

POLITICS AND CULTURE IN MODERN AMERICA

Series Editors: Margot Canaday, Glenda Gilmore,
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Volumes in the series narrate and analyze political and social change in the broadest dimensions from 1865 to the present, including ideas about the ways people have sought and wielded power in the public sphere and the language and institutions of politics at all levels—local, national, and transnational. The series is motivated by a desire to reverse the fragmentation of modern U.S. history and to encourage synthetic perspectives on social movements and the state, on gender, race, and labor, and on intellectual history and popular culture.

TOP DOWN

The Ford Foundation, Black Power,
and the Reinvention of Racial Liberalism

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kind of farm team for federal policymaking. These figures included people like Mitchell Sviridoff, who helped draft the Economic Opportunity Act. He headed New Haven's Gray Areas agency after being recruited away from the Alliance for Progress, Kennedy's ambitious modernization effort in Latin America. Lloyd Ohlin, the chief research consultant for the PCJD, helped develop "opportunity theory," the key idea behind the War on Poverty, when he worked at MFY. Lyndon Johnson appointed Robert Weaver as the first ever African American federal Cabinet Secretary of the new Department of Housing and Urban Development (HUD), a position chosen for him first by Kennedy in 1961 during the initial, unsuccessful bid to create HUD.⁴⁶

The Foundation's direct influence on the Kennedy administration bolstered the trustees' faith in Ylvisaker's approach, which, like in the case of developing black leadership, stretched but did not overreach their worldview or ideology. Further, in devising developmental separatism, Ylvisaker found a way for the Foundation to pursue its assimilationist and modernizing goals without pushing the political hot button of racial desegregation or integration, freeing conflict-averse trustees and officers to pursue the activism promised by Ford's mission. In sum, the Gray Areas program, and its model of behavioral and systems reform in the ghetto through indigenous leadership development, offered the trustees exactly the approach and solution that they were looking for to manage and solve the Negro problem and its latest iteration, the urban crisis.

McGeorge Bundy's Ford Foundation

Buoyed by the policy ambitions of the New Frontier and Great Society, as well as the Foundation's indelible mark on both, in 1965 the Foundation's trustees sought a replacement for Heald. They wanted a man who shared their ambitions to make the Foundation into an instrument of liberal social transformation modeled in part on Ylvisaker's pioneering example. McGeorge Bundy fit the bill. Despite the controversy to come over his focus on and explicit involvement with racial issues—especially when they seemed to jibe with some forms of black power—Bundy's approach and solution were deeply rooted in the Foundation's assimilationist creed, albeit adapted to address the assertions of the black freedom struggle. The path he outlined for American "minorities" thus owed a great deal to the Gaither report's articulation of

modernization ideology and the elite theory of democracy, along with Paul Ylvisaker's programs of community action and developmental separatism.

These precedents were clear in Bundy's outline of the Foundation's plan of action for African Americans, which he debuted in a 1966 speech to the National Urban League in Philadelphia. In it, he announced that the primary focus of his presidency would be to create the conditions for "full equality for all American Negroes," which he proclaimed was "now the most urgent domestic concern." Among Bundy's priorities in this area were "research as a weapon," or the application of demonstration-based social science experiments to determine the best possible programs to "turn the tide of hope upward in the ghetto"; better communication between whites and blacks "in the face of enormous social problems and rapid social change" in order to foster "peaceful progress"; an activist conception and practice of racial justice that moved beyond legal rights to a "larger" definition that called "for *urgency*, and *priority*, and *preference* for what helps to end *injustice*"; and strengthening leadership of "Negroes who work for peaceful progress," thus building "the hope and self-confidence of the Negro American." Finally, he emphasized that the city must be the crucible for forging racial equality, given an ongoing urban crisis in which what the Ford Foundation officers now explicitly called "the ghetto," created by white barriers to black opportunity and mobility, threatened to "[pull] the central city down."⁴⁷ In short, this social-engineering and therapeutic approach to the ghetto largely replicated Paul Ylvisaker's vision of gray areas, itself borne of the Gaither report's priorities. Bundy's innovation was to move this strategy for African American modernization and assimilation to the forefront of the Foundation's mission.

While Bundy's approach was not a new one for the Foundation, the messenger certainly was. In him, the trustees had found a high-profile leader who showed complete confidence in handling the Foundation's growing endowment and concomitant prestige as the largest private foundation in the world and who promised to exceed even the public policy success of Ylvisaker's Public Affairs program. A Republican from a patrician Boston Brahmin family, Bundy epitomized the American liberal establishment.⁴⁸ His lineage alone put him in line for leadership of the nation's upper crust. As the *New York Times* gushed, Bundy was a "Lowell on his mother's side" and thus "scion of the poetess Amy, the astronomer Percival, [and] Harvard's president A. Lawrence" in addition to the family's patriarch, pioneering industrialist and textile-mill owner Francis Cabot Lowell. Bundy was also a "product of Groton [boarding school], classmate of Henry Ford [II] and member of

[the] Skull and Bones [ultra-select secret society] at Yale University.⁴⁹ As a Yale undergraduate, he was already cogently articulating establishment ideology, appropriating the vital center liberalism of two key American public intellectuals—his friend, historian Arthur Schlesinger, Jr., and his Progressive mentor, public intellectual Walter Lippmann. Bundy shared their anti-Communism, but even more importantly the elite theory of democracy, in which the public interest could best be served by an educated elect forging a rational middle path, as opposed to the populism of mass politics. He first distinguished himself after the war at Harvard University, where in the 1950s he was the youngest Dean of Arts and Sciences on record, not to mention the only one without a graduate degree. There, he took a leadership role in the postwar disciplinary and meritocratic transformation of the Ivy League, making Harvard a powerhouse of social science and opening it up to brilliant minds, whatever their ancestry.⁵⁰

From Harvard, Bundy moved on to become a national security advisor to John F. Kennedy, a position at the pinnacle of power at the height of the Cold War. Representing the liberal establishment's ascendant intellectual wing, he joined in with other young elites to imbue the Kennedy White House with the indefatigable spirit of technocratic optimism and can-do social-engineering know-how that undergirded the spirit of the New Frontier and then the Great Society. Even within Kennedy's exalted inner circle, Bundy stood out; one of his peers characterized him as the era's own John J. McCloy, comparing him to the establishment "chairman" and family friend.⁵¹

