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PowerPoint/video manuscript: "The Fulbright Program, 1946-2021:
Philosophy, Politics, Bureaucracy, Money"

YouTube: <https://www.youtube.com/watch?v=IVTAFc3mWLU>

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"The Fulbright Program at 75: Past, Present, Future"

Numbers below refer to PPT slide numbers.

1. Title slide: "The Fulbright Program, 1946-2021: Philosophy, Politics, Bureaucracy, and Money"
2. This is Senator J. William Fulbright from Arkansas, the congressional sponsor of the Fulbright Act of 1946 and cosponsor of the Fulbright Hays Act of 1961. This year marks the seventy-fifth and the sixtieth anniversaries of these landmark pieces of legislation, respectively.
3. Born in 1905, Fulbright grew up in Fayetteville in northwest Arkansas and graduated from the University of Arkansas in 1924. Then he spent three years as a Rhodes Scholar at Oxford (1925-28) and returned to the States and studied law at George Washington University in Washington, DC.
4. In 1943, he was elected to the House of Representatives, and in 1945 he successfully ran for the Senate.....
5.where he served five terms until 1974 and became the longest serving chair of the Senate Foreign Relations Committee (1959-1974). In 1955, Fulbright said that three factors inspired his proposal to establish the exchange program that bears his name.
6. He called "my experience as a Rhodes scholar the dominant influence in the creation of the Fulbright awards" but he added two others, starting with "the devastation of the second world war."¹
7. Fulbright immediately recognized the implications of the nuclear age for international politics and later referred to the atomic bombings in Japan as "the

¹ Lord Elton, ed., *The First Fifty Years of the Rhodes Trust and the Rhodes Rhodes Scholarships, 1903-1953* (Oxford: Blackwell, 1955), 212. Frank Aydelotte, a Rhodes alumnus who served as the American Secretary of the Rhodes Trust solicited a testimonial letter for this commemorative publication from Fulbright. His letter, which was dated May 6, 1955 is cited here.

immediate cause of my sponsorship of the legislation to set up an exchange program.”²

8. Finally, Fulbright mentioned “the existence of large uncollectable foreign credits”: windfall income that the United States was accruing overseas in non-convertible currencies from sale of wartime surpluses. The U.S. government had billions of dollars of wartime material stockpiled overseas in former theaters of war in Europe, Asia, and the Pacific – building materials, fuel, vehicles, medicine, food. These assets, which the historian Sam Lebovic has called “war junk,”³ were complicated and expensive to maintain. Foreign governments did not have the U.S. dollars to buy them, so the U.S. government decided to accept non-convertible foreign currencies as payment in order to sell them.

9. On September 27, 1945, just weeks after World War II ended, Fulbright rose in the Senate and proposed a “Bill authorizing the use of credits established through the sale of surplus properties abroad for the promotion of international good will through the exchanges of students in the fields of education, culture, and science.” Fulbright “initially introduced [his Senate Bill] 1440 without consulting them [the State Department] and later they came in.”⁴ The legislation was his idea and a Congressional initiative, not a State Department proposal. The historian Harry Jeffery has maintained that “Perhaps more than any other major piece of congressional legislation in post-World War II American history the Fulbright exchange program is the product of one man.”⁵

10. Fulbright’s bill was based on a simple but ingenious idea: amending a piece of legislation that had nothing to do with education or exchanges . . . to finance educational exchanges: the Surplus Property Act of 1944. The purpose of the Surplus Property Act was to help the U.S. transition from a wartime to a peacetime economy by selling off wartime surpluses at home and abroad, and this created windfall revenues in nonconvertible foreign currencies overseas that Fulbright identified as a means of funding educational exchanges. . . . Fulbright’s inspired idea was to earmark some of these monies for exchanges, and they were there for the taking. One of the “most attractive features of the original bill from the viewpoint of Congress” Fulbright observed years later “was that it did not involve the appropriation of funds.”⁶

² J. William Fulbright, *Against the Arrogance of Power: My Personal History* (Tokyo: Nihon Keizai Shimbun, 1991), 55–56.

