass the suggestion on to Brandt, and in spring you can come to Bonn and we'll both go to the chancellor and get some business done."

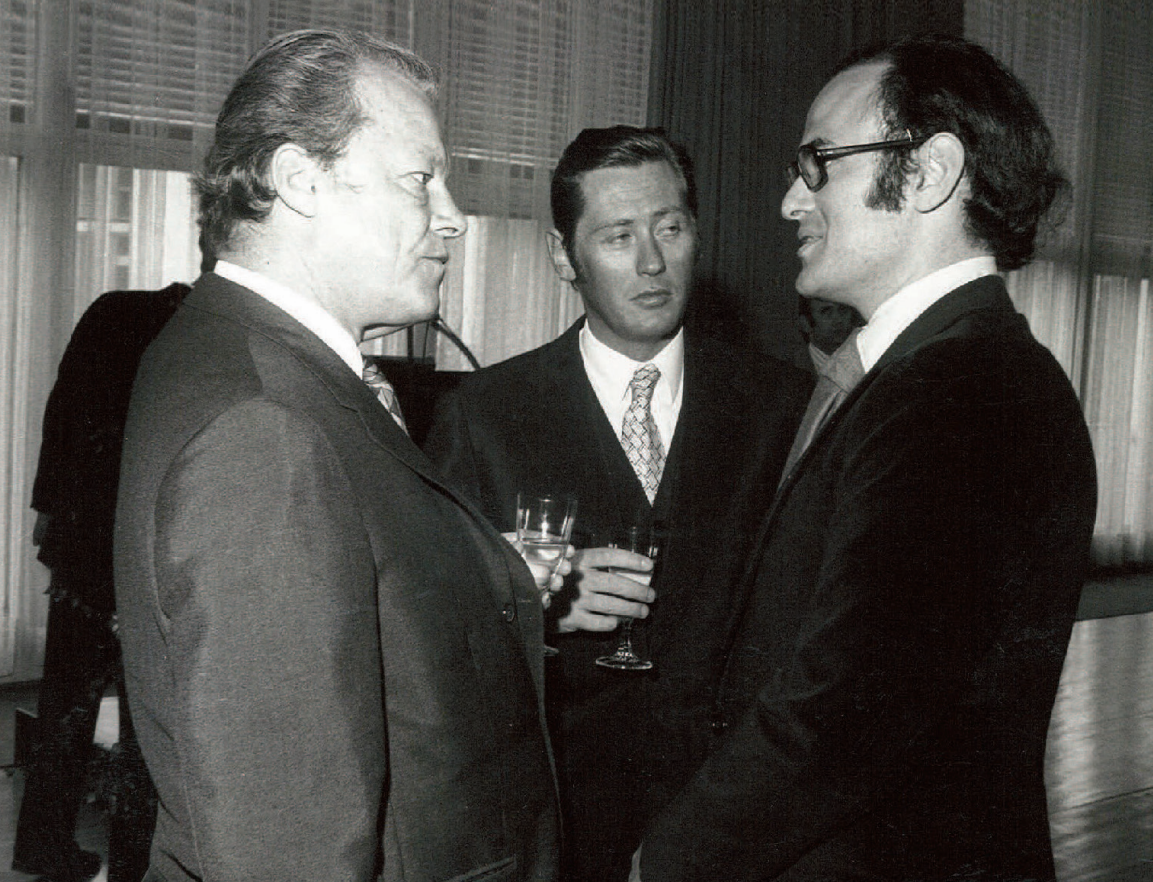
OFF TO THE BLACK FOREST

Four months later, the minister's suggestion had become reality. A meeting with Brandt in Bonn was scheduled for May 13, 1971, a Thursday. The previous weekend, Goldman had flown from New York to London to visit friends, planning to fly on to Cologne that Wednesday and drive the short distance to Bonn in a rental car.

But shortly before he was leaving, he received a phone call in London from Alex Möller's secretary. Completely distraught, she told him that the finance minister had just resigned, angry over his cabinet colleagues' wishes to increase public spending. Brandt had accepted Möller's resignation. Goldman's meeting with the chancellor was off.

Goldman was taken aback, seeing his carefully laid plans crumbling to nothing. Without Möller, the linchpin of the entire plan, there would be no 250 million marks and no foundation. But Goldman had learned another lesson from his father: never lose your nerve in negotiations, never give up when things get difficult, and remember that things can turn in the blink of an eye.

With great presence of mind, Goldman asked Möller's secretary where the former finance minister was, and if he might pay him a visit. "Of course, Mr.



Guido Goldman with Chancellor Willy Brandt and Austrian Finance Minister Hannes Androsch in 1971 in Bonn.

Goldman, a visit from you would be particularly welcome,” she said. Möller was in the Black Forest, she told him, staying at the guesthouse of Karlsruhe Life Insurance.

So instead of Cologne, Goldman flew to Zurich, where he was picked up by Möller’s driver and taken to the Black Forest, where he checked into a hotel near the guesthouse. The two men met for lunch and dinner, and went walking among the fir trees.

Möller was bitterly, deeply aggrieved, full of anger toward his cabinet colleagues, who had, without hesitation, thrown out his demands for stricter spending policy. Worse, Brandt himself had done nothing, he had simply hung him out to dry, he said. Then the chancellor had added insult to injury by appointing Möller’s arch-rival Karl Schiller to his job at the finance ministry, even combining that position with economic affairs to create a new super-ministry. At times, Möller’s rage got the better of him, and he shouted: “How can Brandt do this to me? I’ve known him so long!”

Möller repeatedly emphasized how painful it was for him not to be able to continue with the 250 million deutsche mark Marshall anniversary plan. It had been a really marvelous idea, he said, a cause very close to his own heart. “Unfortunately, I can’t help you with it now,” he told Goldman, and wished him luck.

But Goldman was not about to give up. There was simply too much at stake, and he still had a number of cards to play. Nearly five decades later, he recounted how he went to a pay phone at the train station—this was, of course, all in the pre-cell phone era—and called Horst Ehmke, Brandt’s chief of staff at the Chancellery. Goldman was well acquainted with Ehmke, a former law professor, who had been born in Danzig (now Gdansk in Poland). Goldman had made a note of his private number when he had met Ehmke on a previous occasion. You never know when these things can be useful.

It was a Sunday, and Ehmke was at home. “Listen, I’ve just spent a few days with Alex Möller down in the Black Forest,” Goldman told him. “Really?” asked Ehmke in astonishment and immediately invited Goldman to have dinner with him. “I’d love to,” replied Goldman, and explained that he was in any case headed back to Bonn.

When the two men met, Ehmke was visibly upset, shaken—as was the entire government—by Möller’s sudden resignation. Ehmke held Möller in great esteem, he told Goldman. But, he added, although the former finance minister was an excellent technical politician, he was too quick to lose his temper. He was no one’s idea of team player, always going at things like a bull at a gate, but nobody had imagined he would resign like that. Now Ehmke’s SPD colleagues were worried that Möller could resign from the party too, out of sheer pique. “At this of all times,” said Ehmke, “as if the government doesn’t have enough trouble on its hands.”

By the spring of 1971, the social-liberal coalition was not in great shape. Three parliamentarians from the liberal Free Democratic Party (FDP) had broken ranks and crossed over to the Christian Democrats, in protest against Brandt’s *Ostpolitik*. The SPD-FDP government was hanging by a thread, its majority alarmingly reduced. Möller was an unusual Social Democrat because of his experience in the private sector, which had earned him the nickname “Comrade CEO.” But he had been a pillar of Brandt’s government, and was popular both with voters and with the FDP, the Social Democrats’ coalition partners.

Ehmke asked Goldman for his advice about the tricky situation. Should Brandt invite his former finance minister to reconciliation talks in Bonn? Would Möller even come if the chancellor asked? “No, probably not,” answered Goldman. “So what should we do then?” Ehmke asked him.

At that moment, Goldman had an idea which took a lot of chutzpah. Brandt should go to Möller, he suggested: he should just get in a helicopter and fly over there. “But he can’t arrive with nothing to put on the table, he needs to have some kind of attractive offer in the bag,” Goldman insisted.

“What kind of offer?” Ehmke asked. “Appoint Möller as the government’s official representative for the Marshall Plan anniversary celebrations,” said Goldman. “I beg your pardon?” asked Ehmke, in disbelief, “Just repeat that, please.” Goldman restated the idea: “Offer Möller an honorary position,” said Goldman, “and give him a decent budget. I’m sure he’ll go for it. “

Ehmke seemed completely baffled, with no idea what Goldman was talking about. So the American visitor filled him in, telling him all about the dwindling interest in Europe in the United States, and how Möller planned to counteract this with a gift of 250 million marks. “Möller is completely attached to this idea,” Goldman told the German. As he told the story later, by the end of the conversation, Ehmke also seemed to be sold on the plan. However, there was no immediate move from the German government. Nothing happened.