Bundy had a special rapport with the president; both men shared a cool, pragmatic, and activist ethic, which Kennedy liked to call "balls," or the courage to take action. This modern machismo indelibly shaped the putatively objective and expert decision making of the Kennedy administration. So did an ironclad belief—first cemented in the Second World War and bolstered by the Cold War's political and ideological imperative to fight Communism—in America's responsibility for the world. What this meant for Bundy as Kennedy's national security advisor was an obsession with demonstrating that the United States was living up to its role as global watchdog. Using the historical example to which he constantly returned, he warned that the United States must never be guilty of appeasing Communism the way British Prime Minister Neville Chamberlain had conciliated Adolf Hitler. Hence Bundy was almost always a voice for action in the Kennedy and Johnson White House, much of which was or could have been disastrous if carried out. He advocated for airstrikes against Cuba during the missile crisis; supported covert

operations like the Bay of Pigs and Operation Mongoose to overthrow or assassinate Cuba's Fidel Castro, as well as the ultimately murderous plot to instigate a coup to depose South Vietnamese leader Ngo Dinh Diem; and, most fatefully, pushed for the sustained bombing of North Vietnam, which would escalate American involvement into all-out war. Secure in his establishment identity as the best possible servant of the national interest, he was loyal to the end to both Presidents Kennedy and Johnson, believing that they had the right men advising their decisions. When he left the Johnson White House in 1965, it was not due to any fundamental policy differences over Vietnam like it would be for other key figures, but because of the U.S. president's unwillingness to be *more* confident and open in promoting his foreign policy decisions to the public. In fact, Bundy remained a key foreign policy advisor to LBJ after leaving Washington for the Ford Foundation.⁵²

Given his ongoing faith in American foreign policy, Bundy was very lucky in timing his departure from Washington. His pivotal role in creating the Vietnam quagmire could very well have torpedoed his career. The Foundation's offer provided him a life raft in the nick of time, allowing him to jump ship from the Johnson White House before the credibility gap would sink it. Once in New York, he turned his attention to domestic issues, hitching his star to Paul Ylvisaker's celebrated Public Affairs program, whose agenda Bundy moved to the center of the Foundation's program. Signaling this shift, after much deliberation Bundy declined to appoint Ylvisaker as vice president of National Affairs, the new Foundation division that subsumed the Public Affairs program as its centerpiece. Ylvisaker's extraordinary success in conceiving, demonstrating, and selling community action made him an unacceptable rival to Bundy as the new president sought to make his mark in the same area. Nevertheless, Ylvisaker's legacy persisted, as Bundy's own appointments demonstrated. After a brief stint as his own VP of National Affairs, in 1967 Bundy named Mitchell Sviridoff, the former director of New Haven's Gray Areas program, as his replacement. Then, in 1968, Bundy hired Roger Wilkins, who had been running a community-action program for the U.S. Departments of Commerce and Justice inspired by the Foundation-funded MFY. Wilkins ran the Foundation's Social Development program, which commanded nearly one-half of National Affairs's budget in an effort to put Bundy's Urban League speech priorities for minorities into practice. In short, Ylvisaker's influence was far-reaching and indelible.⁵³

Yet the context for Bundy's appointment and decision to draw on and expand the Public Affairs program had changed dramatically since Ylvisaker's

rise to the top of American social policy circles. While Ylvisaker had operated at the pinnacle of American liberalism's self-confident activism, Bundy came to the Foundation's helm at the point at which the postwar consensus had begun its precipitous unraveling, thanks to the Vietnam crisis that he left behind in Washington and the black freedom struggle and urban crisis that he intended to engage from New York. By 1965, members of the liberal establishment—especially those outside Washington and in academia and the media, including Bundy's mentor Walter Lippmann—had begun to object openly to further American involvement in Vietnam. By 1968, these doubts had spread even to the most conservative and powerful Wall Street figures and "Wise Men" foreign policy advisors to the president—a circle that included figures like Foundation trustee John J. McCloy—who had reached the limit of their support of the nation's involvement in Vietnam, helping to prompt Lyndon Johnson's decision not to run for reelection.⁵⁴

Americans' reasons for opposing the war were varied, but a predominant one was what would come to be called the "credibility gap," in which the reality on the ground in Vietnam gave lie to the establishment assumptions about the rationale and mission for American military intervention, prompting the New Left and antiwar movements to tear apart not only establishment institutions like elite universities but also what had been for decades unquestioned reasons for America's predominant role in the world. Meanwhile, the credibility gap had another, domestic dimension, when the urban crisis intensified as the black movement moved out of the rural South and into a new phase of black power and open rebellion, despite the developmental and assimilationist promise of Lyndon Johnson's Great Society and War on Poverty.

This "social revolution" at home, as Bundy would put it, would drive his Ford Foundation presidency. According to one Foundation document, "the word that most nearly explains both the shifts of priorities and the change in overall spending level" in the Bundy era was "Negro."⁵⁵ The issues of ghettoization and assimilation that Gray Areas addressed so confidently had become critical by the time Bundy came to the Ford Foundation. Unlike Ylvisaker, Bundy was forced to talk explicitly about the urban crisis and its racial, and particularly African American, dimension—including by using the term "ghetto"—thanks to the radical critique of black activists undergirded by the rebellions in urban black communities throughout the United States. It is difficult to underestimate the American establishment's anxiety in face of rioting that, escalating between 1965 and 1968, hit dozens of cities, cost hundreds of lives, and laid waste to hundreds of millions of dollars in



Figure 2. Foundation President McGeorge Bundy (pictured here in 1974) made the "social development" of racial minorities, particularly African Americans, the hallmark of his time at Ford. Ford Foundation Archives. Courtesy Rockefeller Archive Center.

property. Although Foundation program officers and staff might rationalize the unrest in comforting and patronizing liberal terms, such as one characterization of it as representing “the entrance pains of the American Negro into full citizenship,” they nevertheless had little idea about how to stop the rebellions or their negative impact on “the American body politic,” which they felt consequently was “suffer[ing] most acutely” from its effects.⁵⁶ Fear of the destabilizing impact and revolutionary possibility of a sustained black revolt drove virtually all American social policy, public and private, during this crisis.