³ S. Lebovic, “From War Junk to Educational Exchange: The World War II Origins of the Fulbright Program and the Foundations of American Cultural Globalism, 1945-1950,” *Diplomatic History* 37, no. 2 (April 1, 2013): 280–312.

⁴ “Hearing: To Amend the Surplus Property Act of 1944, July 3, 1946,” Pub. L. No. HRG-1946-EXD-0006, House Committee on Expenditures in Executive Departments, 41 (1946), 5.

⁵ Harry P. Jeffery, “Legislative Origins of the Fulbright Program,” *The ANNALS of the American Academy of Political and Social Science*, Volume 491, May 1987, 37.

⁶ J. William Fulbright, “Twenty Years of the Fulbright Act,” ed. U.S. Advisory Commission on International Education and Cultural Affairs, *International Educational and Cultural Exchange*, Fall 1966, 3.

11. “The educational exchange program was not born of one of those “great debates on which the United States Senate prides itself” Fulbright said later: “It was little understood, at the time,,”⁷ and he recognized that his bill was a “potentially controversial idea.”⁸ Therefore, he quietly moved it through Congress with a number of amendments. President Truman signed the legislation that was to become known as the Fulbright Act into law on August 1, 1946 in the presence of Fulbright and William Benton, the Assistant Secretary of State for Public Affairs, who was instrumental in branding the program with Fulbright’s name. Looking back Fulbright said: “this bill had a very narrow squeak. . . . If it had not been passed and signed when it was [just two days . . . before Congress adjourned that summer], I doubt if it ever would have been enacted.”⁹

12. This is the Fulbright Act in its entirety. It is less than two pages long and highly technical, and it has an almost incomprehensible title:

13. “An Act to amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside of the Continental United States, Its Territories, and for other purposes.”¹⁰ One of its so-called “other purposes” was to establish the exchange program Fulbright had initially proposed in September 1945.

14. The Fulbright Act established the institutional architecture of the Fulbright Program with its many moving parts by doing five things illustrated by this organogram.

15. First, the Fulbright Act opens with a long technical passage

16. establishing the role of the State Department as the sole agency for the disposal of surplus property overseas.

17. The second part of the act outlines the entire architecture of the program in one, long, run on sentence that

18. authorized the Secretary of State to conclude executive agreements with foreign governments

⁷ Papers of John F. Kennedy. Presidential Papers. President’s Office Files. Speech Files: “Remarks of the President at the ceremonies in the Rose Garden in connection with the 15th anniversary of the Fulbright Act,” 1 August 1961,” John F. Kennedy Presidential Library and Museum, accessed March 17, 2021, <https://www.jfklibrary.org/asset-viewer/archives/JFKPOF/035/JFKPOF-035-033>.

⁸ Fulbright, “Twenty Years of the Fulbright Act,” 3.

⁹ Papers of John F. Kennedy, “Remarks of the President at the ceremonies in the Rose Garden in connection with the 15th anniversary of the Fulbright Act,” 1 August 1961”

¹⁰ “An Act to Amend the Surplus Property Act of 1944 to Designate the Department of State as the Disposal Agency for Surplus Property Outside the Continental United States, Its Territories and Possessions, and for Other Purposes.,” Pub. L. No. 79–584, Statutes At Large: Volume 60 (1946) 754 (1946), 754-55, <https://www.loc.gov/law/help/statutes-at-large/79th-congress.php>.