Back at Harvard, Guido Goldman sat down to ponder how the request for German funds could benefit West European Studies, as well as getting a possible new foundation off the ground. He talked to Stanley Hoffmann and flew to Washington to ask the advice of Ambassador Pauls and a couple of other close confidants.

After the Möller resignation, Goldman did not know where to turn with his specific suggestions for outlining the “intended purpose” of the German money. He decided to address his proposal to the former minister of finance nonetheless. “It was my feeling,” Goldman wrote in his 1973 memorandum, “that I should continue to present my proposals to Möller, despite the fact that he was now out of office.” After all, the 250 million marks had been Möller’s idea in the first place.

On May 27, 1971, less than two weeks after the Black Forest meeting, Goldman wrote a letter to “the Honorable Alex Möller, former Federal Minister.” It began “Dear Dr. Möller,” then outlined the proposal for the first funding request, for West European Studies at Harvard.

Harvard has always had strong connections with Europe, writes Goldman in the proposal, attracting many great European minds, especially during and since the grim years of the 1930s. Prominent thinkers of European origin had taught there, including the Austrian economist Joseph Schumpeter, the Russian sociologist Pitirim Sorokin, Paul Tillich, the German theologian and philosopher, and Wassily Leontief and Alexander Gerschenkron, both Russian-born economists. The postwar period saw the arrival of Henry Kissinger to teach political science.

George Marshall, Goldman wrote, had deliberately chosen Harvard in 1947 to announce America's reconstruction program for Europe. As an institution of learning, West European Studies was particularly dedicated to transatlantic relations: there was no comparable institution in the American university system. However, he warned, the survival of the research center was now threatened, because American foundations, including the Ford Foundation, were withdrawing their funding from regional studies.

Two days later, on May 29, 1971, Goldman wrote a second letter to Möller, this time to explain the importance of a new foundation. This letter, too, testified to the deep-seated fear held by figures like Goldman, who had a profoundly transatlantic sensibility, that Europe might fall out of America's field of vision, resulting in long-term marginalization.

Many of Goldman's admonitory sentences still ring true today, having lost none of their force fifty years later. They carry over seamlessly to the Trump era, a time of ubiquitous rampant nationalism, and the growing isolationism in many countries in the face of globalization.

"My dear Dr. Möller," writes Goldman, "the generation of prominent American figures who led the drive for European reconstruction is being succeeded by a politically active generation with different concerns." The United States, he said, was increasingly turning its back on the outside world, concerned only with its own problems. To the extent there was interest in other parts of the world, that interest was directed toward the Pacific region.

According to Goldman, common problems should prompt the West to join forces: "Societies on both sides of the Atlantic are confronted by major problems that derive from intense and rapid advanced industrialization."

This is a "fundamental challenge to governments," writes Goldman, best confronted together, through shared and mutual learning. Unfortunately, many Americans still know shockingly little about Europe. "What is needed is a new

initiative,” demands Goldman, “to make the course of European development more comprehensible in the United States . . . the establishment of an American council for Europe,” which would award scholarships, fund research projects, and organize conferences.

The five-page letter also outlined a specific funding proposal for the kind of foundation he had in mind. At least 50 million dollars would be needed, he writes, somewhere between 200 and 250 million marks, paid out in tranches of two million dollars over two and a half decades. He also immediately proposed a name. The foundation, he said, should be named “Marshall Memorial Fund,” in honor of George Marshall.

Some days later, on June 6, 1971, Goldman made another trip to visit Möller in the Black Forest. Möller urged him to include Horst Ehmke in his plans: since he was no longer in the cabinet himself, his own influence was now limited. Möller said, he could still get the two or three million marks for West European Studies from the insurance industry, but the 250 million deutsche marks in government money were now no longer his to apportion.

Goldman returned once more to Bonn to put his suggestions to Brandt’s chief of staff. Again he urged Ehmke to appoint Möller as the official government representative in all further negotiations. Ehmke agreed, and the following day he presented Goldman’s plans to Brandt, who gave his approval.

But for things to be put into practice, Goldman would also have to convince the US government. After all, the planned Marshall Memorial Fund was to be an American institution, based in Washington.

This next step would not be easy. Nixon and Kissinger did not particularly like Brandt, whose social democratic politics were too far left for their comfort. Even if the administration had by and large come to accept the chancellor’s new *Ostpolitik* on eastern Europe, reservations remained. The White House feared that the new German policy, which ultimately aimed at détente between western and eastern Europe, might interfere with their own strategic planning toward the Soviet Union.

Brandt flew to Washington in mid-June, where he met with Nixon in the White House. Clearly the chancellor was able to persuade his American counterpart that a German-financed US foundation set up to boost transatlantic relations was a good idea. After speaking with the president on June 15, 1971, Brandt noted: “I spoke to N. [Nixon] about proposals to create a Marshall Memorial Fund to mark the twenty-fifth anniversary of the Marshall

Plan’s announcement, linking this to a new American Council for Europe and financial support for European Studies. N. thought this a welcome idea.”

Back in Bonn, Brandt finally met Möller, asking him, as Goldman suggested, to organize a large donation for the twenty-fifth anniversary of the Marshall Plan, all on behalf of the German government. Möller agreed, but on one condition: he wanted to negotiate only with Guido Goldman. Brandt agreed.

On July 21, 1971, the chancellor presented the foundation plan to the cabinet, where it was unanimously approved. However, Möller’s original proposed sum—250 million deutsche marks—had by now shrunk to 150 million.

The reason for the 100 million cut in funding remains a mystery. Goldman and Karl Kaiser, who as a Social Democrat was well connected to the Brandt government, could only guess. The SPD-FDP coalition, says Kaiser, was very weak that summer, and the Social Democrats probably found it politically easier to get this much smaller sum past their coalition partner, the FDP. But above all, says Kaiser, Möller and Karl Schiller, his successor at the ministry of finance, were sworn enemies. Schiller undoubtedly wanted to get one over on his old rival.

Nonetheless, Goldman was very pleased with the overall result. 150 million marks, payable over fifteen years in installments of ten million, was still an enormous amount, fifty times more than the three million he sought when setting out for Bonn in November 1970.

“THAT DOESN’T WORK AT ALL!”

However, difficulties in implementing the plan were only beginning. The various hurdles that had to be overcome were also a reflection of German American history, fed as it was, and is, by lingering suspicion on both sides.

Goldman wanted a purely American foundation, which would deal primarily with European projects. But others in Bonn had different ideas, especially in the corridors of the foreign ministry. There, it was felt that a foundation paid for with German money should primarily address German American studies. During Goldman’s conversations with the ministry, an undersecretary made a further demand: that at least two Germans should have a seat—and a vote—on the foundation’s board.

This is exactly what Goldman did not want. He vehemently disagreed, pointing out that a conditional gift is no gift at all. Goldman feared that

German politicians with a say over funding would always be tempted to push for their own interests. He could already imagine the foundation crushed under the wheels of German party rivalries, with politicians of all stripes coming to the president of the Marshall Fund and demanding this favor or that: money for some favorite political issue, a courtesy scholarship for party colleagues or family members, etc.

The mood was tense, with Goldman and the undersecretary each speaking their mind in a frank exchange of views. But Möller put his foot down: “That is out of the question!” he said, coming out in clear support of Goldman, agreeing that the foundation should be a purely American institution. Germans should have no place in its decision-making context. Brandt was of the same opinion.

Möller had anticipated objections at the foreign ministry and had secured Brandt’s support in advance. Möller, Goldman said, was like Adenauer in this respect: a strong-willed hard-ass, merciless if he felt he was being messed around with.

Sometime in late 1971 or early 1972—Goldman did not remember exactly when—he went through this experience for himself. At a meeting of the foundation’s planning team, the issue of the final name arose. Goldman and the other Americans already knew what they wanted: “The Marshall Fund: A Memorial from Germany.”

Möller threw a fit. “No, that doesn’t work at all,” he grumbled out aloud. If Germany was donating the money, Germany should be the first thing in the name, “Otherwise you can forget the whole thing!” Goldman realizes Möller is absolutely right and gives in: “Let’s just call it the ‘German Marshall Fund of the United States.’” The name, at least, had been decided on.

IMPERIAL RELATIVES, CIVIL RIGHTS ICONS

Finding suitable members for the board was another complicated process. Goldman wanted at all costs to avoid GMF becoming a cozy Harvard club. He had no mind to face accusations of stacking the board with his own political friends. Although Goldman was registered as an independent, his sympathies were largely with the Democrats. However, he was also well aware that the board of directors must be non-partisan, in other words it must also contain Republicans.



