The German Marshall Fund of the United States

A Brief History

By Nicholas Siegel

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Letter from the President

As we at the German Marshall Fund celebrate our organization's 40th anniversary, we feel a special pride in our history, which in many ways reflects the issues and events critical to the transatlantic community since 1972. While we continue to look ahead to new opportunities and strategies to bring the United States and Europe closer together, we also want to use this anniversary as an occasion to look back at some of the successes and stories of our own past. GMF's success would be impossible without the Board members, staff, fellows, and friends who helped make the organization what it is today. In fact, without Board Co-Chair Guido Goldman, GMF would not exist. I hope you will read this history and appreciate the work and heart that went into his efforts to create this unique organization.

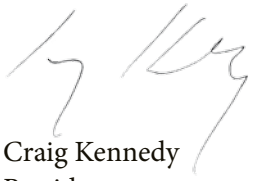
GMF's Board has been instrumental in shaping the organization, from the first members who gathered at Harvard for Willy Brandt's speech to the current Board, led by Goldman and Marc Leland. Along the way, our Board members have been quick to offer advice, contacts, and steadfast guidance.

One of our goals is to encourage a new generation of transatlanticists, and we have pursued that through our various fellowship programs. GMF Fellows have gone on to lead countries, serve in parliaments, write in major publications, and even serve on the GMF Board.

The support of friends both inside and outside of government on both sides of the Atlantic has been critical to helping us grow as an institution and finding an audience for our work. We are also, of course, particularly indebted to a long list of German friends, without whom none of this would be possible.

The GMF staff has been excellent throughout the years. With direction from the Board and the senior leadership, GMF staff members have brought elbow grease and innovation to our mission. They are the ones working to strengthen the transatlantic relationship every day, and their efforts deserve recognition.

Finally, thank you to Nicholas Siegel, who meticulously researched and wrote this history. He doggedly pursued interviews, documents, and other materials in order to piece together a narrative that tells GMF's story.



Craig Kennedy
President

The Beginnings

On June 5, 1947, a beautiful day by all accounts, U.S. Secretary of State George C. Marshall stood on the steps of Memorial Church in Harvard Yard and looked out to the assembled graduating class of Harvard University. Contrasting war-torn Europe with the august surroundings in Cambridge, Massachusetts, he spoke of the distance between Americans and "the troubled areas of the earth," saying that it was "hard for them to comprehend the plight and consequent reactions of the long-suffering peoples of Europe."

George C. Marshall arrives at Harvard

It was just over two years since the end of World War II in Europe, and much of the continent remained devastated. While the United States prospered, food shortages were severe in Europe, and the previous winter had seen near famine conditions in many parts of that continent. And yet, Marshall said, "the physical loss of life, the visible destruction of cities, factories, mines, and railroads…was probably less serious than the dislocation of the entire fabric of the European economy." What Europe needed above all was a program of economic aid that would put Europeans in the driver's seat, letting them decide how best to use U.S. funds to rebuild their economies. With an eye to anticipated Soviet objections to his proposal, Marshall said "our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos." His proposal — which became the European Recovery Program (ERP) or, more commonly, the Marshall Plan — would offer assistance to former allies and foes, alike. The speech, which lasted less than 15 minutes, marked a turning point in post-war history.

As German President Richard von Weizsäcker would later write, Marshall's plan was "unparalleled in the history of world powers in generosity, selflessness, and vision. It was the work of a farsighted, highly responsible American administration. Europe was called upon to regain its life and its political role, the decisive impetus being provided by America's material assistance."

After receiving unanimous Congressional approval, the ERP went into effect in April 1948. Through the program overall, $13.3 billion in grants and loans in the form of food, raw materials, and technical assistance were distributed to 16 countries. While the Soviet Union prevented any countries east of the Iron Curtain from accepting Marshall Plan aid, in Western Europe, the program launched the fastest period of growth in European history. In the four years the program operated, industrial production increased in Western Europe by 35 percent, and agricultural production surpassed pre-war levels.

The Brandt Speech

Twenty-five years later, another leader, this time a German, stood before a crowd in Sanders Theater at Harvard and prepared to give a speech that in many ways would

German Chancellor Willy Brandt annouces the creation of the German Marshall Fund of the United States

serve as a European response to Marshall. West German Chancellor Willy Brandt had come of age in exile during World War II and based his political career on building bridges to the East while reinforcing them in the West. He had only recently begun to implement his iconic *Ostpolitik*, which saw the Federal German Republic recognize post-war European borders, seek rapprochement with the Eastern Bloc, and establish formal relations with East Germany. Now, Brandt had decided, it was time to shore up ties with the United States.

As Brandt would later write,

> *My government wanted to mark the 25th anniversary of the launching of the Marshall Plan with something more than just a friendly word of remembrance…. I myself announced that the federal government had, with parliamentary approval, resolved to make resources available for a Marshall Memorial Fund. The sum was to provide backing for American-European studies and research projects.*[1]

In his June 5, 1972, speech, Brandt called the formation of the German Marshall Fund of the United States (GMF) as an "expression of special gratitude for the American decision in 1947." In his remarks, he discussed the history of the Marshall Plan, and Europe's rise from the ashes after World War II. He

[1] Willy Brandt Begegnungen und Einsichten 1976 (308)

also spoke optimistically about efforts within Europe to form "a common political will" that would help "Europe grow into an equal partner with whom [the United States] can share the burden of responsibility for world affairs." Yet behind his hopes that the new German Marshall Fund would help increase U.S.-European cooperation and mutual understanding lay another real concern. Brandt felt the critical need to keep the United States engaged with Europe in a world, much like today's, of rising powers and new global challenges. From his speech:

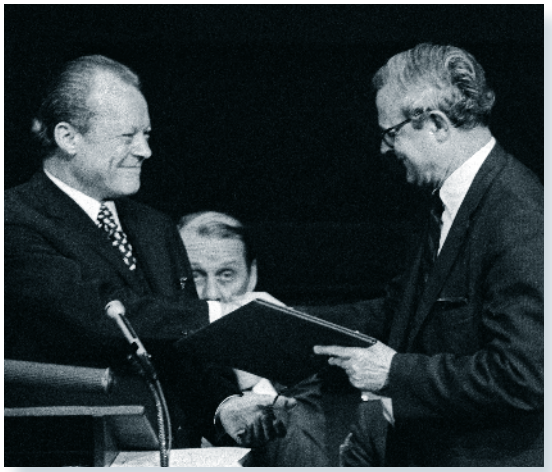
> *In this phase of change, America's presence in Europe is more necessary than ever. I trust that those who carry responsibility in this country will not refuse to appreciate this. American-European partnership is indispensable if America does not want to neglect its own interests and if our Europe is to forge itself into a productive system instead of again becoming a volcanic terrain of crisis, anxiety, and confusion. The forms of the American commitment may change, but an actual disengagement would cancel out a basic law of our peace. It would be tantamount to abdication. We want our American friends to know, however, that we have viewed with anything but indifference the heavy external and internal burdens which they have had to carry during this period….*

Brandt noted that the German gift to the United States had no strings attached — the new Fund would be entirely independent. "Under the arrangements made between the German Government and the Fund's Board of Directors, the German Marshall Fund will administer its proceeds without any influence by German authorities, and will use them to promote American-European study and research projects." However, GMF would have as its central mission a daunting challenge: to work to strengthen relations between not only Germany and the United States, but among the transatlantic community as a whole. GMF would be a cooperative enterprise in which Europeans and Americans would work together on major problems common to both partners.

At the end of his address, Brandt presented copies of a founding document to Harvey Brooks, chair of GMF's Board of Trustees, and Douglas Dillon, chair of GMF's Honorary Committee, announcing the gift. The document reads:

> *On behalf of the government of the Federal Republic of Germany, I would like to express the profound gratitude of the German people for the magnanimous assistance rendered by the United States for the recovery of Europe through the Marshall Plan. As a symbol of this deep and lasting appreciation, the government of the Federal Republic of Germany hereby announces its pledge to provide one hundred and fifty million marks during the next fifteen years for the establishment of The German Marshall Fund of the United States — A Memorial to the Marshall Plan.*

The announcement was hailed as a significant step toward maintaining and strengthening transatlantic ties. U.S. President Richard Nixon said, "This [transatlantic] relationship is too critical to be taken for granted, too complex to be easily understood. We believe there is a great need for continuing study and enhanced understanding of this relationship among all of our peoples." U.S. newspapers also lauded the gift. According to the *Christian Science Monitor*, "Mr. Brandt, like fellow Nobel Peace Prize winner Marshall before him, is looking to the future.



Brandt presents copies of a founding document to Harvey Brooks, chair of GMF's Board of Trustees

'The German Marshall Fund' is his, and the Federal Republic's, gesture, of thanks to generous Americans; but equally it marks his concern with the course ahead of Atlantic relations." *The New York Times* also noted the larger geopolitical picture, and the urgency in Europe to find ways to shore up ties with the United States, reporting, "West Germany has long been in the forefront of the North Atlantic alliance in urging the United States not to reduce its military forces in Europe unilaterally for fear that this would upset the balance of power and perhaps lead to renewed problems with the Soviet bloc."

The Road to Harvard

Willy Brandt's speech officially launched The German Marshall Fund of the United States, but it was a young academic who laid the groundwork both in the United States and in West Germany for this innovative act of German public diplomacy. In early 1970, Guido Goldman, executive director of West European studies at Harvard University, decided to ask the German government to consider a gift to Harvard on the upcoming 25th anniversary of the announcement of the Marshall Plan. A three-year grant from the Ford Foundation, which provided the West European Studies program with the bulk of its funding, was set to end soon. Goldman hoped a German gift might take the form of an endowment for West European studies that could provide $50,000 in annual support. In

GMF's first acting president, Guido Goldman

late 1970, Goldman met with Horst Ehmke, chief of staff at the German Chancellery, and Alex Möller, West German minister for finance, in Bonn to propose the idea. For the Germans, some form of commemorative gift to the United States on the 25th anniversary of the Marshall Plan was an attractive idea; however, it would need to be substantial. To Goldman's surprise, Möller indicated that the German government would most likely act only if the gift were significantly larger than $50,000 and designed to create an altogether new organization.