19. that had purchased wartime surpluses to
20. establish unique binational educational commissions with equal numbers of U.S. and partner country board members for the local governance and management of the program....
21. And these commissions, in turn, hired local staff to run the program on the ground.
22. With the revenues these commissions had at their disposal, they provided travel grants for students, teachers, and scholars from abroad to get them to ports of entry in the United States and comprehensive grants for U.S. grantees to cover their travel and living costs abroad.
23. The program was based on the idea of binational governance and bilateral exchange.
24. Transatlantic and transpacific travel for civilians was rare and prohibitively expensive in the 1940s and fifties, and most travelled by ocean liner in the olden days.
25. Fifth, a technical passage at the end of the Fulbright Act authorized the U.S. president
26. “to appoint a Board of Foreign Scholarships (BFS) consisting of ten members composed of representatives of cultural, educational, student and war veteran groups.”¹¹
27. This representative cross-section of leading academics, university leaders, and experts, were -- as private citizens -- responsible for establishing Fulbright program policies, selecting grantees, and governing the program. The State Department’s Office for Exchanges – the forerunner of today’s Bureau for Educational and Cultural Affairs, supported the BFS which designated a number of well established non-profit educational and professional organizations – the so-called cooperating agencies – to administer the program in the U.S. They recruited American candidates for grants and helped orient and place grantees from abroad at American host institutions. The Fulbright Program was based reciprocal exchanges as mirror-reversed incoming and outgoing processes.
28. Fulbright, who amended his bill to provide for an independent BFS, later circumscribed its creation a “first step in insulating the programs from current political interests,”¹² Oscar Handlin, the Pulitzer-prize winning Harvard Historian and Chair of the BFS, was more explicit when:

¹¹ Fulbright Act, Sec. 2, 755.

¹² Fulbright, “Twenty Years of the Fulbright Act,” 4.

29. He called the BFS “a unique governmental institution . . . consisting of private citizens whose primary affiliations are academic . . . [and] . . . the product of an intention to keep the program free of either political or bureaucratic interference. . . [based] . . . on a commitment to the traditional conceptions of academic freedom. . . . Selections are made solely on the basis of merit because the free flow of ideas cannot but further the foreign policy aims of the United States.”¹³

31. The Fulbright Program was conceived as a highly *non-governmental* governmental program, and this characteristic contributed to establishing its reputation and promoting its acceptance overseas: (1) 8 of the 10 members of the Board of Foreign Scholarships were well-known private educators, not Government employees.

32. (2) The so-called cooperating agencies responsible for program support in the United States were reputable private non-profit and professional educational associations, and

33. (3) the binational commissions abroad with their binational boards were not instruments of either government but operated independently in the mutual interest of both.

34. However, despite the ingenuity of the Fulbright Act, it had some major shortcomings. It only provided for funding in foreign currencies accrued through the sale of surplus properties overseas. These foreign currencies could cover *all* of the costs of comprehensive grants for US grantees overseas but *only* the travel costs of grantees overseas to their ports of entry in US.

Due to the absence of funding in US dollars, there were (a) no funds to cover the costs of the administering the program in the US or (b) to provide for other expenses incurred by grantees from overseas in the US.

33.

- Between 1947-1952, 28 countries in former theaters of war in Europe, Asia, and the Pacific established binational Fulbright commissions but the program was *limited* to these countries with wartime surpluses. These revenues from the sale of these surpluses were *limited*, too, and bound to be depleted.
- Fortunately, earmarking revenues from the sale of *agricultural* surpluses overseas in 1954 extended the logic and the reach of the program and 15 new agreements were signed between 1954 and 1960 (with 8 in Latin America).

¹³ Oscar Handlin, “Academic Freedom in International Educational Exchange,” ed. U.S. Advisory Commission on International Education and Cultural Affairs, *International Educational and Cultural Exchange*, Fall 1966, 9–10.

Two factors were decisive in offsetting these shortcomings and getting the program off the ground:

35. First, the BFS solicited support from the diverse institutions of American civil society, and they collaborated to put comprehensive packages of cash and in-kind support together for incoming Fulbright grantees

36. Second, Congress passed the United States Information and Educational Exchange Act – better known as the Smith-Mundt Act – in January 1948:

37. 18 months after the Fulbright Act.