Alex Möller, Guido Goldman, Joe Slater, and Shepard Stone (both of the Aspen Institute) at the founding of the German Marshall Fund (GMF) (June 5, 1972).

Keen to avoid upsetting the Nixon government or the German conservative parties, Goldman wanted as much political balance as possible. He believed that, for its own sake, a foundation like GMF must be able to work with all democratic parties.

In the winter of 1971, Goldman identified the first person he wanted for the provisional board of the foundation, initially known as the “planning group,” Robert F. Ellsworth, whom he already knew slightly

Ellsworth, who died in 2011, was a highly influential Republican in Washington, who until the summer of 1971 had served as US ambassador to NATO, after previously representing Kansas in the House of Representatives.

Ellsworth had excellent contacts within both the Republican leadership and the Nixon administration. Moreover, he was a dyed-in-the-wool transatlanticist, a species as good as extinct within the Republican Party fifty years later.

Goldman then asked the Democrat Thomas L. Hughes to join the new board. He did not know Hughes personally but Hughes had been recommended warmly by friends. Hughes was president of the Carnegie Endowment for International Peace, an influential think tank and America's oldest international foundation, which had recently moved from New York to Washington.

In the 1960s, when Goldman had been establishing West European Studies at Harvard, Hughes was already undersecretary at the State department under the Democratic presidents Kennedy and Johnson. Hughes flew with Kennedy on his state visit to West Berlin in June 1963 and was standing very close to him for his famous Ich-bin-ein-Berliner speech in front of Schöneberg Town Hall, which was greeted with loud cheers from tens of thousands of Berliners.

When I spoke to him, Tom Hughes, now ninety-five years old, remembered the astonishment both he and his State Department colleagues felt at Kennedy's sharp tone toward the Soviet Union, which sounded almost militantly hostile to the other superpower.

A few weeks earlier, the president had taken a quite different tone. Speaking at American University in Washington, he passionately pleaded for rapprochement, suggesting that all parties had an interest in preserving the nuclear peace, and calling for talks with the Kremlin to bring this about. Some might castigate this as naïve, or as appeasement, Kennedy told students, but they were utterly wrong. The response from the Moscow newspaper *Izvestia* was enthusiastic: it reported the president's remarks extensively.

"Some of us in Berlin shook our heads back then, at Kennedy's rapid change of mind," Hughes told me in March 2020 at his home in Washington. "But anyone who knew Kennedy as a politician knew how skillfully he adapted his speeches to his audiences. And he did it smoothly and intelligently, he wasn't an idiot like Trump sixty years later," laughed Hughes.

When Hughes joined the German Marshall Fund in the fall of 1971, it was only eight years since Kennedy had been assassinated, and only three years since the murders of both Kennedy's brother Robert, a former attorney general and at the time of his death a Democratic presidential candidate, and Martin Luther King, Jr., the African American pastor and civil rights leader.

It was only seven years since Congress had confirmed African Americans' full and fundamental civil rights, in July 1964. However, the results of centuries of discrimination were still palpable everywhere. In many cities, school buses were set on fire by white parents who did not want their children “bused” to other schools to undermine racial segregation. At the time, no one suspected that half a century later, in summer 2020, the ongoing inequality, humiliation, and stigmatization of Black Americans would once again cause riots in many cities.

1971 was also a year when the Americans and Russians continued their arms build-ups, as well as engaged in a savage proxy war in Vietnam. In both America and Europe, millions of people took to the streets against the war and the latest wild acceleration of the arms race.

Free trade, a key principle of the postwar liberal order, also seemed under threat. Democratic congressman Wilbur Mills shocked the transatlantic community with a draft law offering extensive import protection for American industry. Mills chaired the powerful Ways and Means Committee, which is responsible for handing out federal money, and whose chair is often considered the “secret president” of the United States.

In a style reminiscent of Trump and his America First policies, Mills said in an interview with the German news magazine *Der Spiegel* in 1972: “I want to protect our American industry when imports damage it, when they plunge it into existential crisis, even exterminate it.” The German Marshall Fund of the United States was born into hard, troubled, uncertain times.

The advantages of having Tom Hughes on the board were not limited to his political experience, wide-ranging contacts, and profound foreign policy knowledge. He also had a very unusual relationship with Germany.

Hughes's great-great-grandfather had been distantly related to the Hohenzollerns, the Prussian ruling dynasty. In the nineteenth century, he had emigrated to the United States, bringing with him several sea chests filled with old maps, engravings, paintings, writings, porcelain and coins, and he passed on this treasure to his descendants. One hundred years ago, Hughes's father hid the chest in an attic, until the hoard was discovered, much later, by his son. Tom Hughes had always wondered why his father had kept that particular room locked.

The answer was obvious. Hughes's father, a Democrat like his son, had run for political office in Minnesota in the 1930s. Although his family was German

American only to a very small degree, he did not in any way wish this fact to become public knowledge. By then, the Nazis had seized power, and the SS and SA were marching through German cities, fomenting attacks on Jews and boycotts of their businesses. German origins, no matter how distant, did not go down well with many American voters.

Tom Hughes eventually took charge of the sea-chest legacy of his great-great-grandfather, most of which he has since bequeathed to Yale, his alma mater. To the German Marshall Fund he gave six historical maps, now hanging in the large conference room of its Washington headquarters. Only a handful of paintings and engravings now remain on the walls of his home in Washington.

In a way similar to Guido Goldman, Tom Hughes embodies a slice of German American history, history with consequences extending far into the present. Goldman's family fled the Nazis in 1940. In 1938, shortly before the war, because of the family link to the Hohenzollerns, Tom Hughes contacted Wilhelm II, the dethroned German Emperor, still living in exile in the Netherlands, after his hopes of returning to the throne with the help of the Nazis had been disappointed.

Every year, Hughes sent birthday greetings to the ex-emperor, his very distant relative. Every time, Hughes was thanked with an autographed photo. After Wilhelm II's death in June 1941, Hughes corresponded with his widow. Hermine, the dethroned queen of Prussia, left Holland to return to Germany in the middle of the war, moving to Saabor Castle in Lower Silesia.

In 1971, Goldman, Ellsworth, and Hughes became the first directors of the future foundation. Soon they would be joined by others figures, including the renowned physicist Harvey Brooks, and Howard Swearer, president of Carleton College in Northfield, Minnesota. Swearer enjoyed excellent connections to the wealthy Ford Foundation, which had been an initial sponsor of West European Studies at Harvard.

Other board members included the well-known Yale economist Richard Cooper, Carl Kaysen, an economist and expert on international security, and Max Frankel, a *New York Times* journalist, the son of a German Jewish family who had fled from the Nazis. Years later, they were joined by Fritz Stern, the German American historian who had left Breslau in Silesia to go to America with his parents shortly before Kristallnacht in the fall of 1938.

Goldman was also desperately looking for a woman to serve on the board. The German Marshall Fund was, after all, a gift from Germany to the

American people, and he felt strongly that the board should at least partly reflect American society, rather than be yet another association of white men.

Tom Hughes put him in touch with Elizabeth Midgley, whom he respected greatly from their years working together at the State Department. Midgley knew Germany well and spoke excellent German. Alex Möller was particularly enthusiastic about her appointment, Midgley recounted. The former finance minister often felt alienated when English was being spoken by everyone in the room, leaving him unable to understand a word.

Three years after World War II, Elizabeth Midgley moved for a year to Germany with her parents and brother. Her father, a well-known sociologist, was the liaison officer for several German universities in the American zone of occupation.

Midgley and her brother decided to speak only German that year. The family lived in a French barracks in the city of Mainz, which at the time was in the French occupation zone. “We had plenty of heating in the winter,” says Midgley, “we were nice and warm, unlike most Germans that year.”

Elizabeth Midgley is now well over ninety and lives in an upscale retirement home in Washington. When I visited her, my cup of tea, served in Meissen porcelain, could hardly fit on any surface in the crammed apartment, which was completely full of books, pictures, and souvenirs of all sorts. Germany holds a special place in Midgley’s memories.

Her parents had learned German at university; her father had a particular weakness for German sociologists. A photo of him stands on Midgley’s bookshelf. He was tall like his daughter, a handsome man wearing the uniform of the OSS, which functioned as the secret service of the US Department of War between 1942 and 1945. At the OSS, Midgley’s father worked for the department of research and analysis, and discovered early on the extent and nature of Nazi crimes.

After the war, says Midgley, many Germans had no idea about these terrible crimes, or simply ignored them. They only gradually came to understand what the Holocaust was. “In Mainz, as a young woman with progressive politics,” says Midgley, “I was more than ready to tell them clearly, to confront them with the brutal truth.”