During the summer of 1971, the German cabinet designated Möller to be its official representative in negotiating for the establishment of a Fund. Möller, who did not speak English, said that he would only agree to serve as Germany's negotiator if his American counterpart were the German-speaking Goldman. As Goldman would later remember, "I was only 33, and found myself very inadvertently put into this position. I didn't represent anybody, just the idea. Normally, the U.S. government would have done the negotiating in a matter of as much importance as this."

The nucleus of the future Board of Trustees was formed in the fall of 1971 when Harvey Brooks, Harvard dean of the division of engineering and applied physics; Robert Ellsworth, former U.S. ambassador to NATO; and Thomas L. Hughes, president of the Carnegie Endowment for International Peace, agreed to join Guido Goldman in negotiating on the U.S. side. They, in turn, invited three additional members — Richard N. Cooper, professor of international economics and

Goldman and Alex Möller, West German minister for finance

provost-designate at Yale University; Max Frankel, *New York Times* Washington bureau chief; and Howard R. Swearer, president of Carleton College. These seven became the initial Planning Group, with Goldman serving as chief negotiator.

The Planning Group invited five others in the late spring of 1972: Arlin M. Adams, U.S. judge for the Court of Appeals for the Third Circuit; Carl Kaysen, director of the Institute for Advanced Study at Princeton; Donald M. Kendall, chairman and chief executive officer of PepsiCo; Elizabeth Midgley, CBS News producer; and William H. Roth, president of the Western Reneline Corporation. The 12 became the charter members of the Board and elected Brooks as chair. Their ranks were strengthened over the next few years by the addition of Irving Bluestone, vice president of the United Auto Workers; John Cowles, Jr., chairman of the Minneapolis Star & Tribune Co.; William H. Donaldson, dean of the School of Organization and Management at Yale University; Marian Wright Edelman, director of the Children's Defense Fund; and Bernard R. Gifford, deputy chancellor of the New York City Board of Education. David Ginsburg served as counsel to GMF.

During the winter of 1971, Möller paid two visits to the United States to inform leading U.S. government officials of the developing plans for the organization and to discuss them with the Planning Group and the Honorary Committee, led by C. Douglas Dillon. In addition, Chancellor Brandt advised President Nixon of his intentions during their meetings in Florida in December 1971.

The Fund still needed a name. The German donors indicated early on that they wanted to have "German" in the title of the organization, as one of the very few conditions of the gift. One suggestion had been "The German Marshall Memorial Fund for European Studies." On February 4, 1972, the Planning Group decided that more appropriate might be "The Marshall Fund of the United States — A German Memorial to the Marshall Plan." However, in this title, "German" was not sufficiently prominent for Möller. On March 9, Möller met with the Board and said that he felt it was important to have the origin clear in the first part of the organization's name. "German," he asserted, should not be relegated to the subtitle. "The German Marshall Fund of the United States — A Memorial to the Marshall Plan" was the solution.

A general statement of purpose drafted by the trustees in early 1972 was endorsed by the German donors. Articles of incorporation were filed in the District of Columbia. A ruling was obtained from the Internal Revenue Service declaring, as later revised retroactively, that the Fund is a publicly-supported charitable organization under Section 509 (1)(1) of the Internal Revenue Code and thereby exempt from federal income and excise taxes.

While planning continued on the U.S. side, the German Bundestag passed legislation by unanimous vote of all four parliamentary parties to provide the capital for GMF in the

GMF's first Board of Directors and other dignitaries

Front row: C. Douglas Dillon, Willy Brandt, John J. McCloy, Derek C. Bok, James B. Conant, David Rockefeller; Second row: Dr. Kurt Birrenbach, Gabriel Hauge, James A. Perkins, Milton Katz, Donald M. Kendall, Harvey Brooks, Karl Moersch; Third row: Dr. Alex Möller, William M. Roth, Elizabeth Midgley, Arlin Adams, Robert F. Ellsworth, Thomas L. Hughes; Fourth row: Max Frankel, Richard N. Cooper, Carl Kaysen, Howard Swearer, Guido Goldman, Joeseph Thomas

amount of 150 million Deutschmarks in 15 equal installments to begin in June 1972.

The terms of the gift identified three main areas of interest on which the organization would concentrate: the common "problems confronting industrial societies in Europe, North America, and other parts of the world;" international problems pertaining to "the common interests of Europe and the United States;" and "the field of European studies."

Early Days

From June 1972 to February 1973, GMF's Planning Group and acting president Guido Goldman worked to select a president and staff and to otherwise lay the groundwork for the new organization. On January 31, 1973, the Board announced the selection of its first president, Benjamin H. Read. Read had been the first director of the Woodrow Wilson International Center for Scholars at the Smithsonian Institution, and before that had served in the Lyndon Johnson administration at the State Department as the top administrator under Dean Rusk. In praising Read, GMF Chairman Harvey Brooks said, "He is a man of broad and distinguished public service whose recent experience of having built a successful, new institution will be of great value in developing innovative programs for the German Marshall Fund."

Read began his tenure by working to set GMF's programmatic priorities. Between March and September 1973, GMF staff and trustees gathered information about the work of other organizations dedicated to similar purposes. More than 1,000 experts and several hundred institutions were canvassed in the United States and Europe

GMF's first president, Benjamin H. Read

during the planning period. Early on, GMF also benefited from sharing office space and common facilities in Washington with the Carnegie Endowment for International Peace, thanks to Carnegie President Thomas Hughes.

Resource constraints and the breadth of GMF's stated purposes necessitated difficult policy choices. In keeping with the essential achievement of the Marshall Plan, the Board adopted the following statement of goals:

"The purpose of the German Marshall Fund is to assist individuals and organizations in the United States, Europe, and elsewhere to understand and to resolve selected contemporary and emerging problems common to industrial societies, both domestic and international."

GMF would have a three-part mandate and support grantmaking concentrated on:

1. The comparative consideration of problems of advanced industrial societies in Europe, the United States, and elsewhere.

2. The study of problems of international relations that pertain to the common interests of Europe and the United States.

3. Support for the field of European studies.

"We didn't want to have a flavor-of-the-month charter that would handicap us down the road," said Goldman, "so we decided to take a broad view."

The Board of Trustees designated priorities among common domestic and international problems on the basis of several key criteria. Are the problems of central and widespread current concern to peoples living in industrial societies? Are the problems similar enough in different societies to warrant efforts to find common solutions or to share information and experiences about alternative solutions? Are the problems not being addressed adequately by others? Operations began with the announcement of first programs and projects on January 11, 1974.

The initial payment arrived at the time of the gift, and all subsequent installments of 10 million Deutschmarks were transferred in dollars on June 5 each year from 1973 through 1986 at the prevailing exchange rate. Installments totaling $9.89 million were received over the first three years, and the trustees set aside and invested most of those in an endeavor to accumulate a residual fund that would be sufficient at the end of the 15-year period to assure income to enable some GMF activities to continue.

Putting Pen to Paper

GMF's first projects involved sponsoring programs dealing with both domestic and international problems common to industrial societies, as well as European-American studies programs. Its Domestic Problems Program looked at urban affairs, land use, employment and conditions of work, and the media, which included early support in the United States to the Public Broadcasting Service and National Public Radio (including the Bill Moyers show and "Morning Edition" with Robert Siegel). One early urban grant established the Council for International Urban Liaison, to provide urban practitioners (state, county, and local officials) with information about innovative European urban developments. GMF's International Problems Program supported studies on inflation, parliamentary exchanges, workshops on alternative energy strategies, and a study on world food reserves. European-American studies programs featured a series of fellowships for U.S. and European experts researching problems of common interest to the United States and Europe. From 1973-1982, 106 U.S. and European postgraduate scholars received GMF support for individual research projects focused on common transatlantic policy issues.

In its early years, GMF was a very small organization. By 1975, its full-time staff included four program and two support staff members. Benjamin Read, president; Robert Gerald Livingston, vice president; Peter R. Weitz, program coordinator; and Marianne Lais Ginsburg, executive assistant. Both Weitz and Ginsburg were part of the June 1972 start-up team with Guido Goldman. Weitz, eventually rising to the rank of program director, would remain 20 years, and Ginsburg, who would become director for Environment and Special Programs, retired after 32 years. Brenda Appleby and Doris Washington made up the support staff.

Still, despite GMF's size, by 1977, the organization had spent more than $7 million on nearly 100 projects involving the United States, West Germany, France, Britain, Italy, Sweden, Belgium, Denmark, the Netherlands, Norway, Switzerland, Japan, and Canada. 1977 was also the first year GMF organized a parliamentary exchange between the United States and Europe, with 12 young European parliamentarians — five West Germans, five British, and two Norwegians — visiting the U.S. Congress in Washington. An article in the *Frankfurter Allgemeine Zeitung* from June 2, 1977, provides a German perspective on the first five years of GMF's work. "There has been a great deal of criticism in Germany that GMF is able to dispense its funds without the slightest influence from any German officials. And nonetheless the Foundation is given, with the approval of the Bundestag, 10 million Deutschmarks every year." The article then went on to temper this concern, saying that "however, a look into the history and mission of the organization should clarify any such misunderstandings."

Finally, 1977 saw GMF's first president, Benjamin H. Read, nominated as deputy under secretary of state for management in the Jimmy Carter administration. GMF's first president had been a brilliant and capable administrator who had successfully gotten the organization off to a strong start, much the same as he had done for the Woodrow Wilson Center. Yet Read had also been a leader with a strong domestic focus, even authoring an op-ed in *The Washington Post* in 1976 arguing that "Presidents Spend Too Much Time on Foreign Issues." In considering candidates for the Fund's second president, the board decided to choose someone with more expertise in Europe, and in Germany in particular.