Bundy joined this battle with almost zero preparation. Before coming to Ford he had no previous experience and displayed no interest in African American or race issues in the United States, beyond a long-ago, requisite reading of Gunnar Myrdal’s *An American Dilemma*. His lack of concern for the situation of African Americans would lead him to actions like joining Washington, D.C.’s Metropolitan Club in 1961, *after* both his brother William and Robert F. Kennedy had left it for its whites-only membership policy. He had little opportunity to become more engaged in the issue of racial equality before leaving the White House, given his singleminded focus on foreign policy. So, for example, his critical February and March 1965 decision making to support an escalating bombing campaign against North Vietnam happened in tandem with another crucial turning point: the civil rights activism in Selma, Alabama, that would lead to the Voting Rights Act.⁵⁷

In the face of his ignorance and the general panic over the riots, Bundy decided with characteristic speed and confidence to focus his energies on ending racial inequality and solving the urban crisis. He declared his intentions with high-profile announcements, like the Urban League speech, followed up by a cluster of grants to a full range of black rights organizations. This funding represented the Foundation’s first explicit re-engagement with racial politics in the United States since the 1950s. It included what would become a long-term and large-scale commitment to mainstream black organizations—the NAACP and its Legal Defense and Educational Fund (NAACP LDF), as well as the even more mainstream and venerable National Urban League. However, it also provided smaller, more controversial short-term grants, including one to the advocates of nonviolent direct action in Martin Luther King, Jr.’s Southern Christian Leadership Conference for a minister education program, and another to the black power incarnation of the Congress of Racial Equality (CORE) for a voter registration campaign in Cleveland.⁵⁸

Despite supporting this array of black-led efforts to demonstrate the Foundation’s new energy and concern in this area, Bundy’s approach to educating himself on racial issues betrayed his ongoing faith in postwar racial liberalism and its establishment adherents, despite the challenges both were facing, including from the African Americans he now made his cause. In his quick study of the race problem, Bundy depended on experts from the mainstream of liberal social science, almost all of them white. For example, in preparation for his Urban League speech, Bundy supplemented his reading of Myrdal by relying largely on *The Negro American* (1966), a comprehensive anthology edited by the white sociologist and father of modernization theory, Talcott Parsons, and black psychologist Kenneth Clark that attempted to rework the faltering Myrdalian orthodoxy in the face of black and New Left rejection of the promise of the American creed. The compendium included more than twenty chapters by the likes of Harvard psychiatrist Robert Coles, public intellectual Daniel Patrick Moynihan, Urban League leader Whitney Young, and Keynesian economist James Tobin, among many other established figures. In 1967 Bundy added to his reading list white novelist William Styron’s book *The Confessions of Nat Turner* (1967), which imagined the slave revolutionary in terms of behavioral pathology that racial liberals believed white prejudice and exploitation had wrought in the black community. Bundy used Styron’s thesis to shape his next major policy statement on racial inequality in the Foundation’s annual report of that year. When Bundy finally did meet in person with select black movement leaders, including Martin Luther King, Jr., and CORE’s James Farmer, he almost always did so on his own turf—at home, at the Foundation, and at the exclusive Century Club.⁵⁹

This selective, whirlwind preparation to join the fight for racial equality resembled nothing so much as Bundy’s first trip to Southeast Asia—what was termed a four-day “fire-brigade mission” to Vietnam, years after he had begun forging U.S. foreign policy for the region—in which he readied himself to help LBJ make a decision on U.S. military escalation. Where did Bundy find the confidence to make such leaps into the unknown? Journalist David Halberstam interviewed one informant who talked about Bundy’s belief that he was “part of a line starting with Teddy Roosevelt and continuing with [Franklin Roosevelt’s secretary of War, Henry] Stimson and [Harry Truman’s Secretary of State, Dean] Acheson[,] which best understands the goals, responsibilities, and interests of the United States” and hence “know[s] what is right for the country.”⁶⁰ Historians Steve Fraser and Gary Gerstle have

called this entitlement a “sense of social trusteeship” held by public-minded members of the American elite, in which they “self-consciously took up the challenge of ruling on behalf of the whole commonwealth,”⁶¹ including by sometimes moving from their focus on foreign affairs and engaging subordinate groups, especially during those grave crises, like the riots, that endangered the domestic status quo. Indeed, Bundy and his Foundation officers clearly felt that it was their unique responsibility to deal with the challenge of the riots and of black power. Just as Bundy felt so strongly that it was the establishment’s responsibility to save South Vietnam from Communism, he felt a duty to do something about racial inequality, lest it rend the nation. As one Foundation official maintained, it was essential that the Foundation “show that the establishment was not turning its back on black militant organizations.”⁶² In fact, it was the Ford Foundation’s duty “to have the patience, and the skill, to channel this rage, and . . . to be able to take a deep breath and ignore the bluster.”⁶³ Further, Bundy urged white critics to consider the moderating influence of treating with black nationalists and disaffected ghetto dwellers. In defending the grant to CORE, which had recently become an explicitly black nationalist and racially exclusive organization, he quipped, “Motherhood, boy scouts, voter registration . . . everyone’s for it, as an alternative to rocks and fire bombs.”⁶⁴ In his mind, Bundy had found the vital center that would lead the nation out of this crisis.

Thus while he might have lacked preparation to lead the battle, his ambition at the Ford Foundation was far greater than simple firefighting. He was determined to curb conflict and to solve the enduring American problem of racial inequality. Bundy vowed in his first Foundation annual report that “the country of Abraham Lincoln” was “not going to become a no man’s land for an apocalyptic contest between white and black fanatics.” Instead, mustering all of the confidence of Cold War liberalism’s progressive promise, he prophesied that the nation “is inevitably going to right these ancient wrongs, and this time by peaceful means.”