When she returned to the United States, Midgley eventually graduated from Harvard and was immediately hired by the State Department in Washington. The Bureau of Intelligence and Research, a sort of intelligence service with

the State Department, urgently needed Americans with a good knowledge of Germany. Midgley met many German emigrants there, some of whom, like her father, had worked for the OSS during the war.

Even today, Midgley speaks with great enthusiasm about that time, the enormous trove of experience it left her with, the life stories told to her, and the conversations with, as she says, “great minds from Germany and Europe.” The Berlin-born philosopher and sociologist Herbert Marcuse hired Midgley, and she was a colleague of the political scientist Franz Neumann, from what is now Katowice in Poland, and of the constitutional scholar Otto Kirchheimer, born in Heilbronn in 1905.

This experience alone made Midgley a great asset to the German Marshall Fund. The foundation’s early years, she says, were a very special time. “We were euphoric, filled with an optimistic sense of possibility. We wanted to bolster the new, democratic West Germany.” With mild irony, she says that she was not only brought on for her knowledge of Germany, but also because she was, as the only woman on the board, useful for “particularly sensitive tasks”: to smooth things over after a dispute, for example, or hint to an out-of-favor foundation president that it might be time to look for another job.

A few years later, Goldman found a second woman to join the board. Moreover, Marian Wright Edelman was an African American and an icon of the civil rights movement, something of great importance to him, as he wanted the board to better represent American society as a whole. Wright Edelman met Goldman in the early 1960s through the civil rights activist Bob Moses, and they remained friends ever since.

Wright Edelman, a Yale graduate, had practiced law in Mississippi for several years, beginning in 1965. She had defended African Americans in court, denounced racial hatred and discrimination, and—via the Head-Start program—campaigned for better education for disadvantaged Black children. Among her closest associates in Mississippi was John Mudd, Goldman’s friend from Harvard.

Wright Edelman was an absolutely fearless woman, who did not let a stream of constant death threats deter her from her mission. She worked closely with Martin Luther King, Jr. and Robert Kennedy, both of whom were murdered in 1968, the year she moved from Mississippi to Washington.

Some years later, Wright Edelman founded the Children’s Defense Fund, a foundation to protect children and safeguard their rights, to which Goldman

made substantial donations. In the early 1970s, the foundation gave a young lawyer her first job: Hillary Rodham Clinton, 2016 Democratic presidential candidate and First Lady of the United States from 1993 to 2001.

As a young law student, Clinton was enthused by a speech Wright Edelman gave about her work at Yale Law School, where Clinton was studying. Years later, writing about her time at the Children's Defense Fund, Hillary Clinton wrote, "Until I heard Marian speak, it wasn't clear to me how to channel my faith and commitment to social justice to try to make a real difference in the world. But she put me on the path of service."

Wright Edelman, now almost eighty-one years old, says she could not refuse Goldman's request to become a board member. "I hardly know a more decent person, or one with a greater sense of justice," she says. As she speaks, she occasionally jumps up to pull out photos from some corner or drawer. Her Washington home is as crammed with memories as Elizabeth Midgley's is.

Marian Wright Edelman brought different life experiences to the very white, very male board of directors, in fact a quite different worldview. As a Black woman, Wright Edelman has developed her own unique way of looking at the 1950s, 1960s, and 1970s, at her own country and at Europe.

After growing up in a small, strictly segregated community in South Carolina, the nineteen-year-old Marian Wright set out for Europe alone. She had just graduated from college, having won a much-coveted Merrill Scholarship for her academic performance, allowing her to travel to Europe for fifteen months.

Wright wanted to get out of the United States for a while, to escape a life marked by injustice. If America had been a place of sanctuary for fellow board members like Goldman, Fritz Stern, or Max Frankel, it had been more like a prison for her, says Wright Edelman. By contrast, Europe, from which so many had had to flee just fifteen or twenty years earlier, felt like liberation to her.

Marian Wright took courses at the Sorbonne and the University of Geneva, went to the World's Fair in Brussels, and toured Ireland, England, West and East Germany, and Poland. She was deeply shaken by the concentration camp at Auschwitz, thinking: "No, South Carolina, my home, with all the brutal injustice of racial segregation, this is still not Auschwitz. Absolutely no comparison. But the racism of many white Americans and the Nazi hatred of Jews come from the same dark, perfidious place in the mind."

Wright also traveled to the Soviet Union. In Moscow she hoped to meet the Black civil rights activist W.E.B. Du Bois, whom she greatly admired. Wright

had heard that the sociologist and convinced socialist was to be awarded the Lenin Peace Prize in Moscow. But by the time she arrived, Du Bois had already left for Ghana.

Marian Wright decided to stay on in the USSR for two months. She discovered a love for nineteenth-century Russian literature, especially Tolstoy and Dostoyevsky. She drove to a youth camp in Sochi in southern Russia, where she unexpectedly encountered Nikita Khrushchev, the Soviet head of state, who was receiving the Czechoslovak head of government at his summer residence. Afterwards, she says, so much vodka was served that she, who came from a “family of tea addicts,” who had not had even a glass of wine on her trip, got drunk for the first time.

This was not the last time she would encounter Khrushchev. On July 24, 1959, he and Richard Nixon, then US vice president, visited the American National Exhibition in Moscow as part of a cultural exchange program. Wright, then twenty years of age, was just two or three meters away when the two leaders began to spontaneously discuss the advantages and disadvantages of communism and capitalism, with cameras rolling, against a backdrop of an American kitchen. The legendary argument went down in history as the “kitchen debate.”

Marian Wright Edelman says that her time in Europe made her a citizen of the world, reason enough for her to gratefully accept Goldman’s offer to join the board of the German Marshall Fund. If there were any risk of her worldview narrowing, discussions at the foundation would keep it wide open. “They kept wrenching me out again,” says Wright Edelman, “whenever I was about to sink into the little world of my work for US civil rights and child protection.”

ON A KNIFE-EDGE

After Alex Möller’s unforeseen resignation had almost derailed the entire GMF project in May 1971, it almost fell apart a second time a year later. All had seemed set: Horst Ehmke, Brandt’s chief of staff, had just approved Goldman’s draft statute and a provisional board had been appointed. But in April 1972, the survival of Brandt’s coalition government was suddenly put under threat.

Thanks to the continuing controversy over *Ostpolitik*, the SPD-FDP coalition had lost more members in parliament, leaving their majority wafer thin. The CDU-CSU opposition was planning a vote of no confidence, hoping to attract

other dissatisfied members on the government benches, and ultimately to bring down Brandt's administration. The chairman of the CDU-CSU parliamentary group, Rainer Barzel, born in East Prussia in 1924, was bitterly opposed to *Ostpolitik*, and stood ready to take over as the new chancellor. Barzel was convinced he could secure a majority, for which he would need two hundred and forty-nine votes.

Goldman was deeply concerned, fearing that a change of government would bury all hopes of setting up the foundation. Chancellor Barzel would have little interest in saving Brandt and Möller's pet project.

The parliamentary battle of wills was due to take place on April 27. Goldman flew to Germany. On the eve of the no-confidence vote, he sat with Möller in the Maternus restaurant in Bonn-Bad Godesberg. This inconspicuous, old-fashioned wine tavern had not changed in decades, but that was the charm of the place, and it was loved by prominent Bonn politicians.

The Maternus, named after the owner's family, was inseparably linked to the Bonn Republic itself. History had been written there many times over, including German American history. US presidents Truman, Eisenhower, Kennedy, and Nixon had all been guests at Maternus; Adenauer worked out coalition plans with the FDP at the restaurant's tables. If you wanted to know who was hatching plans with whom in Bonn, you went to Maternus in the evening. Until the government's move to Berlin in 1999, the restaurant was widely considered to be Germany's secret control center. It finally shut its doors at the end of 2012.

The restaurant's reputation was why Möller suggested to Goldman they meet at Maternus for dinner on the night before the vote. Goldman was not disappointed. Almost a dozen SPD politicians were gathered at the bar. There were discussions, arguments, gossip. Some of the parliamentarians, Goldman recalls, were red-faced with excitement.

Meanwhile, the FDP was meeting in a back room. Goldman saw the FDP parliamentarian Knut von Kühlmann-Stumm go in, one of the parliamentarians who had already announced he would vote against the government. The FDP leadership wanted to twist his arm one last time, to make clear to him how much was at stake in his rebellion.

The following morning, Goldman sat upstairs in the visitors' gallery of the German parliament. He was nervous: Möller told him that everything will probably be fine, but the conservative parties also seemed confident of victory.

Downstairs in the parliamentary chamber, Brandt came to the lectern to vehemently defend his policies of the last two and a half years. Then the vote was taken. As the ballots were counted, the atmosphere became extremely tense. The announcement of the result was met with dead silence. Rainer Barzel had received 247 votes, two fewer than he needed for a majority. The vote of no confidence had failed, and Brandt would remain chancellor.