38. The Smith-Mundt Act had two purposes: First, it provided funding for continuation and reorganization of U.S. propaganda and information programs after World War II : an “information service” to promote a better understanding of the United States in other countries by disseminating information about the United States abroad

Second, it established an “educational exchange service” to increase mutual understanding between the people of the United States and other countries and to cooperate with other nations. This provided urgently needed funding in US dollars for the Fulbright Program as well as for the establishment of other U.S. government exchange programs in the future: such as the International Leaders Visitors Program and citizen exchanges.

39. The original flexible and mixed funding formula for the Fulbright Program that made it a resounding success. It consisted of:

- Foreign currencies from the sale of wartime surpluses overseas for expenses overseas
- US dollars from Smith-Mundt for Fulbright expenses in US dollar expenses in the U.S
- various forms of private sector cash and in-kind support in the U.S. for Fulbrighters from abroad

From 1945 until the establishment of the United States Information Agency in 1953 there also was an ongoing debate on how to best to organize and administer peacetime propaganda, information, and exchange programs, a debate which became increasingly urgent after the Cold War began in 1947.

40. At the end of August 1945, *five* fundamentally different but complementary *functional* activities were incorporated into the Office of International Information and Cultural Affairs that in turn operated in *five geographical policy regions*. This office inherited the propaganda activities of the Office of Wartime Information (OWI) – the so-called “fast media” of print, radio, and film – along with the so-called “slow media”: such as libraries and the fledgling “exchange of persons” programs.

In the early years of the Fulbright Program, both the BFS and Senator Fulbright advocated for making a rigorous distinction between the short-term, day-to-day, policy-driven, unilateral messaging of information programs and the long-term, bilateral and reciprocal nature character of educational exchange programs conceived to promote international understanding and cooperation and characterized by dialogue.

41. In 1952 and 1953, Senator Fulbright and his Republican colleague from Iowa Senator Bourke Hickenlooper (R-Iowa) alternately chaired a special Senate subcommittee tasked to comprehensively evaluate the organization and effectiveness of the overseas information programs of the United States, including exchanges. They heard the testimonies of hundreds of practitioners and experts and collected thousands of pages of testimony.

The advocates of exchange programs argued that there were fundamental differences between the long-long term objectives of promoting international understanding through educational and cultural exchange programs based on the principles of bilateral dialogue, reciprocity, and the freedom of expression and the information programs designed to unilaterally inform, educate, or influence foreign audiences on a short-term, day-to-day basis in the American national interest.

42. The arguments for organisationally segregating exchanges from information ultimately carried the day. When the United States Information Agency was established as an executive agency in 1953 to manage overseas print, radio broadcasting, film, and libraries, exchanges were not in its portfolio, and the State Department retained the management of international exchange programs in a small office called Bureau of International Cultural Relations (CU): the forerunner today's Bureau for Educational and Cultural Affairs (ECA). This put the final touches on the original architecture of the Fulbright Program.

43. Once everything had fallen into place, the Fulbright Program boomed in the 1950s. By 1961, forty-one countries with binational Fulbright commissions were participating in the program, which had over 50,000 alumni.

44. On August 1, 1961 – the fifteenth anniversary of the signature of the Fulbright Act in 1946 to the day– President Kennedy invited Fulbright and the other politicians instrumental in establishing the program to the White House for a commemoration.

45. He noted that “This program has been one of the great acts of creative and constructive statesmanship in the post-war period. Fulbright grants are known throughout the world for the ceaseless, informal and effective work they do for better world understanding and for developing the talent of individuals.”

46. And he added “Thanks to your leadership Congress is presently considering new legislation which would consolidate and strengthen various existing legislation and thereby establish a firm basis for moving forward in the sixties.”¹⁴

47. The purpose of this “new legislation” was to consolidate the Fulbright Act of 1946 and the Smith-Mundt Act of 1948 into one new and more expansive piece of legislation: the Mutual Educational and Cultural Exchange Act of 1961 better known as the Fulbright-Hays Act

48. which Kennedy signed into on September 21, 1961.