A New President

Robert Gerald Livingston had begun his career in the U.S. Foreign Service, where he was stationed in Salzburg, Hamburg, Belgrade, Berlin, and Bonn before going on to serve at the National Security Council under Henry Kissinger from 1972-1973. In 1974, Gerry Livingston became GMF's vice president under Read and played a critical role in GMF's early development. As he saw it, there was a real need in the transatlantic space to underpin the security side of the relationship, and GMF was poised to do just that. Livingston was a Europeanist, and now that GMF had firmly established its footing as a U.S. institution with a transatlantic agenda, the Board felt comfortable selecting a president with more of an international perspective. In 1977, Livingston was promoted to succeed the departing Read.

Livingston was particularly interested in fields where Americans and Europeans could learn from each other's practices and policies in finding solutions to common problems. He also sought to address issues that had not been tackled yet by GMF, including the environment and women in the labor force. He continued to promote exchanges in which U.S. policymakers and practitioners would be sent on tours to Europe. In 1980, when one such trip involving officials from Arlington County and the City of Alexandria was criticized by some as "junketeering," Livingston wrote a letter in *The Washington Post* defending the need for transatlantic exchanges, and the value in promoting transatlantic learning. The group had traveled to Holland and Sweden to gain perspectives on public transportation, Livingston argued, which could have a direct positive impact on the plans behind the expansion of the DC Metro system. He wrote:

> *In point of fact, [these] trips are serious efforts to learn from foreign experience in areas in which we ourselves lack first-hand knowledge and where fresh ideas and innovative approaches could make a tremendous difference….In recent years, the Fund has supported exchanges involving public officials from many different cities, counties, and states, in the belief that first-hand observation and face-to-face discussions with foreign counterparts are the most effective way to transfer relevant experience. This, too, was the rationale behind our grants to Arlington and Alexandria.*

Robert Gerald Livingston

Under Livingston, GMF devoted more resources to international issues in response to a paradox the organization perceived: as the economic and political fortunes of Europe and the United States grew more dependent on each other, there was an erosion of the mutual trust, understanding, and sense

GMF staff in 1979 (left to right) front row: Brenda Appleby, Denie Weil, Marilyn Alexander; second row: Adela Betancourt, Marianne Lais Ginsburg, Doris Washington, Nancy Thel, Christina Graf, Cynthia Angell, Kenneth Orski; back row: Peter Weitz, R.G. Livingston

of shared values by broad segments of the societies on each side of the Atlantic. GMF projects focused largely on national and international economic policy issues rather than on the military and strategic facets of political and diplomatic relations. By the end of 1980, GMF was distributing nearly $4 million annually in grant programs, and had already awarded more than $20 million in grants to institutions and individuals in the United States and 50 foreign countries.

On July 1, 1980, GMF opened its first permanent office in Europe — in Bonn. GMF had already had a part-time representative in Bonn, as it also had in Paris, but now the decision was made to create a permanent presence in Europe, at the center of the West German political scene. Jack Janes, the first director of the Bonn office, said the office "was to show the Germans that GMF did European and German activities. Nobody else was doing transatlantic relations at that time. The Ford Foundation had given up, so it was just GMF. As a result, there was lots of interest in Germany in what we were doing." On the location, he said, "Bonn was a very small town indeed. You could meet people quickly."

In 1980, Willy Brandt made a return engagement to the organization he launched. This time he spoke in a lecture series at St. Antony's College, Oxford, sponsored by GMF to commemorate the Marshall Plan. He said:

> *The feeling in my country today is one of gratitude to those who possessed the wisdom to help Europe back onto its feet, and who were generous enough to give the Germans a fresh chance, too. It was George Marshall who proposed that remarkable enterprise. That is why I suggested the setting up of a German Marshall Fund in 1972, 25 years after the Marshall Plan came into force. The Fund is completely independent, and I think it now plays a valuable role in the efforts to find joint answers to the joint problems facing the industrial societies of North America and Europe.*

In 1981, GMF would undergo another leadership change. Gerry Livingston moved on to the Georgetown School of Foreign Service, and in 1983, with Dr. Steven Muller, President of Johns Hopkins University and a GMF Board member, also founded the American Institute for Contemporary German Studies at Johns Hopkins. The new GMF president, Frank Loy, would lead GMF through the 1980s and into the 1990s.

GMF Comes into its Own

In 1981, GMF's quarterly publication *Transatlantic Perspectives* announced "Trustees Name Frank E. Loy As Fund President." The notice stated that "Mr. Loy has held various posts in the Department of State, most recently as Director of the Bureau of Refugee Programs, where he was responsible for major relief efforts abroad and the admittance of refugees to the United States. In the late 1960s, he was Deputy Assistant Secretary of State for Economic Affairs, principally involved with international negotiations in the fields of transportation and communications, including new developments in space and in air and ocean transportation….During most of the 1970s, Mr. Loy held various business positions." Loy was in many ways an ideal choice. He had had a markedly successful career in both government and private business, and he brought to GMF a fresh and innovative approach at a complex point in history.

In a December 1981 letter, GMF Board Chair Eugene B. Skolnikoff laid out the challenges of the new decade:

> *The problems besetting the nations of the West appear more serious than at any time since the Fund's creation in 1972 and, in particular, more divisive in relations among these nations. The Fund has a significant responsibility in the coming years; Frank Loy will in large measure determine how well we respond to the challenge.*

It was indeed a markedly difficult time for transatlantic relations. In 1981, a GMF-funded report, "Western Security: What Has Changed? What Should Be Done?," described a "transatlantic malaise." The military challenge from the Soviet Union was seen to be on the rise, and the West was dealing with "an increasingly volatile Third World upon which the West will depend more and more for its economic survival." Yet, at the same time, there was a perceived drift within the West "at the very time when it should be taking urgent measures to improve its economic and military security." As a U.S. Senate Foreign Relations Committee report from the era put it, "We are here, and they are there. Even in this day of instantaneous communications and space travel, the Atlantic Ocean divides us more than it unites us." Jack Janes summed it up: "In 1981

Frank E. Loy

there was a lot of stress in the U.S.-German relationship. Politicians didn't see eye to eye. Also, gratitude in Germany to the United States for what it had done after the war was fading away."

In a letter Frank Loy wrote soon after taking the helm at GMF, he provided a sense of the role he saw GMF as playing in addressing major international challenges.

> *The headlines of the day make it clear that the sympathetic and understanding relationships between Western Europe and*

the United States — on which depend both our military security and our economic growth — are being tested severely. Tensions mount.

At such times it is the proper role of a Fund such as ours to address the tensions directly, and bring to bear our private, non-governmental status, our funds and talents to help reduce these tensions.

Loy named landmark changes he planned to make in how the organization would allocate its funds.

First, GMF would step up its efforts to help policymakers deal with international economic issues that, if handled badly, could have disastrous effects on the transatlantic community. As Carl Kaysen, a founding GMF Trustee, had said, "Economic issues will be the neuralgic problems of the Alliance in the `80s, as the defense issues were in the `70s." To address this challenge, Loy announced what would be the largest grant in GMF's history, a five-year, $4-million commitment to launch the Institute for International Economics. This was to be the first non-governmental U.S. organization devoted exclusively to tackling problems of international monetary affairs, trade, and investment. It was designed to produce the kind of timely, policy-oriented analysis not easily obtained either from governmental sources or from university-based research,

TRANSATLANTIC PERSPECTIVES

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A PUBLICATION OF THE GERMAN MARSHALL FUND OF THE UNITED STATES

More effective international economic policies and better public understanding of international economic issues have become critical to maintaining healthy relations among industrialized nations and between industrialized and developing nations. In that belief, the Fund's Board of Trustees has created the Institute for International Economics. The Institute, supported by a grant of $4 million from the Fund, will focus on issues likely to confront policy-

International Economic Relations

makers over the medium term. On the Institute's agenda will be such issues as international monetary affairs, trade, investment, energy, commodities, and North-South and East-West relations. In the article that follows, C. Fred Bergsten, the Institute's Director and former Assistant Secretary of the Treasury for International Affairs, discusses the issues that form the backdrop and set the agenda for the new Institute.

(Continued on page 2)

GMF's newsletter announces a grant to form the Peterson Institute for International Economics

and concurrently become a center where policymakers and academics can gather to explore upcoming issues before decisions are made. The organization survived and grew into what is today the Peter G. Peterson Institute for International Economics, one of the most successful non-partisan and non-profit think tanks currently dedicated to providing analysis of and solutions for international economic problems. In a ten-year review of the Institute conducted by Craufurd D. Goodwin, one of the world's most respected analysts of international NGOs, the Institute was said to have been "a spectacular success." Furthermore, "the GMF initiative in creating the Institute was one of the most far-sighted and timely actions taken by an American foundation since World War II."

Second, given the increasing tensions between the United States and Europe generally and, perhaps most urgently, the Federal Republic of Germany, Loy increased the funds and energy GMF expended to build basic understandings and a network of relationships among present and future transatlantic leaders. The most important product of this effort would be the Marshall Memorial Fellowship (MMF). As outlined Loy's letter, MMF, initially called the Exchange Fellowship Program, would be:

…a major traveling fellowship program, under which Europeans of potential influence in their fields, principally between the ages of 25 and 35, will be selected to come to the United States for periods of three to eight weeks for carefully structured travel or internships focused on the general areas of their interest or expertise. The initial group will come from Germany. Eventually, we expect to help send Americans to Europe in a similar fashion.

Fellows were nominated and selected in a national review process developed in each

Marshall Memorial Fellowship Participants

I was struck by the importance the very term "leader" takes in conversations, arguments, in the press. In Europe, and especially in France, people compete because they feel compelled to do so, but getting a leading position scarcely appears as an end in itself.
—Bernard Manin

I have not changed my theory that American musical songs — from Cole Porter to Berlin to Gershwin — are in fact the voice of America. I knew the melody but the German Marshall Fund showed me how to fill in the words.
—Jessica Voeten

The average American who has never been to Europe cannot conceive of arriving in a foreign country with a foreign language after a two-hour drive, much less of arriving at a border where another world, the Eastern Bloc, begins.
—Marita Haibach

Looking at Asia or Europe from the Midwest is an experience in itself. Both continents disappear behind a horizon bounded by grainfields or the pits of the Iron Range. Even places like San Francisco or New York seem as far and as strange as a distant planet.
—Stefan Simons

country, and in 1982, the first class of nine fellows traveled to the United States. The following year, fellows from Denmark, France, and the Netherlands were added to the program. The program continued to grow and develop through the 1980s, and as democracy swept across Eastern Europe in the early 1990s, MMF expanded to Poland, Hungary, the Czech Republic, and Slovakia in quick succession. In 1999, the program sent U.S. fellows to Europe for the first time, and later the program expanded to include outstanding candidates from the Western Balkans and Turkey.