The Social Democrats and their coalition partners burst into jubilant celebration, while the conservatives looked on in horror. For Goldman, it felt like a huge weight had been lifted from his shoulders.

However, even with Brandt's victory, Goldman's plans were not yet done and dusted. The federal government had approved 150 million marks for the foundation, payable in ten-million-mark installments over fifteen years. But what about the three million marks for West European Studies that Goldman so urgently needed, with the survival of this institute at stake?

Although Möller had said that he could raise this sum from friends in the Munich reinsurance business, this suggestion now seemed to be off the table. Instead, Möller proposed that three million of the first ten million marks for the German Marshall Fund should be earmarked for Harvard. He told Goldman that Brandt and Ehmke had agreed to this.

This created a problem for Goldman, quite a serious one. How could he explain to the board that, although the new foundation was promised 150 million marks, it would actually only receive 147 million, because Goldman needed three million for his Harvard project? Goldman asked Ehmke for written confirmation that the 150 million marks for the German Marshall Fund come tied to a stipulation from the German government that three million marks from the first installment would be diverted for West European Studies.

Ehmke acceded to the request, giving Goldman a letter which he took to the GMF board. The board was less than pleased, since the German gift had originally been promised as being without strings attached. But, smiling mischievously, Goldman promised them they would soon receive something in return for the money, worth far more than three million marks.

Goldman had another problem, one which he was planning to solve with a clever move. The trouble was that he was wearing two different hats, as both the director of West European Studies, albeit on a brief leave of absence, and as chief negotiator and intermediary for the future German Marshall Fund. He



Board and honorary trustees of the GMF at Adolphus Busch Hall for the founding of the GMF (June 5, 1972).

wanted at all costs to avoid the impression that he was shuffling money from one organization to the other.

Goldman, never slow to pull a trick in business, now turned to Ehmke a second time. In a letter, he told him that the GMF board had expressed major concerns about the terms of the payment. Their doubts could only be alleviated if the German government agreed to the conditions he listed, and confirmed its compliance in writing. Then Goldman outlined, point by point, how Bonn would never be able to ask the foundation for payment or a financial quid pro quo, in any future circumstances.

Horst Ehmke was annoyed by Goldman's chutzpah. He understood Goldman's predicament and sent the letter as requested, but included an explicit note telling

him never, ever to ask anything like this again. For the GMF, the signed letter from the chancellor's chief of staff is priceless, to be pulled out in the years to come if a German politician were to ever make an inappropriate demand.

BIG NAMES

On June 5, 1972, the moment had finally arrived. At 11 a.m., in the presence of Chancellor Brandt and Alex Möller, the German Marshall Fund of the United States was launched in a ceremony at Harvard's Sanders Theater.

Goldman's guest list was enormous. The director of West European Studies and interim president of the GMF had invited a who's who of the transatlantic community to Harvard. The legendary John McCloy was there, along with Nelson Rockefeller, the Republican governor of New York, scion of the famous Rockefeller family. Alex Möller was particularly happy about this: as Goldman said, he was fond of having "big names" around.

The staff of West European Studies had typed every invitation on handmade paper. Before they were sent, the then institute librarian recalls, each invitation was carefully examined, literally held up to the light for inspection. "And God help you," laughs Leonie Gordon, "if they found a typo corrected with White-Out. You'd have to write out that invitation all over again."

June 5 was a bright, beautiful day at Harvard, as it had been, history records, twenty-five years earlier on June 5, 1947, when George Marshall came to the university to announce America's generous gesture to a Europe in ruins. As a gesture of gratitude for the Marshall Plan, Brandt said in his speech, he was bringing the American people a gift from Germany. "By dint of hard work," he continued, "and with American support, Western Europe is now back on its own feet. With the aid of the United States it has again found its own personality. Thus we in Europe, and especially we in the Federal Republic, are deeply indebted to this country."

But this was a day to look to the future as well as the past, Brandt added, warning that "American-European partnership is indispensable if America does not want to neglect its own interests and if our Europe is to forge itself into a productive system instead of again becoming a volcanic terrain of crisis, anxiety and confusion."

Brandt made a promise: so as to secure "peace through cooperation," Europe and Germany would build a shared home with America. "The German

Marshall Memorial Foundation in the United States” would be a contribution to this task. The new foundation would “promote understanding between the partners on both sides of the Atlantic.” He was confident, he added, that Europe would “grow into an equal partner” with whom the United States could “share the burden of responsibility for world affairs.”

Then the assembled crowd walked the short distance to the Busch-Reisinger Museum, the building to which Goldman’s Center for European Studies would move almost two decades later. In the interior courtyard, a festive toast is proposed to the 147 million marks earmarked for the new foundation and the three million for West European Studies. Afterward, at lunch in the great hall, Goldman presented the chancellor with the small Tiffany silver box containing the recording of Marshall’s speech. As Goldman’s colleague Abby Collins remembers, everyone was in high spirits, outdoing each other with toasts. There was plenty of wine, she says, just enough.

Goldman was pleased that GMF’s founding ceremony went off so successfully. Beforehand, of course, his nerves had been on edge. The planning of the ceremony was a tightrope act, almost entirely the responsibility of three people, Goldman and his colleagues Collins and Gordon. None of the three really knew what needed to be done to welcome a visiting chancellor. As Collins says, the experience was one of “learning by doing.” Ultimately, however, everything ran like clockwork. As an expression of his gratitude, Goldman gave both staff members the gift of a trip to Europe. Abby Collins flew to Athens at Goldman’s expense, while Leonie Gordon chose to go to Paris.

The relationship between GMF and West German politics has never been entirely free of tension, although there has never been an open breach between the two. The Federal Republic of Germany waived any rights to a say over the foundation, but some German politicians have chafed against the rule that the paymaster cannot exert any influence.

The minutes of the board meetings reveal German displeasure at regular intervals. Sometimes a GMF president annoyed the Germans by taking too great an interest in Italy and not enough in Germany. At times, presidents have been regarded as too sympathetic to European social democracy. Some specific GMF programs have also drawn criticism.

In its early years, the new foundation deliberately tried to stay away from major political issues, fearing it would get caught up in party disputes. So the German Marshall Fund turned its attention to apparently more innocuous

everyday problems on both sides of the Atlantic. Its first project addressed garbage disposal.

More than anyone, this was the idea of Don Kendall, a GMF board member. The PepsiCo chief executive had recently been appointed by Richard Nixon, a friend of his, to chair the National Waste Disposal Commission, which had just opened a state-of-the-art waste disposal facility in the state of Alabama. West Berlin, surrounded by the Wall, Kendall told the board, does not know what to do with its rubbish. So the GMF invited several Berlin environmental politicians to Alabama.

Not everyone in Germany liked this particular program. Kurt Birrenbach immediately complained to his “dear friend” Guido Goldman. How can it be, he asked, that a foundation bearing the name of George Marshall would first turn its attention to garbage? Birrenbach, a conservative politician, was extremely well-connected in the transatlantic world: president of the German Council on Foreign Relations (DGAP), formerly a foreign policy advisor to Adenauer, and an early supporter of GMF. As chairman of the Thyssen Foundation, he had also previously been the financier of Harvard’s German Research Program.

However, exactly the opposite complaint also cropped up, that the GMF was interfering too much in major political issues. By 1975, a substantial number of people within GMF felt the American media was mostly gazing around the world, either failing to report on foreign countries or doing so in the wrong way. In an effort to correct this, it was decided to start the “International Writers’ Service,” in which well-known journalists—primarily from Germany, France, Italy, Great Britain, and Japan—were asked to write or make radio reports about economic, social, political, and cultural issues in their respective countries. GMF oversaw the production of these reports, had them translated into English, and distributed them to newspapers and radio stations in the United States.

A memorandum from the foundation dated July 10, 1975 states that a number of media outlets across the country had already signaled their interest, including the *Washington Post*, the *New York Times*, the *Nashville Tennessean*, the *Rocky Mountain News* in Denver, and the *Los Angeles Times*.

The project quickly picked up speed. Initially, the pieces published mainly described everyday European matters, including the pollution of groundwater and harsh university admission requirements. Thus in November 1976, Thomas

von Randow, science reporter for Germany's *Die Zeit*, wrote "Protecting Privacy in West Germany," an article on the invention of the computer and its implications for citizen privacy and data security.

However, the European journalists hired by GMF increasingly addressed foreign and security policy issues including nuclear armament and the latest disagreements between Bonn and Washington.

The expansion of the themes covered was of concern to some board members. In 1979, Tom Hughes sent a brief note to his colleagues: "Thought we were not involved in international affairs & high politics." *New York Times* journalist Max Frankel even felt the International Writers' Service was competition for his newspaper and stormed off the board.