Nevertheless, Bundy did not trust that this predestination would come to pass without heavy lifting; as he put it, “the mode by which the inevitable comes to pass is effort.”⁶⁵ This contradictory credo, which reflected the ethos at the heart of modernist social engineering and the systems-reform method, also expressed Bundy’s mission at the Foundation. The effort that Bundy proposed was to be made largely by technocratic experts who engaged in the kind of action-based social-scientific research that had become a Foundation specialty and which Bundy had promoted at Harvard and in Washington. As

one of his former government colleagues wrote about his approach to Vietnam, Bundy held a fundamental belief that “a group of experts” could take a “rational approach” to virtually any problem “and come up with a workable plan, and that because it is rational, it will work.”⁶⁶ Or, as Bundy himself put it, he admired “those who can reduce great qualitative issues to practical questions of choice in the use of resources.”⁶⁷ Thus, in promoting “research as a weapon” to solve racial inequality, he distilled the issue into a series of practical and putatively solvable research problems in his Urban League speech: “What kinds of better schools will help most to turn the tide of hope upward in the ghetto? What patterns of cooperation . . . among whites and Negroes . . . can bring new levels of investment to both the city center and the Southern rural slum? What really are the roots of prejudice and how can we speed its early and widespread death?”⁶⁸

For Bundy, these were solvable problems if tackled by dispassionate academic experts or those trained by them. Accordingly, he held that the civil rights movement would have been better fought had its leaders had the opportunity to be trained by leading scholarly authorities at an institute like the Russian Research Center, whose growth Bundy had overseen as Harvard dean in order to play that role for American diplomats during the Cold War. Indeed, Bundy’s Foundation established just such a center for black leaders, the Metropolitan Applied Research Center (MARC), as one of its first actions on behalf of racial equality. It was led by Kenneth Clark, the distinguished City College psychology professor and public intellectual who was one of the nation’s preeminent black liberals. Staffed by university-based social scientists, MARC offered fellowships to Martin Luther King, Jr., CORE’s Floyd McKissick and Roy Innis, and former Student Nonviolent Coordinating Committee leader and Georgia legislator Julian Bond, among others.⁶⁹

As MARC’s founding suggests, Bundy privileged academic bona fides over indigenous, experiential expertise, including when dealing with the urban crisis. According to the *Times*, Bundy had consulted with black leaders as an afterthought, “in the hope that some idea” would “arise . . . that has not already been uncovered by the . . . very capable staff Ford has had working on these problems for a decade.”⁷⁰ Even an African American like Roger Wilkins who had expert qualifications in the way that Bundy and his officers defined them—law degree from the University of Michigan, high-level administrative posts in the Kennedy and Johnson administrations, and membership in African Americans’ own establishment as nephew to NAACP executive secretary Roy Wilkins—felt stifled by the “assumption about their omniscience” shared by

the “successful, middle-aged white males” who ran the Foundation.⁷¹ Wilkins never saw any evidence that his intrinsic experience as a black man in America had any value for most of them; despite his experience as a New Frontiersman and even though he was hired to run the Foundation’s largest program attacking racial inequality, he always felt like an outsider and a token.

Not surprisingly, then, in Bundy’s opinion, the solutions to racial issues were largely a matter of top-down social engineering. As he told an audience at Harvard in his 1968 Godkin lecture on “the essentials of free government,” “I believe that it is precisely because it is so hard for anyone to change the minds of men” from their ingrained racial attitudes “that we must turn to the instruments of government” to do it, citing as precedents Truman’s desegregation of the armed forces and the activist Warren Supreme Court’s *Brown* school-desegregation decision. Similarly, “[w]e are rich enough” as a nation, he continued, “to end poverty and racism,” but such action could only happen through federal law written and federal policy conceived by the most expert public servants available. This top-down authority, defining and serving the public interest would produce a “federal government for freedom.”⁷²

Black Power and the Social Development Solution

The apparently defiant elitism of the Godkin lecture flew in the face of the decade’s social movements, all of which recoiled against the elite theory of democracy and what it had wrought, and instead promoted participatory democracy and minority self-determination. Even more curious, Bundy made the speech at a time when the Foundation, at his direction, was in the midst of engaging one of those movements, black power. Despite this apparent contradiction, Bundy and his officers met the challenges of escalating urban conflict and the call for black self-determination in an approach entirely consistent with their long-held worldview.

First, they deepened their commitment to Ylvisaker’s developmental separatism. They saw this approach as a crucial solution to black insurgency, which they now interpreted explicitly in terms of the liberal consensus about the cultural pathologies that had kept black migrants from the assimilationist success of the European immigrants of yesteryear, and, in a new twist, the “problem” of global postcolonialism and international development. Since the era of the Gaither report, the Ford Foundation had interpreted social unrest as an indicator of social maladjustment, particularly among recent mi-

grants to the city who had not yet fully assimilated to urban modernity. By the time Bundy joined the Foundation, this formulation had become part of a deeply engrained national consensus that African Americans’ troubles were due largely to a racially specific culture of poverty. Even Christopher Edley, the Foundation’s only black program officer before Bundy’s arrival, echoed this view when he wrote that the “the problems of the Negro in northern cities must be understood and dealt with in terms of a total pattern of deprivation and pathology which dominates their [*sic*] lives”; according to Edley urban African Americans’ “eroded human agency” meant that they lacked the “power . . . to deal effectively realistically and rationally with their problems,” as made evident for him and his colleagues by the apparent nihilism of the riots. These uprisings were, in his words, “the northern folk Negro’s version of the more disciplined demonstrations of the southern Negro.”⁷³

This perception of northern blacks was particularly disturbing to Foundation officers when it was compared to the widespread glorification of an ostensible ethnic pattern in which the twentieth-century Ellis Island immigrant experience of assimilation and upward mobility from the urban ghettos of cities like New York, supposedly achieved without government handout or special pleading, became the normative American story. Ylvisaker had hopefully imagined this process as potentially universal and sought to restore it for African Americans through the systems reform undergirding gray areas. However, that line of thinking led to a political dead end when it forced him to deal with the thorny political issues connected to the racialized structures of American society. So by the time of Bundy’s tenure at the Foundation, both liberal and conservative policymakers and pundits instead used this white success story as an emblematic counternarrative to explain persistent African American failure to assimilate, emphasizing black differences from the supposed white norm.⁷⁴ This interpretation saw white-ethnic immigrant groups’ upward mobility as a product of the strength of their respective cultures relative to African Americans’ supposed weakness. Similarly, from this perspective black failure was not rooted in deindustrialization or labor and housing market discrimination but in slavery’s dehumanizing legacy and the experience of urban migration. As the story went, these experiences had left the African American community rudderless by stripping it of the cultural foundations that had protected other immigrant groups and by emasculating black men, thus depriving the black community of the anchor of patriarchy within the family and community leadership believed to have formed the foundation of white-ethnic communities’ success.⁷⁵