To date, 1,451 Europeans from Albania, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Kosovo, Macedonia, Montenegro, the Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Spain, Turkey, and the United Kingdom have traveled to the United States as Marshall Memorial Fellows. A total of 655 fellows from the United States have traveled to Europe.

The initial nine fellows were politically involved young professionals from Germany who spent 4-6 weeks in the United States in the fall of 1982. The "latter-day DeTocquvilles," as they were called in the press, traversed the country from Washington, DC, to Miami, Seattle, and back, observing U.S. traditions, character, and institutions in settings as disparate as bus stations, aircraft carriers, courtrooms, retirement communities, and Capitol Hill.

The new fellowship program was designed to promote better European-American understanding at a time when there were serious concerns about the United States and Europe drifting apart. The visiting Europeans not only had the chance to exchange ideas with their professional counterparts, they also got a good look at U.S. institutions and regional differences and a fresh perspective on European-American relations.

By 1986, nearly 200 Europeans had crossed the Atlantic for the program, and in an issue of *Transatlantic Perspectives* several discussed their experiences and the insights they gained in the United States.

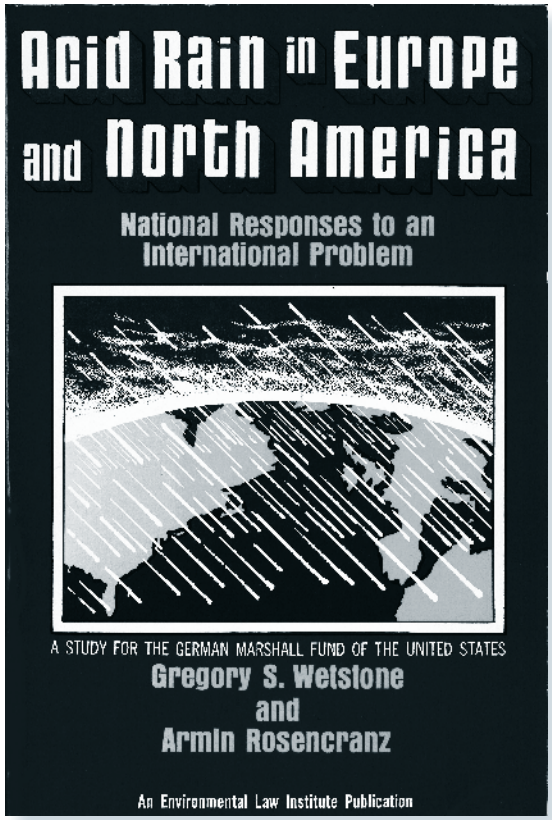
At the same time as it developed MMF, GMF continued funding many other exchange programs. In early 1982, the *Hartford Courant* reported on the return of Hartford's mayor from a GMF-sponsored trip to five cities in Europe, including West Berlin, for the closing conference of the European Campaign for Urban Renaissance. The trip had a profound impact on Mayor Thirman Milner, as the newspaper reported:

> *Hartford Mayor Thirman L. Milner returned from a 10-day tour of Europe Thursday and proposed that the city's corporate community and neighborhood*

groups join forces to create a 5-to-10-year master plan for the city's development…. Milner called his five-city European tour enlightening and useful. He said he was particularly impressed with the way European communities involved neighborhood residents and groups in city planning. He said that he would like to see the same thing happen in Hartford.

Milner got to visit East Berlin during his trip. Making the crossing from West to East Berlin was "awesome," in the mayor's words. He noted "a complete difference" between the two halves of the city.

GMF's energy and environment work in this period also proved groundbreaking. In 1984, in response to a growing problem on both sides of the Atlantic of acid rain and air pollution, GMF supported a National Governors Association initiative for U.S. state governors and their staffs to visit the countries in Europe most affected by acid rain. The governors met with local experts and learned about EU legislative efforts, European technological advances in combating acid rain, and practices on the ground. The study tour quickly resulted in a series of follow-up exchanges, particularly with Germany, as well as further study tours, individual fellowships, and even state legislation on acid rain and clean air in Wisconsin and Maine.



A year earlier, the Environmental Law Institute released a GMF-sponsored report that examined air pollution policies in Europe and North America. The report concluded that, since 1981, the United States had "retreated from its historic leadership position in national and international air pollution control." At the same time, however, most European nations had "been moving in the opposite direction" in adopting stricter emission legislation. *The Chicago Tribune* reported that "EPA officials said they were developing a response to the report but had no immediate comment." The report, entitled "Acid Rain in Europe and North America — National Responses to an International Problem," represented a new kind of comparative research publication for policymakers and practitioners.

By 1985, GMF had made more than 2,650 grants, valued at more than $37 million. Ongoing projects included the Marshall Memorial Fellowship Program; young leaders and congressional exchange programs; an immigration program; continued support for the Institute for International Economics; a media fellowship program; research fellowships for U.S. scholars; an environment and energy conservation program; and an employment program aimed at supporting the transfer between the United States and Europe of effective approaches to challenges in the labor market.

A Second Gift

As the middle of the 1980s approached, so did the end of the original German financial commitment to GMF, which provided funding until 1986. The key question was whether the current German government, headed by CDU Chancellor Helmut Kohl, would opt to offer a new grant to an organization that had been initiated by a Social Democrat, Willy Brandt.

As Frank Loy wrote at the time, "I believe that…a risk to us is that the current administration in Germany will simply say that the gift of 1972 was that of another party at another time and that whatever is needed in 1984 should be different and identified with the current administration in the [Federal Republic of Germany]." Jack Janes saw a similar danger from his vantage point in the Bonn office. "When Kohl came in in 1982, there was some fear that he would reject GMF as it had been a Brandt project," he said. "However, Guido Goldman was crucial then. He was on a first-name basis with almost every German cabinet minister. He was the one who really got the Kohl government on board."

A $40 million grant from the government of the Federal Republic of Germany to the German Marshall Fund of the United States was announced in December 1985 in a letter from German Chancellor Helmut Kohl to U.S. President Ronald Reagan. Explaining that his government was taking action with the approval of all German parties, the Chancellor said that the Fund "has contributed with remarkable success to more informed understanding of issues that cause tensions between Western Europe and the United States. It has also been successful in helping U.S. and European policymakers to learn from each other's solutions to some of the critical domestic problems common to our industrial societies."

West German Chancellor Helmut Kohl and U.S. President Ronald Reagan at the White House

The grant would be paid in ten annual installments of DM 10 million, beginning in 1987. *The Washington Post* reported, "The West German government yesterday announced a $40 million grant to the German Marshall Fund of the United States that will enable the organization to continue operations 'indefinitely,' according to its president, former State Department official Frank E. Loy." It would allow GMF to maintain its current budget of roughly $5.5 million per year, as well as continue to build its endowment, which had by that point grown to $45 million.

Chancellor Kohl's message was brought to Washington by his longtime colleague and CDU party treasurer Walther Kiep on December 4, 1985. In a statement released to the press, Kiep noted that "the deep sense of shared purpose within Western nations was forged during a period of extraordinary cooperation 40 years ago, when Europe rebuilt itself with American support. Today's young leaders have no memory of those post-World War II events. Nor do they appreciate how they shaped vital political and economic relationships that are still needed." Kiep also emphasized that the importance of the transatlantic relationship "is very much on the mind of the German government in connection to this new gift to the German Marshall Fund."

"We envisage increased…exchanges, not only of high-ranking intellectuals but of teachers, state politicians, German clergy, and employees and workers to deepen

Letter from West German Chancellor Helmut Kohl to U.S. President Ronald Reagan, December 4, 1985

Dear Ron,

In our frequent meetings over the past three years, we have several times discussed the pressing need to improve mutual understanding between the Americans and Germans — whether business leaders, scholars, journalists, parliamentarians, or others. This pertains in particular to those who are beginning to play important roles in the conduct of relations between our two countries. Each of us wants our society to be knowledgeable about its close ally across the Atlantic, sympathetic to its national interest, and appreciative of the diversity of viewpoints that characterizes both our open political systems. Achieving these objectives requires constant, concerted effort, both by governments and by private institutions.

I have asked my special emissary and longtime colleague, Walther Leisler Kiep, to advise you of the Federal Republic's most recent step in this direction. This government has determined, by action of its cabinet and with the approval of all German parties, to make a gift of DM 100 million, payable in ten equal installments, to an American foundation. This foundation — itself a memorial to the Marshall Plan, which so nobly confirmed the existence of the Atlantic community — is the German Marshall Fund of the United States. The Fund, launched in 1972 by an earlier gift from my government, has contributed with remarkable success to more informed understanding of the issue that cause tensions between Western Europe and the United States. It has also been successful in helping U.S. and European policymakers to learn from each other's solutions to some of the critical domestic problems common to our industrial societies.

In the continued pursuit of these important objectives the Fund has agreed to focus its future activities even further by establishing a "German Program" designed to specifically understand better the structural issues which are to determine our choices in shaping U.S.-German relations in the crucial years ahead.

Mr. President, you have been a great friend to my country and an enthusiastic proponent of the need for strengthened dialogue between our peoples. It is for this reason that I am sending this message, and it is in this spirit that the German People have made this gift.

Sincerely,
Helmut Kohl

the understanding of German-American relations," he said. "It is not enough to talk about the need for Europeans and Americans to understand each other better. Action must be taken to solve the problems. Over the past 13 years, the German Marshall Fund has developed a particular genius for getting Europeans and Americans to put their heads together and to find solutions. This kind of work needs to continue and expand."

