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Attached are a few pages which RJH wrote in response to my request that he send us a few paragraphs which might be given to Mr. Barnard for the President's Review. I thought you might like to have a copy to help you in the draft of the Annual Report which you are working on. I have only two copies, one of which I have already given to Mr. Barnard, so I shall appreciate having this returned when you turn over the draft of the Report on the European Rehabilitation Program.

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Rehabilitation program

EUROPEAN REHABILITATION

or

GERMANY AND AUSTRIA

FEB 3 1956

Since early 1948 the Rockefeller Foundation has carried on a program especially adapted to the needs of democratic reconstruction in Germany and Austria. While the Foundation's work in other European countries has followed its regular pattern, the situation in Germany and Austria seemed so different that a special program was needed for these countries.

Visits made by several of the Foundation's officers to central Europe in 1947 and again in 1948 have provided the information which guided policy for work in these two countries. The reports of the officers have made it clear that the people of Germany and of Austria suffer from two pervasive problems -- poverty and isolation. Poverty was brought on by war devastation and the general post-war dislocations which threaten the economic stability of all Europe. Isolation is the result of systematic efforts by the Nazi masters to cut off the German peoples from communion with the rest of the world, followed by the war-time break.

The German people fell to their lowest point in terms of food, fuel, and shelter in 1947. In that dreadful year the plagues of drought, economic inflation, and slum-like housing reduced them almost to hopelessness. The only thing to save them was school-feeding for the children, millions of food and clothing parcels from friendly people all over the world, and the large-scale provision of flour and other food-stuffs by the American and British governments. Whether their suffering was justifiable as punishment for the

crimes of the Nazis and for waging an aggressive war may be argued pro and con, but certainly Germany lacked the basis for a democratic rebirth and for a constructive effort toward the economic recovery of Europe.

But 1948 has been much better. A good harvest, and the currency reform of June, and ~~the~~ consequent acceleration of industrial production, have combined to relieve the acute symptoms of social and economic chaos and to give Germans hope again for their future. Germany will, however, continue to be a poor land, with little meat and fat in her people's diet, with most children attending double-shift schools, and with most families crowded into half of their pre-war dwelling space. Austria is only less poverty-stricken than Germany, but she has recovered more rapidly, because she suffered less war-damage.

Austria is quite different from Germany in many important ways. She came under the fascist yoke later, and thus had a shorter period of isolation. She has had a greater ^{sure} measure of political and economic self-determination since the end of the fighting. She has suffered less from tension between Russia and the western allies. Political freedom is jealously guarded and actively used in Austria, which is basically more democratic than most European countries. The social welfare and educational programs of which Vienna was so proud before 1930 have been surprisingly well preserved and restored. Granted that her economic problem is solved by economic union with other European countries, Austria can become a beacon of democracy in central Europe.

The post-war isolation has been fully as damaging to Germany and Austria as the hunger and cold. This was especially hard on the people who emerged as leaders in the process of groping for democratic forms of society and government. Feeling none too sure of themselves at home, they looked abroad for help, and

found it hard to understand why they could not buy books on democracy, or go abroad to see and talk with people in other countries. Their cultural isolation was also alleviated somewhat during 1948. Britons, Americans, Frenchmen and others arrived in significant numbers as civilians, to lecture in universities, perform on the concert and theatre stage, and confer with their colleagues in labor unions, youth organizations, schools, churches and factories. A few Germans and Austrians were permitted to travel to other countries and to observe and study there.

The role of the Rockefeller Foundation and of other private organizations was clearly to help relieve the cultural isolation of Germany and Austria, while the economic rebuilding was a matter for the allied governments to work out as part of plans for general economic recovery in Europe. Progress in solution of the two basic problems must go hand in hand. As Germany and Austria become economically and politically integrated into post-war Europe, they must also become intellectually and morally a part of the larger whole. Otherwise, their economic recovery, if unaccompanied by internal democratic changes, will be a threat to the future peace of the world.

The Rockefeller Foundation has set aside \$700,000 for work in the cultural rehabilitation of Germany and Austria, and has made grants of approximately \$480,000 for this purpose during 1948. Some illustrations may be cited to show what has been done. The sum of \$120,000, to be spent in 1948 to 1950, was given to the University of Chicago to enable it to enter into an exchange program with the University of Frankfurt. Seven or eight university professors from Chicago are teaching each semester at Frankfurt, a new team going from Chicago every six months. Frankfurt, in return, is sending three professors to Chicago in the spring of 1949⁴⁹, and more thereafter. This has resulted in

the development of relations between the student bodies of the two universities. A Chicago graduate student who is doing research in history at Frankfurt writes a letter once a month to the campus newspaper at Chicago, and the Chicago students have collected books, clothing and money to help needy students at Frankfurt.

To help restore scholarly communication between the USA and Austria and Germany, a grant of \$69,000 was made to the Germanistic Society of America for subscriptions to periodicals for German and Austrian universities and research libraries over a three-year period, *and for medical books.* while foreign exchange restrictions will prevent Germans and Austrians from using their own funds for such purchases.

A two-way flow of leaders in universities and public life has been assisted through a number of grants such as one of \$40,246 to Columbia University to bring a group of *fifteen* German journalists to the USA for a three-month study of newspapers and of American life, and one of \$7,000 to the Free Trade Union Committee to bring a group of German and Austrian labor leaders to visit their colleagues in the USA. Similar grants have enabled American organizations to serve as hosts to groups of Germans and Austrians in the fields of public education, teacher-training, radio, and youth organizations.

American university professors and artists have been enabled to teach and perform in Germany and Austria through a number of grants to individuals and through grants to assist in securing staff members for the Salzburg Seminar in American Civilization in Austria, and for the International Summer Schools at the Universities of Munich, Heidelberg, and Marburg, in Germany. Funds have also been provided to enable German leaders in youth organizations to go to Denmark and to England to study the work of youth organizations in those countries.

By the close of 1948 a considerable flow of persons and of ideas had been reestablished between Germany and Austria on the one hand and the USA and the countries of western Europe on the other hand. This kind of communication will no doubt increase as the obstructions to free travel and intercourse between the nations are broken down by the restoration of peace. There will remain the continuing and long range work of guaranteeing to the ablest young people -- the future leaders -- of all countries the opportunity to travel in neighboring countries, to observe and to learn and to make connections that will bind these nations together. There will also be a continuing responsibility on the United States and other countries to assist the Germans and the Austrians in fashioning new and more democratic institutions and practices in their schools, universities, churches, and economic and political life. In these ways can Germany and Austria become intellectually and morally integrated into a peaceful and stable world community.