These hegemonic ideas about black poverty being a product of African Americans' distinctive cultural damage imbued the thinking of racial liberals in the mid-1960s and drove their policy solutions. Thus the inspiration Bundy derived from reading Styron's *Confessions of Nat Turner* corresponded to Lyndon Johnson's deployment of Daniel Patrick Moynihan's infamous work on the unique "tangle of pathology" ailing black families; both provided a politically expedient and palatable justification for race-conscious social policy, largely unheard of in the United States until the Great Society.⁷⁶ So, for example, Ford Foundation officers proclaimed that there was a "striking difference between conventional philanthropy and philanthropy directed to overcoming deprivation." For them, the "contributions of the latter include a large ingredient of 'technical assistance' in the form of ideas, methods, and informed sympathy supplied by staff and other specialists."⁷⁷ As Christopher Edley put it, given their cultural deprivation and pathology, these "specialists" were needed to "function on behalf" of the black poor "in ways similar to the ways in which more privileged middle class individuals and groups function for themselves."⁷⁸

Foundation officers most often explained this paternalist approach to the ghetto in terms of the Foundation's international development efforts, the "parallel" to which one Foundation document claimed "was almost complete" now that Ford's domestic divisions were working with what another report called "'developing areas' here at home" in "urban ghettos and rural depressed regions."⁷⁹ This coupling of black ghettos and "developing" nations suggested Bundy's propensity to explain domestic issues in terms of his expertise in foreign affairs. However, he was not alone in making that connection. Since the 1950s the Foundation's officers and grantees had echoed other modernization ventures by making implicit connections between the tasks of international and domestic development. These non-Ford efforts included those of the Peace Corps, which in the early 1960s sent volunteers to black ghettos and Indian reservations to prepare them for overseas work in international development under the assumption that African American and Native American communities were somehow foreign, outside of the nation and modernity, and needed to be incorporated through the process laid out by modernization theory. This supposition imbued President Johnson's War on Poverty, an effort that he chose Peace Corps director Sargent Shriver to lead.⁸⁰

Similar interchange between international and domestic development happened during the Bundy era at the Ford Foundation. Bundy often con-

sulted on domestic programs with his closest confidant at Ford, David E. Bell, whom he had appointed as the vice president of the Foundation's International Division and who had been administrator of USAID, overseeing such modernization projects as the Strategic Hamlet program in Vietnam. Bundy's handpicked vice president of National Affairs, Mitchell Sviridoff, had experience both in Kennedy's Latin-American Alliance for Progress and as the head of New Haven's Gray Areas agency. Bundy-era Social Development program officers Roger Wilkins and Sol Chafkin came to the Foundation with prior experience as bureaucrats in both federal international and domestic development agencies. Another, Eamon Kelly, would go on to work in international development based on his experience with "minority" programs at the Ford Foundation.⁸¹ This interchange reflected the commonplace notion that, like third world nations, the African American community as a distinctive, "developing" subculture in the United States had to undergo a kind of separate, carefully engineered nation building of its own in order to be prepared to assimilate fully into the highest stage of modernity, epitomized by mainstream American society.

Thus, by the mid-1960s those pondering the issue of black assimilation at the Ford Foundation believed even more firmly than their predecessors that a period of black separatism was a vital prelude to full participation in American life in order that African Americans might build the institutions and leadership class needed to compete with other groups within society. As early as 1965, the Ford Foundation's domestic program directors had moved away from an approach stressing "social integration," indeed declaring "that these forms of integration have a lower (if not the lowest) [Foundation] priority." Instead, it would focus on programs that stressed "economic and educational advancement of disadvantaged minority groups" even when in segregated settings, believing that these programs would "in time normalize social integration."⁸²

These separatist and developmentalist assumptions quickly became explicit with McGeorge Bundy's ascension to the helm of the Foundation. Throughout the spring and summer of 1966 Ford Foundation staffers, as part of Bundy's rejigging of the Foundation's organizational structure, began the task of bringing together the discrete programs scattered throughout the philanthropy that dealt with "minority group problems" into a coordinated effort that better represented the interrelated issues facing African Americans and other nonwhite groups.⁸³ After long discussions about this program the group named it "Social Development," at once an obfuscating moniker

for a program that would deal exclusively with racial minorities—and overwhelmingly African Americans—and an extraordinarily revealing label representing precisely the Foundation's aims for the inner city. The Foundation's fundamental goal was to build a separate "society" among African American migrants in order to ready them for its model of assimilation in a process deeply reminiscent of that of third world development.

While the developmental separatism of the Social Development program might have represented the culmination of its preoccupation with modernization and assimilationist efforts on behalf of "deprived" people at home and abroad, the activism of those black ghetto dwellers, Chicano farmworkers, and Vietnamese peasants, among other postcolonial peoples, had shown Bundy that efforts on behalf of the passive and pathological had often faltered in the past, failing to prevent powerful movements for self-determination deeply antithetical to the ethos and interests of the American establishment. He would continue to insist, notably in a *Foreign Affairs* article written at the end of 1966 that argued forcefully for America to wage both the war against North Vietnam and racial inequality at home, that there "was no safety yet for free men anywhere without [Americans]" and that American political and economic interests were in the best interests of the world. However, he knew from direct experience that his was a minority position globally. Like the European colonizers before him, he had been confounded by what he called the "stubborn insistence" of the Vietnamese and other third world peoples to resist assimilation into the American empire and to insist upon "doing things their own way," as Bundy put it. Consequently, he believed the crucial "political" or hearts-and-minds aspect of the war in Vietnam would only be as effective as its ability to engage "the energies and convictions of the Vietnamese people themselves." In fact, the black freedom struggle, and particularly calls for black power in the United States presented the same dilemma for Bundy as America's "political" problem in Vietnam and in the rest of the postcolonial world: how to find the "olive branch" that would bring the free-thinking Vietnamese and other newly independent peoples to accept the American way.⁸⁴