The New York Times noted that, "according to Mr. Kiep, the new grant had been 'supported by all parties' in Parliament, but a West German official said there was some dissent within the Christian Democratic Party of Chancellor Kohl." *The Financial Times* reported that "the debate in the German Parliament about whether to provide further funds has been intense."

The Economist reaction to the gift simply read "Relations with Germany — Replenished."

"The renewal was absolutely vital for the Fund as it is today," remembered Guido Goldman. "We would have been very small otherwise. We were also fortunate to have Frank Loy in this period as he was such an astute investor. So we knew that the money would grow."

Toward a New Europe

One of the first major projects to be carried out with the new gift was a 1987 conference

in Berlin to mark the 40th anniversary of the Marshall Plan. Kiep said that the conference would "attempt to redress the scant knowledge of the younger generation about post-war European recovery and the emergence of the Atlantic community."

The conference drew a group of over 260 younger leaders from all 17 of the Marshall Plan nations and some 50 Americans, including members of parliaments, newspaper and television editors, political party officials, and government policymakers. It took place at the Reichstag in West Berlin, and the former director of Secretary of State George Marshall's planning staff, George Kennan, provided keynote remarks. As GMF staffer Marianne Ginsburg remembered, "On a warm June evening, Kennan delivered his address at a dinner in a large conference room looking out at the Wall that separated East from West Berlin. As he spoke, the Wall was lit up by the reflection of the setting sun." Kennan's memoirs note that the planning staff's May 1947 report persuaded Secretary Marshall that "the formal initiative must come from Europe; and Europeans must bear the basic responsibility for it." Forty years later, at the GMF-sponsored conference in Berlin, he urged a new initiative on Europeans — "to discover the paths of escape from their unfortunate divided state."

After the conference, Frank Loy stood on the balcony of the Reichstag overlooking the Berlin Wall with West German President Richard von Weizsäcker. "The Wall was not 40 feet away," Loy recalled. "And President Weizsäcker said, 'We Germans have to learn to live with a contradiction. We know this Wall is an historical anomaly. And yet we don't know how to get rid of it or when it will ever fall.'" The Berlin Wall fell less than two years later, in November 1989.

Even before that, GMF was preparing to expand its programming into Eastern Europe. GMF staffer Debbie Harding remembered, "In February 1989, there was a snow day in DC and everything was closed. I came in the office anyway and ran into Frank Loy. 'Why don't you write me a memo about something new you'd like to do with your program,' he said. I went back into my office and wrote one line: Move GMF into Eastern Europe."

Indeed, when he established the German Marshall Fund in 1972, Willy Brandt had signaled that should the opportunity present itself, "we should not underestimate the possibilities for cooperation across the whole of Europe that may arise in the years ahead." GMF would strengthen the Western Atlantic Alliance but should also never cease to "remind our neighbors in the East that behind the barriers of power interest and spheres of influence, behind the ineffaceable delimitations of ideological differences, behind the irreconcilability of social concepts, there waits the new reality of a larger Europe

The fall of the Berlin Wall, November 1989

which should be capable of harmonizing its interest under the banner of peace."

The day after the election of Solidarity in Poland, GMF staff arrived in Warsaw. In no time, the first grant programs were underway. One brought over 12 new Solidarity Members of parliament to Washington for a two-week program. "It was electrifying," Harding remembered. "Everyone in DC wanted to meet them. We had a huge reception at the Ritz for them, with a big welcome sign. When we took them to Congress they asked questions like, 'How do you get congressmen to stop talking?' We told them, there's a rule. You can't speak for more than two minutes. They really liked that."

Another story revolved around a meeting between Harding and then-Polish Senator Jerzy Regulski in 1989. When asked what his biggest challenge was, the senator replied, "By next April, I need to put together elections for over 15,000 mayors."

Harding said, "Do you need money? Do you need cash?"

"Frankly speaking, yes. $15,000 would go a long way."

Harding thought she had misheard the senator. "15 or 50?"

"15!"

"We could do more."

In the end, GMF granted $50,000. Was it a success? To measure the results of a process like rebuilding local communities and institutions is a long-term endeavor. "But throughout this time, involving many more municipalities and citizens, listening to and assisting leaders in various fields and with different capacities to engage and absorb relevant experience at home and abroad, and enabling indigenous voices of wisdom and knowledge and experience to be heard, were all considerations that guided our activities in the region during that time," Marianne Ginsburg recalled.

"They were heady times," said Harding. Frank Loy agreed. "When the Wall fell, I flew to Berlin and slept on [GMF German office director] David Kramer's floor. I went with his son to chip off pieces of the wall. Only two organizations engaged in promoting democracy in Eastern Europe in that time — George Soros' Open Society Institute and the German Marshall Fund."

Marianne Ginsburg remembered,

> *I spent the week before the Wall came down in East Berlin with David Kramer, to consolidate some contacts there on the ground. It became a week I'll never forget. We entered government and newspaper offices without being stopped anywhere. In earlier visits, we would always be searched and have our passports copied. We were suddenly free to join in public discussions in churches and elsewhere on the future of the East. Then, on November 9, David drove me back to West Berlin in the late afternoon, through Checkpoint Charlie and the usual searches, as I had to catch an early morning flight the following day. He returned again to East Berlin for another meeting, before that evening turning to drive back once more through Checkpoint Charlie to his home in West Berlin. But by that point, to his surprise, the guards had all gone. The border was open.*

In the first year, $1.1 million was committed to programs supporting transformation in the region. As countries opened up, GMF moved in with new projects, first to Poland and Hungary, and then to Czechoslovakia, Romania, Bulgaria, and Albania. Preference was given to initiatives that could be sustained by small grants until larger monies would become available from governmental or other sources. GMF also favored projects that employed and strengthened non-governmental organizations, and activities that promoted contacts and the exchange of information among younger professionals, including political and economic leaders, labor market specialists, environmentalists, journalists, and business people. The GMF Board of Trustees even held a board meeting in Warsaw in 1990, followed by another meeting later in Prague, as the organization expanded its operations in Eastern Europe.

One project typical of this time was a month-long workshop in Hungary on raising rights consciousness, funded through GMF's growing political development program for Central and Eastern Europe. The participants, 23 young English-speaking lawyers, came from Albania, Bulgaria, Czechslovakia, Estonia, Hungary, Lithuania, Poland, Romania, and Yugoslavia. The Budapest-based Democracy After Communism Foundation and the Center for Law and Democracy at Columbia University organized the workshop, taught by 11 professors from the United States and Western Europe alongside 8 Hungarians.

Another program that began during this period was the Environmental Partnership for Central Europe. Initiated as a consortium of U.S. and European funders, it would help build in-country leadership capacity and a strong network of local organizations in the Czech Republic, Slovakia, Hungary, Poland, Romania, and Bulgaria. The roots for this effort were planted before 1989 by a network of informal contacts between democracy and environmental activists and civil society leaders in Central and Eastern Europe, and engaged U.S. and West European counterparts. Marianne Ginsburg, then GMF's environmental program director, tested out the approach with a $30,000 grant approved at the 1990 GMF Board meeting in Warsaw, Poland. From this grant, small sums of between $1-3,000 were granted with the help of local advisors to support on-the-ground efforts to combat pollution problems throughout the region. Accompanying this grantmaking was exposure to practices and experiences offered by Western European and U.S. experts. Ginsburg worked closely with her colleagues at the Rockefeller Brothers Fund and the Charles Stewart Mott Foundation, and, step by step, made advances, first in Poland and the Czech Republic, then Slovakia and Hungary, and lastly in Romania and Bulgaria. Of the indigenous local foundations that emerged from the effort, four are still operating and two have merged with other local support efforts. The founding partners believed that a combination of small grants and technical assistance could serve as the first step to strengthening local communities' ability to shape their futures. Together they created an example of how to pioneer a regional initiative with joint resources. This would serve as a lasting model for other GMF partnerships in the future.

Hungary Workshop Participants

The program was of much help for us, learning how to see and to analyze from the point of view of Western law. I assure you that the experience we acquired we will use in our fight for raising a real democracy in our countries.
— Ioan Chis, Romania

Our group represented more than ten different nations, which have had plenty of problems with each other for hundreds of years. All of us came to the conference with prejudices. I was positively surprised that Hungarians together with Romanians, Serbs, and Slovaks were able to live together and study together without any big troubles. We not only could tolerate more or less different opinions, but we really had a good time together in the end.
— Eszter Falus, Hungary

I have experienced for the first time the different ways of teaching the legal sciences, teaching focused on problem-solving rather than on providing a kind of "information service," as is usual in Czechoslovakia.
— Andrea Barsova, Czechoslovakia

GMF at 20

GMF celebrated its 20th anniversary in 1992. By that point in its history, the organization had made grants and related program expenditures totaling approximately $80 million (over $25 million of which was directed toward programs strengthening the U.S.-German relationship in particular) and, concurrently, built a strong endowment. In a letter in the anniversary edition of *Transatlantic Perspectives*, GMF president Frank Loy laid out some of the key accomplishments of the organization to date.

First, we have been able to address European problems quickly, as opportunities and needs arose. For example, we began our emphasis on grantmaking in the new German Bundesländer almost immediately after the fall of the Wall. In fact, we opened an office in East Germany in mid-1990 to assist us in our programming there. Today, we are probably the only American funding organization focused on this part of Germany, for so long estranged from the United States.

Second, as the definition of "Europe" expanded eastward, that is, as the Iron Curtain fell, we were able quickly to establish programs that addressed some human and institutional needs of newly democratic countries. We have major programs that support political reform efforts in Central and Eastern Europe (excluding the former Soviet Union) as well as efforts by these countries to cope with their environmental problems. Both programs have been so successful that other funders have joined us, co-funding projects under GMF direction.

Third, we have supported programs that enable the U.S. to benefit from European expertise and experience in solving various social problems. For instance, we have led the way in bringing to the U.S. innovative European approaches to apprenticeships and other training schemes that can prepare young Americans who are not university-bound for real and useful jobs. While this issue has been, for some time, of interest to officials in several U.S. states, it was not on the national agenda until the recent presidential campaign and election.