There were also other reasons for board members to voice criticism. Elizabeth Midgley recalls that, at times, some Republicans were upset about the GMF's perceived closeness to the Democrats. Whenever a Democrat arrived in the White House, the GMF would lose a number of employees to the new government. When a new Democratic administration entered office, the foundation's management floor would suddenly empty out.

Benjamin Read, GMF's first president, went to the State Department to serve in the Carter administration. After leaving GMF, Frank Loy, its third president, became Under Secretary of State for Democracy and Global Affairs at the State Department under Bill Clinton. The current GMF president Karen Donfried has worked under both Republican and Democratic presidents. Under George W. Bush, she was a member of the State Department's political planning group for two years, before returning to GMF in 2005. From 2011 on, she held a number of posts in the administration of Barack Obama, a Democrat, ultimately serving as Obama's Europe adviser.

Former board member Elizabeth Midgley says GMF's closer relations with the Democrats are almost inevitable. Unlike many Republicans, Democrats have always tended to back multilateralism and to see government and the state as an institution for the good of society, not merely a necessary evil.

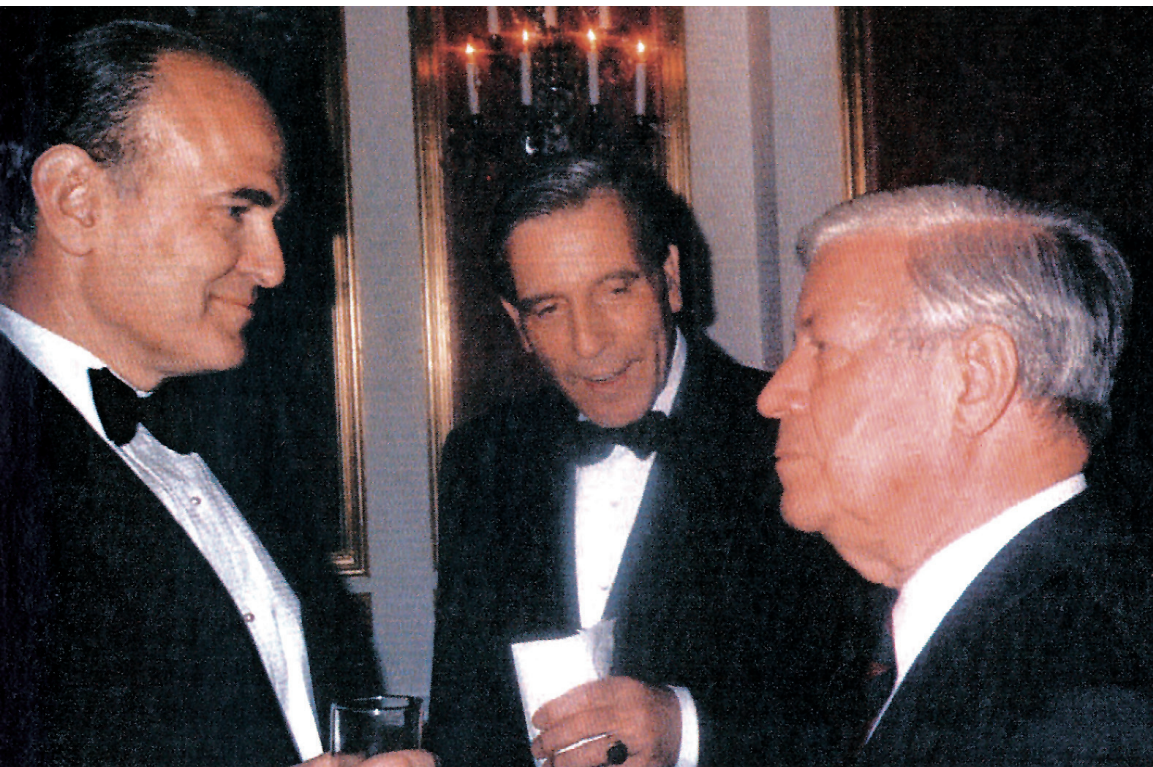
On the whole, however, criticism of the GMF has always quickly faded away, not least thanks to Goldman's network and his good relationships with all parties, on both sides of the Atlantic.

In May 1974, almost two years after the formation of the German Marshall Fund, Brandt unexpectedly resigned as German chancellor. His fall was prompted by revelations that one of his close advisers had been a long-term

spy for East Germany. Goldman was shocked, writing to the former chancellor: “Dear Mr. Chancellor: It was with great sadness that I and my colleagues here at Harvard learned of your resignation. For so many of us in this country you have been a symbol of great leadership in Germany, in Europe, and indeed in world affairs.”

On behalf of Harvard, Goldman invited Brandt to come to the university for a few weeks or months, as a way of refueling after the events of the spy affair. “I know,” he wrote, “that your time commitments remain very heavy but perhaps you would find some pleasure and interest in being with us for some time. Please consider this a warm and enthusiastic standing invitation.”

This letter to Brandt epitomizes many aspects of Goldman’s personality, including his loyalty to those who had helped him and his empathy and care for those who have fallen. Moreover, it demonstrates the power of his network



Chancellor Helmut Schmidt at a dinner given in his honor in New York City in 1980 by Henry Kissinger and Guido Goldman with Ambassador Jürgen Rühfus.

at such moments. Here, his connections with Harvard, West European Studies, and the German Marshall Fund mesh together smoothly, like the cogs of a machine.

Goldman's relations with Brandt's successor, Helmut Schmidt, were at least as good as with Brandt, if not better. Crucially, Schmidt and Goldman's father were friends: they knew and liked each other. When Nahum Goldmann turned eighty-five in 1980, Schmidt traveled to his birthday party in Amsterdam to give a speech.

The second half of the 1970s, however, was a troubled moment in transatlantic relations. The world economy was in crisis, the Soviet Union continued its arms build-up, with the West searching for an adequate response. The Democrat Jimmy Carter had won the 1976 presidential election and taken over in the White House. In the eyes of the arrogance-prone German chancellor, the former Georgia governor was a weak president, not to be taken seriously.



Guido Goldman and Henry Kissinger at dinner for Helmut Schmidt.

Goldman admired Schmidt as a man of action, seeing him as cut from the same real-political cloth as his friend Kissinger. To use the concepts coined by the sociologist Max Weber, Schmidt had an “ethic of responsibility,” more than an “ethic of conviction.” Schmidt and Kissinger were good friends. Goldman wanted to invite him to Harvard to give the commencement speech at the annual graduation ceremony in 1979, and to award the German chancellor an honorary doctorate.

Schmidt’s speech to the graduates came only days before Carter and Leonid Brezhnev met in Vienna for disarmament talks; specifically, they wanted to limit nuclear delivery systems within the framework of the SALT II treaty. In that context, Schmidt wanted to send out a clear message to both. He could hardly get more attention than with a speech on American soil. Although delivered to Harvard students, the actual audience for his commencement speech was made up of the American president and the Soviet head of state.

At Harvard, the chancellor called for the treaty to be signed and ratified quickly, otherwise the arms race could go on forever. As in his sensational speech to the London Institute for Strategic Studies in April 1977, at Harvard Schmidt called on the NATO alliance to better stand up to the Soviet arms build-up. “Our alliance,” says Schmidt, “cannot remain idle in the face of this development.” It was imperative that NATO modernize its own nuclear weapons.

Few at Harvard that day could have guessed the manner of Schmidt’s own ultimate downfall four years later. On October 1, 1982, he was overthrown by a constructive vote of no confidence, with the conservative parties in the German parliament succeeding where they had failed against Brandt.

There were many reasons for the failure of Schmidt’s SPD-FDP coalition. But one of them goes back to Schmidt’s speeches in London and Harvard. The chancellor’s warning was heard loud and clear, with NATO deciding to station nuclear-armed missiles—the famous “cruise missiles”—in western Europe, including Germany.

However, Schmidt’s own Social Democratic party was opposed to the measure, with Brandt, now the leader of the party, also withdrawing his support. With the chancellor weakened, the FDP looked to end its arrangement with the Social Democrats and join the Christian Democrats in a new governing coalition. When the vote of confidence was lost, Schmidt was succeeded by Helmut Kohl.

THE “GRACE OF LATE BIRTH”

Goldman was extremely concerned. Unlike Brandt and Schmidt, Kohl knew almost nothing about America. He barely spoke English, and felt less constrained by Germany’s dark recent history than either of his predecessors.

Willy Brandt, born in 1913, had fled to Norway after Adolf Hitler came to power. Helmut Schmidt, born in 1918, had been a soldier in the Wehrmacht. Both had been direct witnesses to dictatorship, war, and the persecution of the Jews, albeit from quite different perspectives.