49. The Fulbright-Hays Act relied on the established strengths and architecture of the program by providing for the “creation or continuation binational or multinational educational and cultural foundations and commissions.”¹⁵ It also invited “foreign governments, international organizations and private individuals, firms, associations, agencies and other groups . . . to participate to the maximum extent feasible in carrying out this Act and to make contributions of funds, property, and services . . . to be utilized to carry out the purposes of this act.”¹⁶ in co-funding the program in the future, which they did with increasing amounts of regularity and enthusiasm.

50. The institutionalization of binational cost-sharing ingeniously provided new sources of revenue in foreign currencies for the Fulbright Program in the countries with binational commissions. It effectively *replaced* its reliance on the revenues from the sale of U.S. wartime or other surpluses overseas by introducing cash and in-kind contributions coming directly from partner countries as new sources of revenue. The idea of bilateral cost-sharing was based on the Fulbright trademark of binationalism.

51. Furthermore, the Fulbright-Hays Act also provided increased funding for the Fulbright Program as a line item in the U.S. budget which allowed the State Department to extend the program to countries which had not concluded executive agreements to establish binational commissions. This introduced a new and different category of awards and gave the program a global reach.

52. This new category of Fulbright grants relied on the existing stateside structures of the program for administrative support

53. but was unilaterally funded and managed as U.S. government program by U.S. embassies *without* the Fulbright program’s trademark bilateral agreements, binational commissions, or co-funding opportunities.

54. The five years following the signature of the Fulbright Hays Act were

¹⁴ Papers of John F. Kennedy, “Remarks of the President at the ceremonies in the Rose Garden in connection with the 15th anniversary of the Fulbright Act,” 1 August 1961”

¹⁵ “Mutual Educational and Cultural Exchange Act of 1961,” Pub. L. No. Public Law 87-256, 527 (1961), Sec. 103 (b), 529.

¹⁶ *Ibid*, Sec. 105 (f), 532.

- a period of optimism, increased funding, dynamic growth
- they established co-funding by partner governments as a new feature of the program
- lead to conclusion of 9 new executive agreements including three in Africa and one with communist Yugoslavia
- started extending the program globally through embassy-based programs

55. The first major crisis in the program's history coincided with its all-time funding peak in the mid-1960s. Fulbright's principled opposition to the United States' escalation of the Vietnam war ruptured his relationship with President Johnson: a long-standing personal friend and political ally. Increased spending on the war put tremendous strain on discretionary funding the federal budget, and John Rooney, the powerful chair of the House Committee on Appropriations and a hawk on Vietnam, was sceptical about exchanges.

56. These downside factors combined – with Congressional disinterest – contributed to dramatic cuts in funding totalling over 40% between 1966 and 1969 resulted in a 30% drop in the number of grants.¹⁷ Funding stagnated at lower levels during Nixon administrations in the 1970s, although countries with binational commissions stepped up their efforts to co-fund the program. 1978 also was a milestone in the administration of the Fulbright Program, when a reorganization of USIA – then temporarily called the International Communications Agency (USICA) – entailed moving exchanges out of the State Department in with the other programs into the agency's "information" portfolio.

57. After the cuts in the late sixties and stagnation in the seventies, funding for public diplomacy and exchanges picked up in the 1980s under the Reagan administrations during the so-called „second Cold War”

58. After the collapse of communism in Eastern Europe and the Soviet Union between 1989 and 1991, funding for public diplomacy peaked in 1994, and between 1990 and 1997 – ten new binational Fulbright commissions came into being with six of them in the so-called “new democracies” in what had been Communist “Eastern Europe.”

59. Ironically, a few years after the Berlin Wall fell,

60. funding for USIA and exchanges fell, too -- cancelling many of the gains of the 1980s in real terms. Policy-makers thought that USIA had served its purpose. It was “downsized” in the mid-1990s, and then -- in 1999 -- broken up into its constituent parts and “consolidated” in the State Department.