Frank Loy, Guido Goldman, and Dr. Günther Lange at the Berlin office opening

Fourth, over the past two decades, many of our efforts went to building the capacity of leaders on one side of the Atlantic to understand the other side. We have obviously not thereby eliminated all, or any, controversies, nor have we solved any red-hot problems. We have, however, developed a reservoir of talent, knowledge, and understanding that should, in the future as in the past, increase the probability that we can resolve our differences amicably.

In December 1990, shortly after German reunification, GMF opened an office in East Berlin. In 1992, GMF closed its Bonn office and moved its entire German operation to the country's once and future capital. "Our goal should be to prevent Eastern Europe from falling apart and giving rise to new authoritarian regimes," Loy said in an interview with Germany's *Süddeutsche Zeitung*.

Future Berlin office director Heike MacKerron started working for GMF in 1991, and said of the early days, "The East Germans received the office very well. There was still a lot of tension between East and West Germany at that time, and very few West German companies and foundations moved directly into East Germany after reunification. And then there was this American organization suddenly in the East. People were very curious about the United States, as they understood they had been misinformed for so many years. We would have people simply walk into our office and ask questions. They would say how nice it was that we were there. It was quite moving."

As the middle of the decade approached, Frank Loy decided that it was time to say goodbye to an organization that he had led into becoming a groundbreaking actor in the international NGO community. In June 1995, he resigned as president to continue his career in the private sector and serve as a visiting lecturer in environmental law at Yale University.

The Kennedy Years

GMF's fourth president came from outside the traditional foreign policy community and was a bold choice for its Board of Directors. Craig Kennedy began his career in 1980 as a program officer at the Joyce Foundation in Chicago. From there he rose up to the level of vice president of programs, before assuming the role of president of the Joyce Foundation from 1986 to 1992. Later he worked for Richard J. Dennis, a Chicago investor and philanthropist, and started a consulting firm working with non-profit and public sector clients. In the mid-1980s, he had been invited to visit Germany as part of a program sponsored by the Konrad Adenauer Stiftung and the Chicago Council on Foreign Relations. This first trip to Europe had a profound effect on his thinking and outlook and, for the next decade, he pursued every opportunity to return to Germany.

As president, Craig Kennedy brought a new energy to the German Marshall Fund. From his earliest days at GMF, he engaged in a fundamental reassessment of the organization, its mission, activities, and direction. GMF Berlin Office Director Heike MacKerron described the arrival and early days of Craig Kennedy's tenure:

> *When Craig Kennedy joined GMF, he came to Germany and he listened. That was so important to the Germans, and has had a fundamentally positive impact on our relationship with Germany. First of all, he was new. He was not from the security establishment that still dominated transatlantic relations. He was not from the State Department or NATO; he, in fact, was from Chicago, from the foundation community. And he simply asked people, what should we be doing? He then initiated a review of all of our programs, terminated some, and began new ones.*

"For the first few years I would go to Europe, and Germany in particular, at least once a month." Kennedy said. "I did a lot of listening. One of the things I heard was you have to be in Brussels. The European Union will be the core of the transatlantic relationship. Do more than NATO and look at the place that is growing into the new European political scene." This would presage GMF's 2001 establishment of an office in Brussels.

Craig Kennedy

He also heard about Europe's troubles. "At the same time there were difficulties in the Balkans, and many people suggested we try to do more there. We also heard a lot about Turkey, and the challenges and opportunities for Europe and the transatlantic community on Europe's rim." Those conversations would eventually lead to the 2003 founding of the Balkan Trust for Democracy, the opening of an office in Ankara, and the creation of a Black Sea Trust in Bucharest.

In a 1996 letter, Kennedy discussed the review process.

> *We undertook an extensive review of the Fund and its programs 1996. We sought out many U.S. and European experts and leaders and asked for their opinions on the future of this institution and of transatlantic relations. In the eyes of a few, these changed circumstances cast doubt on the need for institutions such as the German Marshall Fund. U.S.-European relations are viewed as important, yet not central to the core issues and challenges facing the world….Many others, however, emphasized the continued need for a strong and active transatlantic dialogue on a broad range of issues…. [Therefore] as we enter a new phase of our work, we will continue the Fund's original mission. Without denying the importance of other regions, there is still a clear and vital need to strengthen transatlantic relations.*

GMF's renewed mission began to come into focus. During the late 1990s, major new developments were beginning to reshape the economic and political environment in which transatlantic relations had for so long been conducted. Europe was becoming more economically, politically, and even militarily integrated. The NATO bombing of Yugoslavia in 1999 gave many EU leaders greater urgency in pushing to extend European institutions into Central and Eastern Europe. In a 1999 letter, Craig Kennedy laid out three major developments he expected to affect U.S.-European relations in the coming years, as well as their implications for GMF.

The first was the continued integration of Western Europe and the emergence of new European institutions, common policies, and joint actions. With the development of a European economic zone subject to common regulations and standards, and the transfer to the European Commission of authority to conduct most international trade negotiations, economic and commercial decisions were increasingly being made in Brussels rather than in national capitals. The launch of the euro currency by 11 EU member states in 1999 further strengthened the trend toward centralized decision-making, and the appointment of a High Representative for Common Foreign and Security Policy was a significant step toward a more politically unified Europe.

This had direct consequences for GMF's work, Kennedy wrote. "After many years of focusing mainly on bilateral relations with the countries of Europe, we now have to adjust to the new environment and support other institutions to do the same."

In addition to a greater emphasis on institutions and projects that would emphasize U.S.-EU relations, Kennedy announced the creation of the American Marshall Memorial Fellowship program. "For the last 18 years, GMF has brought over 800

American Marshall Memorial Fellows in Paris

outstanding young European journalists, politicians, civic and business leaders to the United States for an extended introduction to American politics and culture. We have now developed a parallel program that provides young American leaders with an equivalent opportunity to gain an understanding of Europe and its changing economic and political landscape."

The second major development was the promise of European Union enlargement to Central and Eastern Europe. By 1999, EU entry negotiations had either begun or were about to start with ten Central and Eastern European countries (as well as Cyprus and Malta), with the European Commission predicting that the first new members could perhaps join in 2004. Since 1990, GMF had supported non-profit organizations and other initiatives in Central and Eastern Europe. As the region entered an important new phase, Kennedy announced that "GMF's Board of Trustees…approved a $1 million increase in GMF's grantmaking budget to fund new initiatives in the region."

To support the expanded commitment, GMF would open a new office in Bratislava, Slovakia, to be overseen by Pavol Demeš, GMF's new director for Central and Eastern Europe. The focus of GMF's grantmaking in the region would be in areas of political, economic, and environmental reforms. Grants would be made to independent non-governmental public policy institutions to encourage analysis and transatlantic dialogue on transformation issues regarding security, foreign policy, and the development of civil society; strengthen public participation in the political decision-making process; and provide opportunities for leadership development for young politicians and journalists through fellowships and professional development exchanges in the United States and Europe.

The third major challenge was the structure of international trade and competition, which would spark the creation of new projects aimed particularly at how technological and political changes might affect the rules and institutions of international and transatlantic trade.

Yet perhaps the most important shift in this period was the creation at GMF of a new resident fellows program. As Kennedy wrote in the letter, "During the past three years, we have invited, on an ad hoc basis, policymakers from Europe and the United States to spend time at GMF's office in Washington. We are now making this program a permanent part of our work. On an annual basis, we will have three or four distinguished policymakers working with GMF staff on a full- or part-time basis. Although they will be involved in GMF's projects, our main interest is to provide them with an opportunity to do their own thinking and writing on key issues related to U.S.-European relations." The Transatlantic Fellows Program was the first step in GMF's transformation into a grantmaking and public policy institute.

GMF Fellows

By the end of 2001, GMF had already assembled an impressive list of Transatlantic Fellows. These included Ambassador Robert Zoellick, at the time the U.S. trade representative; Ambassador Hugo Paemen, former permanent representative of the European Union to the United States; Robert Kagan, co-founder and director of the Project for the New American Century; Todd Stern, former staff secretary and assistant to President Clinton for special projects; Lee Feinstein, former deputy director of policy planning at the U.S. State Department; and Volker Stanzel, a senior German diplomat, among others.

Robert Zoellick and Craig Kennedy

New Century, New Momentum

By 2001, GMF had built an endowment of $215 million and operated with an annual budget of $12.7 million. It had a staff of 19 in the United States and Europe, including five Europeans, three of whom were German. Yet while the endowment had grown substantially over the years, GMF's overall size and operating scope had remained on a path of slow growth. That would quickly change. Guido Goldman's tireless work set the stage for another crucial renewal of German support in 2001. The new gift, which was unanimously approved in November 2000 by the German Bundestag, would see 15 million Deutschmarks paid out over 10 years to the German Marshall Fund. It would serve as the spark to an unprecedented growth period. According to Heike MacKerron, it "laid the foundation for much of the fundraising we later did. Having the continued trust of the German government helped us go out and say you are investing in something that has been very carefully scrutinized."

In Bratislava at this time, Pavol Demeš focused on strengthening and expanding GMF's partnerships and grantmaking activities in the six countries of Central and Eastern Europe: Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovakia. GMF budgeted approximately $2.8 million annually for grantmaking and fellowship programs in the region. Through Bratislava, GMF also expanded its work into the Federal Republic of Yugoslavia, first through a small-grants program to increase civic participation in the country prior to local federal elections.

Another addition in this period was the opening of GMF's Transatlantic Center in Brussels in the fall of 2001. This was first U.S. policy institute in Brussels devoted to the study and research of issues related to the European Union and the Atlantic Alliance. At the inaugural event on December 7, 2001, the EU high representative for common foreign and security policy, Javier Solana, and the U.S. ambassador to the EU, Rockwell Schnabel, both spoke on the importance of the GMF Brussels presence as a forum for bridging conflicts and misunderstandings between Europe and the United States. Within several months of operation, the center, led by former *Washington Post* correspondent William Drozdiak, emerged as one of the key gathering places for transatlantic policy analysts, journalist, and scholars. In 2001, GMF also formally established an office in Paris, in a move that built on what for many years had been a part-time representation in France, thus bringing the total number of offices to four — Washington, Berlin, Brussels, and Paris.