Bundy's solution to this problem in Vietnam, especially when he acted as an external advisor to Johnson after joining the Ford Foundation, was a program of pacification and what would come to be called "Vietnamization" of the war, whereby he hoped, respectively, that the good intentions and works of the Americans would overcome the nationalist appeal of the Viet Cong, and that building the capacity of the South Vietnamese to rule and fight for

themselves would allow U.S. troop withdrawal. In promoting these policies, Bundy attempted to deal with what he saw as a central dilemma of the war: while, according to Cold War logic, the "loss" of South Vietnam to the North could not be countenanced, the South Vietnamese could not be "won" through what he called an anachronistic "white man's war" against "brown men."⁸⁵ Such a battle would only build antipathy to the United States and its anti-Communist mission in the postcolonial world, not to mention aggravate the enormous social conflict over Vietnam at home, which Bundy compared to the Civil War in terms of its threat to the nation. Thus, more and more, he advocated for a kind of guided development and self-determination in South Vietnam, in which under the military protection of the United States and its "massive support for relief, for rehabilitation and for economic and social advances," the region would experience "growing military and political strength and self-confidence." Significantly, he even compared such efforts to Johnson's domestic Great Society.⁸⁶

The logic behind this strategy corresponded directly to Bundy's controversial decision to engage at home with the demands of black power advocates. In fact, Bundy conjoined the war in Vietnam to the black freedom struggle as similar and equally important national responsibilities. As he suggested at the end of his *Foreign Affairs* article, both were essential to the crucial "construction of a stable peace," quoting from his hero, Franklin Roosevelt's Secretary of War Henry Stimson, who set this global goal as America's responsibility in the postwar world.⁸⁷ So while critics may have seen the Foundation's actions in the black power era as dangerous flirtations with black "revolutionaries," Bundy was simply adjusting what were for him intertwined domestic and international "development" strategies to the age of self-determination, without altering their goals. Like Bundy's aims for Vietnam, abroad the Foundation sought to shape a new postcolonial reality in which independent third world peoples were made available for incorporation or assimilation into a global order dominated by the United States—that is, if their call for self-determination could be engaged while still protecting the American interests. At home, black sociologist Robert Allen wrote in 1968 about the Foundation's "domestic neo-colonialism"⁸⁸ in manipulating the black movement at home to precisely these ends.

Thus, in the United States, the Foundation approached the dilemma of the peaceful incorporation of African Americans into the American political economy from a perspective that emphasized racial separatism so that African American communities could mature to assimilate into the American

mainstream with the least conflict possible. The separatism of this approach and also its emphasis on building black cultural identity and developing strong black leadership intersected with the black power project for black self-determination, even if its ultimate goal of assimilation was deeply antithetical to those of the black freedom movement. From the beginning, Bundy believed that a strengthened black identity would ultimately buttress African Americans' "membership in society as a whole."⁸⁹ Consequently, the Social Development program fostered "grant proposals directed at increasing the group identity and power of minorities" insisting that "in black identity (at least those manifestations free of reverse racism and destructive apartheidism) may lie the social strength that played so critical a part in the rise of other urban ethnic groups to political and economic status."⁹⁰ This therapeutic emphasis connected to the Foundation's desire to replicate white ethnics' urban success among African Americans and Ford's historical emphasis on the behavioral aspects of the modernization process. More immediately, it also reduced black power to a psycho-cultural and therapeutic issue of black identity without having to deal with the structural and material issues that initially fostered the call for black self-determination. Nevertheless, despite the assimilationist and pacification objectives behind the Foundation's focus on building black identity, it converged directly with the cultural focal point of black nationalism.

Given both the Foundation's ongoing assumptions of black cultural "deprivation" and incapacity, and African Americans' calls for black power, the other essential aspect of developmental separatism was the creation of indigenous, grassroots leaders who could organize and control the urban black masses and with whom it could broker. Such an orientation jibed with the Foundation's changing focus in its modernizing international development work. Where in the 1950s and 1960s it described itself as having emphasized the top-down "transfer of knowledge, skills, and resources from the advanced countries," consistent with modernization ideology and paralleling the Gray Areas approach, by the 1970s it sought to develop "institutional resources," "individual skills," and "professional competence" among "third world nationals" themselves. These self-help efforts, according to the Ford's International Division, were state-building programs aimed at increasing "national capacities" to deal with their own problems.⁹¹ Hence, the locus of help moved from the First World United States to Third World nations themselves and particularly to expert indigenous leaders who would shepherd their people out of the doldrums.

While these postcolonial measures can be read as fostering self-determination, they also promised the incorporation of a third world elect into an international model of elite pluralism led by American liberals, like those at the Ford Foundation. First, the Foundation funded the training of these experts, either at prestigious American universities or at research centers established in developing nations themselves. Second, the Foundation sought to create linkages among those third world experts who were working on similar development issues around the world and to facilitate their participation in "international forums" where they could "articulate the needs of their countries."⁹² Thus, a cadre of Ford Foundation-funded and fostered leaders were legitimated to act as peaceful and rational brokers and spokespeople for their countrymen and women in a U.S.-dominated postcolonial global scene.