¹⁷ Statistics and graph from Board of Foreign Scholarships, *Eighteenth Annual Report*, 1980, vii.

61. 9/11 and the advent of the global war on terror precipitated renewed run-up in funding for exchanges— most of which went into embassy-based programs or into programming in the Muslim world between Morocco and the Philippines

62. In conclusion: For a retrospect on the funding history of the program, you have to look at the yellow bars on this graph from the Fulbright Foreign Scholarship Board's *2014 Annual Report* because they are in so-called constant dollars that show real dollar values in inflation-adjusted terms. U.S. government funding for Fulbright has been a rollercoaster ride of cuts and increases, with an absolute funding peak in 1966, followed by drastic cuts and stagnation in the seventies; a funding run-up in the eighties and early nineties; renewed cuts in 1996, then another run-up after 9/11.

Funding for Fulbright awards is *lower* today than it was over fifty-five years ago in 1996, when there were fewer programs in fewer countries; it has been stretched to fund 49 binational commissions and over 100 embassy-based programs today.

63. A look at the distribution of grantees between countries where the program is managed by binationally by Fulbright commissions and countries where it is managed unilaterally by U.S. embassies illustrate some interesting trends since late seventies, too.¹⁸ Funding and grantees numbers were stagnating at low levels in the late seventies when USIA started administering the Fulbright Program.

64. Since then, cumulative funding and grantee numbers have undulated upward.

65. USIA -- and then State Department -- have committed increasing amounts of funding to unilaterally managed embassy based-Fulbright programs in specific policy regions.

66. However, countries with binational commissions dating back to the forties, fifties, sixties, and early nineties, still are the philosophical and organization backbone of the program. Over 78% of the over 400,000 alumni of the Fulbright Program today received grants from binational Fulbright commissions.

67. And since the Fulbright-Hays Act co-funding in 1961, contributions from partner governments have increased steadily from zero to an average of around \$ 100 M annually in recent years. More than 90% of this support from overseas comes from countries with binational Fulbright commissions, many of which commit more funds annually to the program than the the U.S. appropriation :and in many cases in multiples.

¹⁸ Note: Segregating these statistics was done by separating the respective grantee numbers for each year based on whether countries have binational commissions or embassy-based programs and tallying them, respectively. The annual reports of the Board of Foreign Scholarships/J. William Fulbright Foreign Scholarship Board traditionally have not segregated these numbers using this distinction nor does the State Department make this distinction which ultimately obscures the dimensions of partner countries with binational commissions to the program.

68. Looking back in the grand scheme of things, binational commissions were part of the foundational ingenuity of the Fulbright Act seventy-five years ago, and they have been important sources of stability, growth, innovation, and resilience for the program ever since.

69. We are a long way away from the eloquent and often-cited praise of the Fulbright Program by President Kennedy sixty-years ago with its reference to the Old Testament, but, in conclusion, it warrants being repeated here: “Of all of the examples in recent history of beating swords into plowshares, of having some benefit come to humanity out of the destruction of war, I think that this program in its results will be among the most pre-eminent.”¹⁹

Background reading: Lonnie R. Johnson, “The Making of the Fulbright Program, 1946–1961: Architecture, Philosophy, and Narrative” in Alessandro Brogi, Giles Scott-Smith, and David Snyder, eds., *The Legacy of J. William Fulbright: Ideology, Power, and Policy* (Lexington: University of Kentucky Press, 2019), 135-151; “The Fulbright Program and the Philosophy and Geography on US Exchange Programs Since World War II” in *Global Exchanges: Scholarships and Transnational Circulations in the Modern World*, edited by Ludovic Tournès and Giles Scott-Smith (New York/Oxford: Berghahn Books, 2018), 174–187.

¹⁹Papers of John F. Kennedy, “Remarks of the President at the ceremonies in the Rose Garden in connection with the 15th anniversary of the Fulbright Act,” 1 August 1961”