GMF at 30

2002 marked 30 years of The German Marshall Fund. And yet the milestone arrived during a time of intense difficulty for transatlantic relations, to a degree perhaps not seen since the early 1980s. The terrorist attacks of September 11, 2001, were still fresh and there was great disagreement on both sides of the Atlantic regarding the best way to move forward. As Craig Kennedy wrote in a letter at the time,

> *This past year was a difficult one for those of us dedicated to promoting closer cooperation between the United States and Europe. For the past 12 months, we have witnessed criticism from both sides of the Atlantic over a wide range of issues. Some of this commentary has made us think more deeply about the real differences that divide the United States and Europe….In many areas, the prospects are good….Disputes over trade, competition, immigration, and cultural policies reflect the ever-closer relationship as companies invest across the Atlantic, and as media and cultural institutions continue to borrow from one another.*

But, he noted, "Security and foreign policy present a more troubling set of conflicts because these are rooted in a sharp divergence of views, capabilities, and expectations."

Amid all of the challenges of the day, GMF engaged in a flurry of activity throughout the year. At GMF's 30th anniversary celebrations in Berlin on June 5, 2002, more than 300

German Chancellor Gerhard Schröder (left) accepts a commemorative print from GMF Berlin Office Director Heike MacKerron and Board Chair Marc Leland during 30th anniversary celebrations

diplomats, policymakers, journalists, and experts in international affairs attended a reception hosted by Deutsche Bank. German Chancellor Gerhard Schröder delivered the keynote address, congratulating GMF on 30 years of strengthening transatlantic relations and stressing the value of GMF programming that provides Europeans and Americans the chance to meet and discuss key transatlantic issues. He urged the transatlantic partners to keep the mission of the Marshall Plan alive by continuing to support democratization and economic recovery in other parts of the world.

On September 4, 2002, GMF, in cooperation with the Chicago Council on Foreign Relations, released *Worldviews 2002*, a comprehensive survey of U.S. and European public opinion on foreign policy issues. The findings helped fill a gaping hole in comparative data on public opinion in the United States and Europe and contributed in a measurable way to better understanding the transatlantic debate. The timing of the survey was particularly propitious, coming one year after the September 11 attacks and amidst of a widening rift in the Atlantic alliance. The following year, GMF partnered with the Compagnia di San Paolo, Turin, Italy, to carry out the renamed *Transatlantic Trends* survey. This has since become the pre-eminent source of U.S. and European public opinion on a host of transatlantic issues, including common foreign policy challenges, support for NATO, the economy, and the rise of emerging powers, and has been cited by political leaders and the media in discussing the challenges of our time.

On April 1, 2002, the organization announced its purchase of the Butler mansion at 1744 R Street NW in Washington, DC. As Craig Kennedy tells the story, "On a rainy night in Brussels, Belgium, I received a call on my cell phone from one of the co-chairs of our Board, Mark Leland. He said, 'I just saw mentioned in the newspaper a building that would be perfect for us.' He said it apparently also had a German connection. So I came back and had a look at it. And we made an offer on it and the neighboring house. Then we started to learn more. One day I came back from a meeting and I was met by a lightly accented man standing outside the building who said he had worked here in the early 1950s, when it was the embassy." The mansion at 1744 R Street, had, in fact, been the first post-World War II German diplomatic representation in Washington. That the German Marshall Fund would move into a building with such a role in post-war U.S.-German relations was a remarkable happenstance.

A Bridge to the Balkans

In January 2003, GMF, together with the U.S. Agency for International Development and the Charles Stewart Mott Foundation, established an exciting new $30-million grantmaking initiative for Southeast Europe called the Balkan Trust for Democracy (BTD). This public-private partnership to support local and regional democracy-building efforts over an initial ten-year period was officially launched at GMF's Washington, DC, headquarters on April 7. Ambassadors from all the Balkan countries were present at the launch, showing the strong regional endorsement of the long-run initiative. USAID Administrator Andrew S. Natsios, Craig Kennedy, and Ivan Vejvoda, who was named BTD executive director, all addressed the audience, emphasizing the importance of transatlantic cooperation in international

1744 R Street NW as the West German Embassy

Following the reestablishment of the German Foreign Office as a federal ministry in 1951, the center of German diplomatic activity in the United States moved to Washington, DC. And it fell to Heinz Krekeler to find an appropriate building to house Germany's first post-war diplomatic mission in the U.S. capital.

German representatives visited at least 14 buildings around central Washington in the summer of 1951, all of which were either too small or too expensive. Then, in August, one building, 1744 R St. NW at the corner of New Hampshire Avenue, caught Krekeler's eye. The building was owned by Admiral and Mrs. Robert P. McConnell, and offered more than 20 rooms in addition to a large dining hall. Also included in the property was the 1742 "Annex" next door, which offered another 8 rooms. 1744 R St. was modeled on the beautiful Palazzo Massimo alle Colonne, a 16th century Renaissance palace in Rome. It was also a bargain: the asking price to lease was $200,000 and it needed little renovation.

The lease described the 1744 building as a "magnificent Sixteenth Century Renaissance Italian Palace....Construction is limestone and brick; exterior walls twenty-one inches thick; interior nine to fifteen inches thick, making the structure practically fire-proof. The edifice is four stories high with a full

basement and contains 24 rooms in all." At the top of the marble stairs was the building's highlight — the State Dining Room — with "imported marble door frames and base boards, similar plate glass windows, 3 handsome marble buffets with Carrara marble hand carved bases, antique marble mantle, a museum piece." The delegation moved in on February 1, 1952.

From 1952 until 1955, the 1744 building was labeled the "Diplomatic Mission of the Federal Republic of Germany in the United States." After the Federal Republic regained its sovereignty in May 1955, the building became the "Chancery of the German Embassy," and Heinz Krekeler was named the first post-war German ambassador to the United States.

The 1744 R St. building served this purpose until 1963, when the new German embassy was built on Reservoir Road. Therefore, during the East Berlin Uprising against Soviet occupation in 1953, West Germany's joining of NATO in 1955, the Hungarian Revolution of 1956, the building of the Berlin Wall in 1961, the Cuban Missile Crisis of 1962, and the famous Kennedy visit to Berlin in 1963, the diplomatic nerve center for German-American relations in the United States was located at 1744 R St. Throughout this period, the building hosted countless meetings with prominent figures including Willy Brandt, Lyndon Johnson, George C. Marshall, Dean Rusk, and Heinrich von Brentano. And among the many high-level events that took place in the building was a November 22, 1961, black-tie dinner hosted by the embassy for President John F. Kennedy and Chancellor Konrad Adenauer.

assistance to the region and the critical role that local initiatives can play in driving democratic consolidation and reform. GMF, USAID, and Mott were lauded for deepening their investment in Southeast Europe at a time when many donors were withdrawing.

The Balkan Trust for Democracy, based in Belgrade, became operational in June 2003 and in September inaugurated its Belgrade office with a reception attended by U.S. Ambassador to Serbia and Montenegro Bill Montgomery, representatives from USAID, several ambassadors from countries of the European Union and the Balkan region, and a rich collection of representatives of Belgrade's political and civic communities. "Before we launched the office, we used all our networks to disseminate the requests for proposals," Vejvoda said. "Then, as soon as we opened our doors, grant proposals started raining down on us and we had more than we knew what to do with."

Growing GMF's Public Policy Presence

Although begun as a grantmaking institution, GMF gradually added other components to its work. In 2001, GMF's efforts to build transatlantic networks through initiatives like the Marshall Memorial Fellowship program were expanded with the support of the Manfred Wörner Seminar for defense specialists. This program brings young U.S. and German policy professionals together in Europe to discuss common U.S.-German security interests and broaden professional networks. In 2004, in partnership with the Robert Bosch Foundation, GMF developed the Congress-Bundestag Forum. This program brings members of the German Bundestag and the U.S. Congress together each year to improve dialogue and cooperation between U.S. and German policymakers and broaden members' knowledge of political and policy processes on the other side of the Atlantic.

GMF also had a long history of convening transatlantic policy events, and by the early 2000s had hosted a number of regular conferences and policy dialogues. But GMF's convening capacity began to grow significantly in 2004, taking on a new importance as the organization itself grew in profile and in staff capacity. From June 25-27, 2004, GMF, in cooperation with the Turkish Economic and Social Studies Foundation, co-sponsored a major international policy conference in Istanbul in the run-up to the 2004 NATO Summit. Participants included Turkish Prime Minister Tayyip Erdogan, NATO Secretary General Jaap de Hoop Scheffer, chairman of the U.S. Senate Foreign Relations Committee Senator Richard Lugar (R-IN), and Georgian President Mikhail Saakashvili, among others. "The Atlantic Alliance at a New Crossroads" focused on the Alliance's overall strategic reorientation and potential new focus on areas such as the Black Sea region, Afghanistan, and Iraq, and on promoting democracy in the greater Middle East. The event also allowed GMF to highlight its scholarship in the form of a set of papers, called the "Istanbul Papers," published and presented at the conference. Pavol Demeš remembered GMF's interest in organizing events around NATO summits. "Parallel to highly formalized meetings organized by governments, we tried to bring together real thinkers, public intellectuals, and opinion makers to help us understand what NATO enlargement meant." The Istanbul conference was a critical step forward in GMF's efforts to establish itself as a key convener in the transatlantic space.

It also helped lay the groundwork for the 2005 opening of GMF's Ankara office, where

NATO Secretary General Jaap de Hoop Scheffer speaks at a GMF event

GMF would again be the first U.S. foundation to set up a permanent presence. "In opening the Ankara office we really wanted to put a marker down," remembered former GMF Executive Vice President Karen Donfried. "We wanted to make it clear that, whatever happens, Turkey is vital for Europe and the transatlantic community."