The origins of this two-pronged approach to international development might very well have begun with the Foundation's developmental separatism, which saw indigenous leadership as pivotal in guiding the assimilation process from the top. As Bundy's officers worked to establish the Social Development program their one point of clear consensus was that black leadership development must play a central role. The Education Program was to "concentrate on the most promising Negro youngsters and on development of leadership in educationally deprived areas."⁹³ It seemed obvious that "the minority group organizations in this country need help in developing top-, middle-, and lower-level leadership."⁹⁴ The Public Affairs division hoped to expand the pool of "trained leadership in minority organizations in order to help these groups achieve the competence and sophistication they will need in negotiating programs of improvement in education, housing, and employment."⁹⁵

This strategy would result in tangible dividends in terms of Bundy's preference for expert, top-down interventions in dealing with racial inequality. The black freedom struggle's turn from the turbulence of the 1960s to the mediated conflicts of public-interest judicial activism of the 1970s can be attributed in part to the Foundation's funding of organizations like the NAACP LDF along with other comparable organizations—including the Mexican American and Puerto Rican Legal Defense and Education Funds (MALDEF and PRLDEF), both created out of whole cloth by the Foundation as Latino versions of the NAACP LDF. The Foundation founded these advocacy organizations, which had no grassroots membership, to extend the legal civil rights strategy that had resulted in the *Brown* decision, post-

war racial liberalism's greatest achievement. They acted on behalf but not with their respective racial communities in the courts, not the streets, to achieve public policy victories, including ones involving bilingual education, affirmative action, fair employment practices, and enforcement of school desegregation, all through the expert legal intervention of their largely nonwhite lawyers, often cultivated through Foundation support of minority legal education.⁹⁶

Expert, indigenous leadership would also help to resolve the challenge to the elite theory of democracy posed by black demands for self-determination through participatory democracy. In the Godkin lecture, Bundy suggested a solution to this quandary. While largely a defense of top-down authority to serve the public interest, he also acknowledged in his speech that the populist challenge of 1960s social movements meant that a "theory and practice of a government" was needed "which reconciles executive authority and popular participation." His ideal was to place "a heavy premium on the kind of leadership, like that of John Kennedy . . . which allows the citizen to participate by a serious identification of his concerns with those of a political leader." While he acknowledged that "there is a fine line between democratic leadership and mere personalism," he found "no good case for giving up on the former for fear of the latter" in an effort to reconnect authority and participation "in a system of power that is both strong and responsively shared."⁹⁷ Extending Bundy's logic to the specific instance of African Americans, their calls for participation could be best served by rational and responsible leaders of their own race to guide their social development. While a frankly elitist notion, in a society that had denied African Americans real power, such a premium on the creation of black authority and leadership nevertheless resonated deeply with black power's call for self-determination.

So did the Ford Foundation's separatist vision for African Americans. Bundy and his officers believed that a period of separate "social development" was a necessary stage in African Americans' eventual assimilation into the mainstream. Eventually, as he promised in the Foundation's 1967 annual report, members of the black community would take on their proportion of leadership positions in American society, and they would do so without having to deny their blackness. He declared that "the destiny of the Negro in America is to be both Negro and American, and . . . as he makes progress he is likely to do what the rest of us do: he will take pride in his particular group at the same time that he insists on full membership in the society as a whole."⁹⁸

White Power in the Black Power Era

While Bundy was ready to treat with black power advocates in order to bring about racial equity, his goal was always the perpetuation of an American system in which a like-minded liberal establishment remained in control at the very top. For example, while he could imagine individual African Americans sharing in the nation's leadership with whites—and in fact in 1980 a black man, Franklin Thomas, would replace Bundy as the Foundation's president—these new decision makers were not to transform the country; rather, their individual social mobility in American society would represent their successful assimilation into its mainstream. Furthermore, Bundy and his establishment peers would determine and oversee the process by which this incorporation would happen to best serve the interests of corporate capitalism. In November 1967, one year into McGeorge Bundy's presidency and the Social Development program, the Foundation opened its new headquarters on 43rd Street, near the United Nations headquarters and Chrysler Building in midtown Manhattan. An architectural marvel, the hugely expensive building boasted rose-tinted granite cladding, two ten-story glass exterior walls, luxurious fixtures, and, most spectacular, an indoor tropical garden, reaching up into the expanse of a soaring atrium. The *Times* architecture critic Ada Louise Huxtable proclaimed it a masterpiece of understated extravagance, "a splendid, shimmering Crystal Palace" for America's "corporate Medici," in which "grants will be made and programs pursued in a virtual hothouse of standardized, suave elegance."⁹⁹

Both the Medici and hothouse analogies were apt. A monument to the Foundation's wealth and power, the new headquarters also symbolized Ford's elite privilege to foster a worldview sheltered from real-world constraints and to pursue its social vision as it saw fit. Two aspiring grantees learned this about the Foundation from Social Development program officer Roger Wilkins when he took them to lunch in the headquarters' expansive, penthouse dining room. They were black, grassroots community activists whom Wilkins characterized positively as "working idealists" embodying "the purified essence of the black consciousness movement of the late '60s." According to Wilkins, after looking down at the atrium, dizzy from the height and from the luxury of their surroundings, the pair explained to him that all they needed was \$25,000 to sustain their successful inner-city preschool for another year, after which they would be in line for public funding. Wilkins had to tell them no; their program simply did not fit within the current priorities

of the Foundation. As the elevator doors closed on the disappointed couple, Wilkins overheard the man say, "We could run our school for three years with just what it cost to build this elevator."¹⁰⁰ Through the Foundation's rejection these aspiring grantees learned—or most likely relearned—the lesson of white power in the black power era the quick and easy way; this inevitable realization would be a longer time coming for the Foundation's successful black power grantees in the chapters that follow.

PART II

Transforming the Ghetto

Chapter 6

The Best and the Brightest

In January 1979, the Ford Foundation announced that Franklin Thomas would replace the retiring McGeorge Bundy as the president of the Foundation, which was still the nation's largest and most powerful philanthropy. In making this appointment, the trustees made a monumental gesture that symbolized the culmination of Ford's long-standing commitment to racial assimilation. Thomas was not only black but also a Foundation protégé, having spent ten years from 1967 to 1977 as the handpicked, founding president of Brooklyn's Bedford-Stuyvesant Restoration Corporation (BSRC), a demonstration by Senator Robert F. Kennedy and the Ford Foundation to institutionalize establishment liberalism's attack on the urban crisis through the creation and support of community-development corporations (CDCs).