For Brandt and Schmidt, the seriousness of German guilt inevitably meant the country bore a special responsibility, and the integration of West Germany into the liberal western postwar order was a matter of the highest national obligation.

At the time of Germany’s unconditional surrender on May 8, 1945, Helmut Kohl was just fifteen years old, as he never tired of reminding audiences when he was chancellor. Many were angered when Kohl proclaimed a policy of “spiritual and moral change.” Kohl, a trained historian, described himself as “representing a new Germany,” referring to the “grace of late birth” which supposedly spared his generation the guilt of National Socialism.

What *did* the chancellor mean by the phrase? Did he really think his generation could shut the book on the terrible chapter of the Third Reich once and for all, shaking off all responsibility for German crimes? At the time, it was unclear what meaning Kohl actually attributed to the word “grace.” Only many years later did he clarify that he had meant nothing more than the coincidence of his date of birth. Ultimately, however, his fear was that the Shoah would be the single determining factor in Germany’s image of its history, permanently preventing the country from taking on an independent foreign policy role. In his book of the same name, the historian Jacob S. Eder referred to this phenomenon as “Holocaust Angst.”

Relations between Kohl and the German Marshall Fund were strained in the early years of his chancellorship. The German head of government showed little interest in the foundation, thinking it too strongly influenced by German Social Democrats and the Democratic party in the United States. Moreover, Frank Loy, the then president of the German Marshall Fund, was a thorn in the side to some in Kohl’s own party. Loy was born in Munich in 1928 and had lived the first few years of his life there, unhappy years for him. Some suggested this was why Loy does not speak well of the country.

Tense relations with the chancellor created new headaches for Goldman. At the end of 1983, he was thinking of the future of the GMF, concerned about possible financial insecurity ahead. Three years later, the German government was due to hand over the final installment of 10 million deutsche marks to the Fund. What would happen after that was anyone's guess. Goldman ideally wanted to ask Bonn for a further injection of funds, another 100 million marks spread over ten years. But how should he go about it?

At the time, Berndt von Staden, German ambassador to the US from 1973 to 1979, who remained on friendly terms with Goldman up to the end of his life, indicated that the prospects for a new cash injection were poor. He told Goldman there would be resistance in the CDU, since it was felt within the party the foundation did not adequately serve Germany's own interests.

In response, Goldman asked his friend Kissinger to have a word with Kohl on his next visit to Germany. The chancellor and the former Secretary of State knew each other, and had considerable mutual respect. However, the chancellor did not want to address the issue, telling Kissinger to speak to Horst Teltschik, one of his close collaborators and confidants. As best as Goldman and Karl Kaiser can recall, Teltschik told Kissinger that the problem lay with GMF's board of trustees. What he meant by this—too many Democrats. This was why Kohl seemed set against providing any further support.

Goldman was grateful for the information Kissinger had obtained: at least he knew where he stood, and where to begin negotiations with the Germans. In early February 1984, he flew to Bonn to meet Volker Rühle, deputy chairman of the CDU-CSU parliamentary group, and its foreign policy spokesman.

Goldman invited him to Petit Poisson, an upscale and outrageously expensive French restaurant in Bonn. Rühle, recalled Goldman, expressed the same reservations as Kohl, but when asked, was unable to say which specific members of the GMF board were a problem. Goldman listed off all the names, quickly getting the impression that Rühle had no idea who they were, let alone which US party they might be affiliated with.

He told Rühle that Marc Leland, one board member, at that time an Assistant Secretary at the Treasury in the Reagan administration, was a Republican, as were General Andrew Goodpaster, a former foreign affairs advisor to the Republican president Dwight Eisenhower, and the lawyer Arlin Adams, a federal appeals judge who was on Reagan's list of candidates for the Supreme Court. Rühle was very surprised, says Goldman.

Later, Goldman dined with Alfred Dregger, chairman of the Christian Democrats in parliament, and the representative of the right-wing “national conservative” wing of the party. Dregger was fond of Goldman and had a more positive opinion of the German Marshall Fund than Kohl.

The most important conversation, however, took place with Kohl’s chief of staff, Wolfgang Schäuble. Goldman told him that if the German government, as a donor, was actually so disappointed with the German Marshall Fund, then the best thing would be for the entire board to resign immediately. Schäuble was appalled by the views his party colleagues held of GMF, and promised to work actively for continued backing from Bonn.

Schäuble’s support was important, but Goldman knew that if he wanted to permanently secure the future of the German Marshall Fund, he would have to change Kohl’s own mind. Ultimately, Goldman would succeed in this, largely thanks to his own social intelligence and the unique power of his network.

Kohl’s older son Walter wanted to study at Harvard, while his younger son Peter had his heart set on MIT (Massachusetts Institute of Technology). In the case of Walter Kohl, Goldman pulled a few strings to enable the chancellor’s son to go to Cambridge for a time in 1985, where he stayed with the family of the Harvard history professor Richard Hunt.

Goldman and Hunt were friends. At the time, Hunt, the child of a wealthy Pittsburgh industrial family, was the honorary president of the American Council on Germany (ACG). This New York-based association for the promotion of German-American relations had been launched in 1952, along with its sister organization Atlantik Brücke (Atlantic Bridge), at the time based in Hamburg. The major contribution toward setting up the new organization had come from Eric Warburg, the German American banker who found refuge from the Nazis in the United States in 1938. Goldman himself had for many years been an active member of the American Council on Germany. Again, Goldman’s connections worked their synergistic magic.

Hunt still remembers Walter Kohl well. In February 2020, six weeks before his death on April 10, the 93-year-old Hunt spoke about their lively conversations around the dinner table and the regular visits from Walter’s mother. Hannelore Kohl, he says, showed up in Cambridge every two or three months to see her son. Frequently, on arrival, she would find a bouquet of flowers from Guido Goldman.

“Dear Mr. Goldmann,” wrote the chancellor’s wife on November 5, 1985, “I would like to thank you very much for your kind welcome to the Hunt house

in Cambridge. I was very happy to see my son Walter again during the Boston days at Harvard. He has obviously settled in well, has very good relations with fellow students and professors and seems to be doing great. His first grades are impressive. So, all in all, we can be very satisfied.”

Kohl’s younger son Peter would soon follow his brother to the Boston area. “During this time, I also went to MIT because of Peter’s acceptance,” writes Hannelore Kohl. “I think things are going well with that too, especially since Peter scored well on his entrance exam.” Hannelore Kohl concludes her letter to Goldman with: “I wish you all the best and also send you warm greetings from my husband.”

Maintaining relationships definitely did not hurt. Eventually Kohl gave in, granting the German Marshall Fund a further hundred million marks. However, the foundation had to give five million of this to the Chicago Council on Foreign Relations, an American think tank whose president John E. Reilly was a particular favorite of the chancellor.

Goldman also knew how to use his improved relations with Kohl to benefit West European Studies. In the fall of 1987, Werner Weidenfeld, a professor of politics, was appointed as the German government coordinator for German-American cooperation. Weidenfeld taught in Mainz, capital of Kohl’s home state of Rhineland-Palatinate, where Kohl had served as *Ministerpräsident* (state premier) for many years.

In the spring of 1988, Goldman met with Weidenfeld and learned that Kohl, saddened by a lack of interest in Germany among many Americans, was determined to encourage German studies at American universities. The chancellor wanted to set up a number of “Centers of Excellence,” Weidenfeld told him, and was prepared to spend a large amount of money, around thirty million dollars. A working group was drawing up an initial list of possible recipients of financial support, he added.

However, the name Harvard was missing from the list. When Kohl found out, says Goldman’s former colleague Abby Collins, he was angry: “My son Walter is studying there, Harvard is one of the world’s best universities.” So Harvard was immediately added to the candidate schools, as were the University of California at Berkeley, Georgetown, Johns Hopkins, Chicago, Princeton, Yale, and a handful of others.

Goldman felt the list was far too long for the available funding. Since he was the only university representative with a direct line to the chancellery in

Bonn, he conducted some tough negotiations with Weidenfeld to pare down the number of possible recipients to three.

The winners were the University of California at Berkeley, Georgetown, the Catholic university in Washington DC, and—surprise, surprise—Goldman’s own Center for European Studies at Harvard. The losers, says Abby Collins, were livid. “Who is this Goldman anyway?” some are reported to have said, “He’s not even a real professor.”

In June 1989, Helmut and Hannelore Kohl came to Harvard for Walter’s graduation. Goldman ordered flowers delivered to the chancellor’s wife to mark her son’s successful completion of his studies. The keynote speaker at the ceremony was Pakistan’s prime minister Benazir Bhutto, who herself studied at Harvard in the early 1970s.

That day, all students wore a mourning ribbon in memory of the victims of the Tian’anmen Square massacre in China. Just a few days previously, in a show of bloody force, the Chinese military had crushed the protests of the student democracy movement at the Tiananmen Gate. 1989 would be a fateful year in many ways, both good and bad.