On February 21, 2005, GMF's Brussels office, under its new executive director, Ronald D. Asmus, hosted U.S. President George W. Bush for the keynote address of the first foreign trip of his second term. In his remarks, President Bush emphasized his commitment to improving transatlantic relations and told the audience of European dignitaries and policy experts that the U.S.-European relationship is founded on more than nostalgia. Using the lens of democracy to address hot spots around the world, he asked Europe to show the Iraqi people that "the world is with them," as Europe had done for Afghanistan. "When Europe and America stand together, no problem can stand against us," he said, also calling for "a new era of transatlantic unity." Two days later, in the Slovak capital of Bratislava, President Bush met his Russian counterpart, Vladimir Putin, as well as "champions of freedom" from the region including GMF's own Pavol Demeš, director for Central and Eastern Europe. President Bush spoke to GMF audiences twice more, at conferences on the sidelines of the NATO summits in Riga (2006) and Bucharest (2008).

President George W. Bush speaks at a 2005 GMF event in Brussels

Ron Asmus was a critical addition to the organization. A U.S. deputy assistant secretary of state in the 1990s, he had worked tirelessly to push for NATO enlargement into Central and Eastern Europe. In a revolutionary 1993 *Foreign Affairs* article, "Building a New NATO," he and his co-authors argued that the United States should welcome its former Warsaw Pact enemies in Eastern Europe into NATO in order to help make the continent "whole, free, and at peace." Asmus began his career at GMF as a senior transatlantic fellow in 2002, but made his mark on GMF when he became executive director of GMF's Brussels office. He pressed the organization to expand its research program, to develop new programming in the Middle East, Asia, Turkey, and the Caucasus, and to launch Brussels Forum, GMF's signature event. Ron Asmus passed away in April 2011.

"Before Brussels Forum there were two principal transatlantic conferences every year: the Munich Security Conference, which was

security focused, and the Annual Meeting of the World Economic Forum at Davos, which focused on economic issues," said Karen Donfried. "What we at GMF wanted to create was a forum that better covered the breadth of the relationship, including everything from immigration and energy issues, to the most topical and pressing issues of the day."

Brussels Forum would become an annual forum for intense, frank dialogue, and debate on the transatlantic relationship over the course of three days, and every year draws several hundred policymakers, journalists, scholars, and business executives from all over the world. In 2006, its first year, Brussels Forum attracted U.S. Senator John McCain, European Commission President Jose-Manuel Barroso, EU High Representative for the Common Foreign and Security Policy Javier Solana, and NATO Secretary General Jaap de Hoop Scheffer, and U.S. diplomat Richard Holbrooke, among others.

The innovative and conversational "in-the-round" format, the off-the-record sessions at night and over breakfast, and the high-level newsmakers led to international media coverage and a higher profile for GMF than anything the organization had done before. Topics were drawn from all over the transatlantic agenda, including energy security, the Middle East, economics and trade, terrorism, and cultural identity.

German Chancellor Angela Merkel speaks at the dedication of GMF's Washington headquarters in 2006

On January 13, 2006, GMF welcomed German Chancellor Angela Merkel for the dedication of its newly renovated Washington headquarters at 1744 R St. NW. The ceremony celebrated the legacy of the Marshall Plan, GMF's own historical ties to Germany, and the transatlantic relationship that grew out of the post-war assistance. "By moving into this building, the German Marshall Fund deliberately followed in the tradition [of the Marshall Plan], a tradition which remains alive because the projects, the staff, and the fellows of the German Marshall Fund are constantly developing it," Chancellor Merkel said to the assembled group of distinguished guests that included members of the U.S. Congress and the German Bundestag, as well as European ambassadors. Chancellor Merkel emphasized that the values of the Marshall Plan — freedom, democracy, and securing citizen's rights — are just as important today as they were 50 years ago.

Guido Goldman, co-chairman of GMF's Board of Trustees, introduced Chancellor Merkel to the audience and presented her with a replica of the European Recovery Program's prize-winning poster, titled "All Our Colors to the Mast." Goldman spoke about the origin of GMF, noting that the

organization began in 1972 from "something unique in the history of this country — the fact that another country chose to say thank you for a major initiative, the initiative of the Marshall Plan." Following Chancellor Merkel's remarks, Mark Leland, co-chairman of the Board of Trustees, invited her to sign a commemorative plaque that is now displayed in the building's lobby.

Onward and Upward

In the years that followed, GMF continued to grow at an unprecedented rate. GMF experts began to appear in major news outlets around the world commenting on U.S. and European affairs as well as on how the transatlantic community could cooperate on larger global issues. GMF grantmaking continued to expand, as the successful model of the Balkan Trust for Democracy was implemented in Bucharest in the form of the Black Sea Trust for Regional Cooperation, led by Alina Inayeh. This $20-million public-private partnership operates in Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Russia, Turkey, and Ukraine, and promotes civic participation, cross-border initiatives, links across the Black Sea, and confidence-building in the South Caucasus. Its creation also served as a demonstration of the growing attractiveness of the German Marshall Fund and its organizational models. As former GMF Vice President Phillip Henderson remembered, "The Romanians pushed hard for us to open an office in Bucharest; the initial proposal came from the highest levels of government. We really saw this as a testament to the tremendous success of the Balkan Trust for Democracy in Belgrade."

Former U.S. Secretary of State Madeleine Albright speaks at the 2010 Brussels Forum

At the same time, GMF continues to have a strong presence in Germany, provides significant support to key institutions in the German-American relationship, and organizes structured dialogue between German and U.S. policymakers. The German government showed its appreciation of the continued value of GMF with its decision to renew support for GMF's activities in 2010.

The number of conferences and seminars GMF convened continued to grow each year, with more than 100 in 2008 alone. That year, GMF convened a conference in Bucharest on the sidelines of the NATO summit, which received critical support from the organization's new Bucharest office. In 2009, GMF began sponsoring expert dialogues on Turkey, China, India, and the Mediterranean, as well as events alongside international climate change summits in Copenhagen and

Cancun. The organization's profile continued to rise in the Washington and European policy communities. World leaders who spoke at GMF events included U.S. Secretary of Defense Robert Gates, Turkish Prime Minister Recep Tayyip Erdoğan, former U.S. Secretary of State Madeleine Albright, EU High Representative for Foreign Affairs and Security Policy Catherine Ashton, U.S. Secretary of State Condoleezza Rice, German Finance Minister Wolfgang Schäuble, World Bank President Robert Zoellick, and Zbigniew Brzezinski, former national security advisor to U.S. President Jimmy Carter.

Finally, GMF continued to create dynamic new partnerships, such as in the establishment of the Transatlantic Academy. A GMF-ZEIT-Stiftung Ebelin und Gerd Bucerius initiative, the Transatlantic Academy would build on strong relationships developed over years of GMF grants given to academics and academic programs, and significantly increase GMF's research output. Rather than sponsoring individual academics to do stand-alone projects, the Academy brings together North American and European academics and policy practitioners in a collaborative setting each year to tackle a distinct policy theme of transatlantic interest. By the time the Academy opened, the Robert Bosch Stiftung and the Lynde and Harry Bradley Foundation had joined as core partners.

Participants at the 2011 Atlantic Forum in Rabat, Morocco

Going Forward

On May 27, 2011, GMF opened an office in Warsaw, Poland, in a move that in many ways represented the culmination of an increasingly active engagement in Central and Eastern Europe since the end of the Cold War. The office is GMF's seventh in Europe, and makes it the first U.S. public policy institution to establish a permanent center in that dynamic and influential European country. The Warsaw office concentrates on U.S.-European relations, Central and Eastern Europe, transatlantic security issues, the EU's Eastern Partnership, and energy.

In the meantime, GMF continued to expand the scope of its work and its impact over an ever-wider range of issues. As a convener, GMF's signature events, including Brussels Forum, Stockholm China Forum, India Forum, the Transatlantic Forum on Migration and Integration, and the Mediterranean Strategy Group, bring together ever-larger groups of stakeholders to examine the most critical challenges facing the transatlantic and broader international community. In terms of research, the Transatlantic Academy, *Transatlantic Trends*, the *Transatlantic Take* op-ed series, various policy brief series, and other publications continue to position GMF as a hub for policy research and analysis on transatlantic issues.

As a focal point for networking, GMF's flagship Marshall Memorial Fellowship program celebrates its 30th anniversary in 2012, and newer initiatives including the Transatlantic Cities Network and Congress-Bundestag tours provide new avenues for building transatlantic networks among the political, media, business, and non-profit communities. Finally, GMF continues its grantmaking tradition through several major programs, including the Balkan Trust for Democracy, the Black Sea Trust for Regional Cooperation, and the Fund for Belarus Democracy. Through these initiatives, GMF supports local and national NGOs, regional government organizations, and community groups working on democracy, local governance, and cultural exchange in the Balkans, Black Sea region, Belarus, and Central Europe.

Looking back on 40 years, GMF has closely followed the arc of the history of Europe and the broader transatlantic community. With offices in Washington, Berlin, Paris, Brussels, Belgrade, Ankara, Bucharest, and Warsaw; strong and nimble leadership; an effective and dedicated Board of Trustees; and ever-expanding ranks of over 150 scholars and staff, GMF looks forward to continuing its work to strengthen the transatlantic relationship in an ever changing world.

In a 2012 letter, Craig Kennedy discussed GMF's past, present, and future.

GMF has gone through several evolutions in its history, tracking or even leading changes in the transatlantic relationship itself. As the first U.S. organization to open an office in East Berlin after the Berlin Wall fell, we were at the vanguard of working in Central and Eastern Europe. We were on the front lines of NATO expansion to include many of those countries. We continue to work in the Balkans, the Black Sea region, and Turkey — areas that can be integrated further still into Euroatlantic structures. And our seven offices in Europe have us uniquely positioned to integrate local, regional, and global perspectives in confronting the world's challenges.

In recent years, GMF has talked about looking at the world through a transatlantic lens. It's not just that anymore. We now need the Brazilians, the Japanese, and the Indians to look with us. Their perspectives — and growing willingness to play a shaping role in East Asia, North Africa and the Middle East, and Iran — will help all of us live in a safer and more prosperous world.