Shortly after Kohl’s return to Bonn, his cabinet approved the payment of ten million dollars to each of the three chosen Centers of Excellence, with the money to be paid out the following year. At that moment, nobody suspected that the Berlin Wall would fall only a few months later, on November 9, 1989, making German public money scarce as the country faced the enormous costs of reunification. “Once again, we were very, very lucky,” said Goldman.

One year later, on June 7, 1990, Helmut Kohl returned to Harvard. At the behest of Goldman and Richard Hunt, the University was awarding the chancellor an honorary doctorate for his service to Europe and Germany. Kohl would also hold the commencement speech.

However, the recognition for the chancellor did not go unchallenged within the university, and the recognition for Kohl almost failed to materialize. Some members of the selection committee, the so-called Board of Overseers, had little trust in Kohl, now basking in the nickname “the Chancellor of German Unity.” They feared that reunification could rekindle Germany’s love affair with political strongmen. Kohl’s famous phrase about the “grace of late birth” continued to echo down the years, affecting the thinking of many at Harvard.

Others felt that Harvard had already honored too many German politicians. Chancellors Adenauer and Schmidt as well as President Richard

von Weizsäcker had all been given honorary doctorates and been invited to speak to the graduating class. Chancellor Ludwig Erhard and Willy Brandt, while he was still mayor of West Berlin, were similarly honored.

But Goldman and Hunt had an important advocate for the plan to honor Kohl: Stanley Hoffmann. When it came to Germany, Hoffmann was perennially suspicious and skeptical, still marked by his painful experiences in Nazi-occupied France during the war. Joe Joffe, editor of *Die Zeit*, recalls how, when he was working at West European Studies in the early 1970s, he looked through the mountains of paper in Hoffmann's office, searching for a dissertation of a German Harvard graduate. Hoffmann asked in astonishment how he came to know this person. He was German, Joffe replied, to which Hoffmann replied that this would be actually a reason *not* to get to know him.

But, since tens of thousands of East German citizens took to the streets to demonstrate for freedom, Hoffmann seemed to have changed his mind on the country. When the wall was opened on November 9 of that year, Abby Collins recalls how Hoffmann, the great skeptic toward Germany, had tears in his eyes and sat in front of television for hours. Hoffmann was ready to lend his support to Kohl.

However, the truly decisive factor was a man named Franklin D. Raines, who had a seat and a vote on the Board of Overseers, the body which decides on the award of honorary doctorates at Harvard. Raines was African American, a graduate of Harvard Law School, and a successful business manager. But most significantly of all, he also served as chairman of the board of directors of the German Marshall Fund.

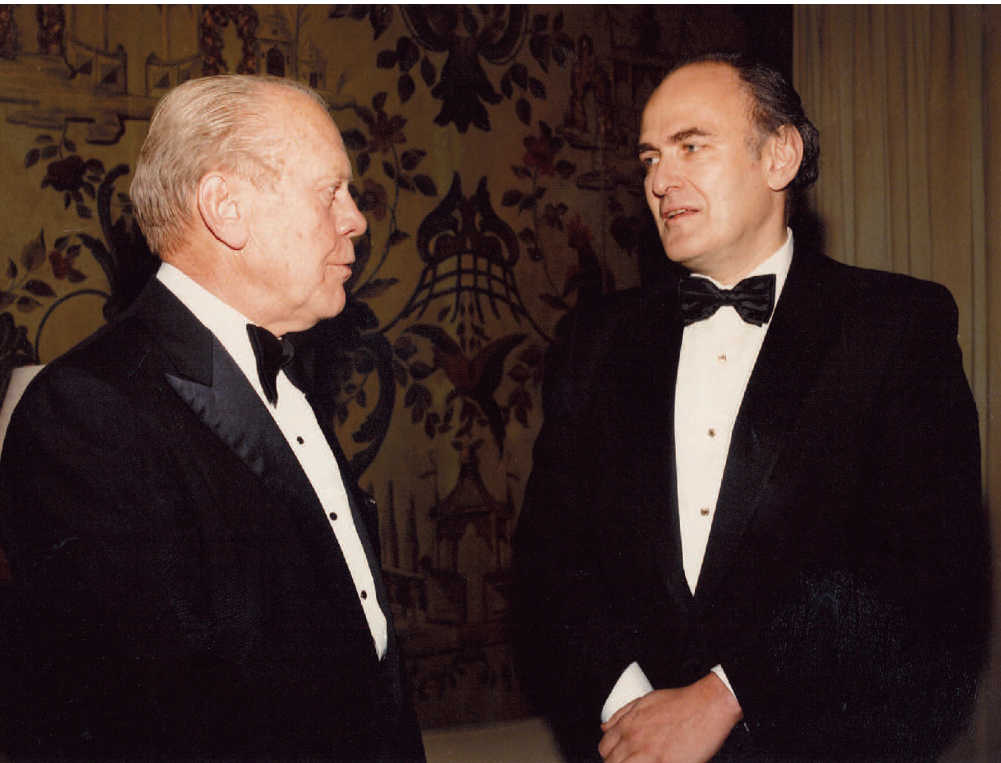
On November 20, 1989, Goldman sent Raines a "personal and confidential" letter in which he enumerated everything that had been done for Harvard and for German-American relations by Germans, listing off the Krupp, Volkswagen, and Daimler-Benz foundations, private entrepreneurs including Werner Otto and Berthold Beitz, through various German governments.

"Dear Frank," Goldman wrote, ". . . the reason that I am writing to you is to urge you as strongly as I can to support [Kohl's] candidacy." Kohl had consistently promoted American interests, he explained, even if they were extremely unpopular in his own country, including the deployment of American medium-range nuclear missiles. Kohl was a "pragmatic and effective" leader. "I am writing to you," said Goldman, "because I know how much you understand these issues and because I assume you may have

a special interest in matters German in view of your membership on our German Marshall Fund board.”

At the beginning of December, the Board of Overseers gave the green light to the honor for Kohl. On December 10, 1989, Goldman thanked his colleague from the German Marshall Fund for his commitment to the issue: “I am sure that your involvement was very instrumental in getting the result,” he writes to Raines, before describing his most recent experiences in Germany.

Goldman had just returned from Bonn and East Berlin. Rather than “We are *the* people!”, the slogan of the early opposition demonstrations in East Germany, demonstrators there were now shouting “We are *one* people!” The path to reunification was clearly mapped out. Goldman was deeply impressed by the peaceful revolution, and by Helmut Kohl. He had just heard the chancellor address the German parliament on the state of the nation and praised his “statesmanlike,” prudent policy at this moment of historical upheaval.



Guido Goldman with former President Gerald Ford at dinner for Helmut Schmidt.



Former Chancellor Helmut Schmidt at Nahum Goldmann's eighty-fifth birthday, celebrated in Amsterdam in 1980, at which he was the guest speaker.

“When next we meet, I’ll tell you more,” he writes to Raines, sharing his confidence that the German Marshall Fund “will respond with useful and interesting initiatives to this new and completely transformed situation in East Central Europe.”

A year later, the German Marshall Fund opened an office in East Berlin, just a few hundred meters from the Reichstag. In a letter written on December 20, 1990 to an unknown addressee, Goldman reported enthusiastically about the small opening ceremony. He was completely surprised by how many interesting East Germans had come to attend. “It is manifestly clear that they are yearning

for contact with the West—and not just with West Germans—and that the symbolic and real significance of our presence on ‘their’ side seems to make an important difference to them.”

The German Marshall Fund was also gradually launching its first programs to promote democracy in countries of the former Warsaw Pact. But under its ambitious president, Craig Kennedy, the foundation wanted to do much more. Kennedy envisioned turning the transatlantic organization into an international think tank, with interests extending beyond Europe. In December 2012, GMF even opened an office in Tunis, the capital of Tunisia.

The foundation’s bold expansion was met with opposition in Germany and it soon came up against financial limits. Every year, the GMF budget came under greater and greater strain, while the assets of the foundation continued to shrink. Goldman, who initially had no objections and sometimes even a liking for the new vision, now feared for the GMF’s existence.

Searching for new leadership to refocus on European-American relations, Goldman helped to bring about the appointment of Karen Donfried as head of the foundation in 2014. Forty-two years after its creation, the German Marshall Fund of the United States had a woman as its president for the first time. The former adviser to President Obama on Europe knew GMF well, even having served as executive vice president before moving to the White House. Donfried, who among many other things studied in Munich and speaks fluent German, managed to negotiate further subsidies for the GMF from the federal government. Then foreign minister Frank-Walter Steinmeier acted as an important advocate, supporting funding of two million euros per year for five years, an agreement continued by his successor through 2026.