Unlike most of the other African American grantees with whom the Foundation had dealt in the late 1960s, Thomas had not disappointed Ford's officers and trustees, and the CDC model had cultivated his talents and those of the dozens of black leaders he had helped to develop at BSRC. Thomas's appointment as the Foundation's president was tangible proof that social development's strategy of black leadership development and individual upward mobility had worked and that Ford's own scheme for community development had fostered that success. Thomas's move was also widely interpreted both inside and outside the Foundation as a portent of further racial progress and perhaps even a postracial future. As the *New York Times* editorialized, "When corporate America can hand such power to a black citizen, there is truly hope that race will one day be irrelevant."¹

The Foundation's announcement of Thomas's appointment was a long way off in 1967, when he took the helm at BSRC. It was also after what Paul Ylvisaker called the Foundation's "beautiful running time" during the first half of the 1960s, when his enormously influential strategy of systems reform and assimilation through community action shaped the cutting edge of the

era's activist federal social policy. By 1967, Ford's social-engineering approach to the urban crisis faced intense scrutiny and criticism.² Black insurgency and rebellion, along with the white backlash against it, suggested that the Foundation's strategy had done nothing to quell the urban crisis and, as a growing number of critics charged, may have even abetted it.

The Ford Foundation found itself at the center of this political maelstrom thanks to actions like its involvement in the schools crisis, which prompted both vocal and nationwide criticism, along with institutional review from within. After the failure of initiatives like the community-control experiment and the punitive federal tax reforms that followed it, the Foundation beat a retreat from the political arena. Nevertheless, Bundy and his officers stuck by their conviction that "the fact that large numbers of . . . minority group citizens live in poverty and isolation in depressed central city . . . areas," as Vice President of National Affairs Mitchell Sviridoff put it, represented "the nation's most serious democratic problem."³ Solving that problem remained the Foundation's key domestic mission. However, in the wake of the controversy surrounding its own recent community-action activities and the ones they inspired through the War on Poverty, the Foundation altered its strategy for social development in the ghetto to one that followed the national political mood and its own ideological roots by shifting right. It moved toward individual versus group-based initiatives; local rather than national programs; capitalist economic development over social welfare programs; less government and more private-sector involvement in the ghetto; the rejection of grassroots participatory democracy for the top-down leadership of the elite theory of democracy; and the values and practices of corporate America, all the while retaining the assimilation-through-segregation strategy of developmental separatism.

The instrument that the Foundation settled on to achieve this reorientation was the CDC, an institution that it did not originate but that it had been shaping through funding since community development's first incarnations in the early 1960s. The CDC offered a new place-based, public-private model for the economic and social development of the nonwhite poor, once again putting the Foundation at the forefront of American social policy, this time by anticipating the nationwide trend toward localism and privatization that eschewed the grandiose, statist solutions of the dying New Deal order. Also in keeping with the national mood, the CDC retained the Foundation's ongoing focus on race- and ghetto-based solutions, rejecting any whiff of integrationism sure to arouse controversy among blacks and whites alike in the post-civil rights 1960s and 1970s.

By the time that the Foundation joined Kennedy in building a CDC from the ground up, it could take what it liked from existing community-development initiatives around the country. It then molded those elements to its ends of finding a liberal solution to the ongoing “problem” of directing African Americans, after their hard-won entrance into public life, onto the path of assimilation that would leave the structures of the American political economy intact. The Bedford-Stuyvesant project, and ultimately other Ford-funded CDCs, worked to accomplish that goal by combining the systems-reform effort of Gray Areas along with a strong emphasis on individual indigenous leadership that the Foundation first toyed with out of necessity in school decentralization and community control. After that earlier effort had failed from the Foundation’s perspective, Ford’s officers sought to find a way to develop black leadership through a framework outside of the volatility, compromises, and coalition building required by the democratic political process, and that allowed more careful selection, development, and monitoring of handpicked, “grassroots” leaders. These black and brown “public entrepreneurs,” as the Foundation liked to call them, ran their CDCs according to the management philosophy of their white counterparts at the Foundation and corporate America. They also replicated the elite theory of democracy in the ghetto through a top-down approach to the black community and thus earned the trust of the white establishment. At last the Foundation had found the right instrument for its assimilationist goals and faith in meritocracy by helping to develop through the CDC model a tiny, incipient black establishment to manage the remaining black majority and to define and represent the interests of the African American community at large. The symbolic culmination of this success in developing black leadership through the CDC was the rise of Franklin Thomas to the Foundation’s presidency.

New Politics and the Road to Community Development

While the community-development corporation’s name and genesis in the late 1960s might suggest origins in a black power effort toward self-determination, like community action this “community” initiative often came about from outside intervention to solve the urban crisis and the political and social conflict it engendered. Understanding these roots, as well as the CDC’s ongoing attraction for the American political, corporate, and philanthropic elite, liberal and conservative alike, helps to explain why this

model has persisted, bridging the establishment liberalism of the 1960s to the neoliberalism of the 1980s and beyond. In fact, the CDC story from above suggests an alternative founding story, this one about the roots of the late 1960s conservative transition that resulted in the diminution, privatization, and localization of social-welfare policy and delivery. The inception of this shift is usually ascribed to Richard Nixon and the dictates of his New Federalism. However, in the years before his presidency, Nixon’s supposed archrivals, “limousine liberals” like Robert Kennedy, McGeorge Bundy, and the Foundation’s domestic program officers—whom conservatives blamed for the statism and welfare dependency that necessitated their right-wing revolution—had begun to conceptualize this transition. They did so largely through the CDC.

These liberals found inspiration in the nation’s initial community-development efforts, which had their origins in early 1960s liberal civil rights activism but moved away from protest toward pragmatic and “positive” programs to institutionalize the movement and deal with the complex urban crisis of ghettoization and black poverty. These were initiatives like the Watts Labor Action Council, the United Auto Workers’ (UAW) “community union” in South-Central Los Angeles; the Rev. Leon Sullivan’s job-training and cooperative community investment efforts in Philadelphia; or Chicago’s Woodlawn Organization, which by the 1970s had transformed itself into an agency that engaged in a variety of neighborhood rehabilitation and job-creation schemes. These endeavors sought ghetto-based solutions to end the economic isolation and soaring joblessness of their communities while calling for the separate uplift of the poor on their home turf before their successful assimilation into the mainstream. Founded through private initiative and funding and focused on economic development, these organizations worked largely parallel to the political and social-service orientation of the community-action agencies of the War on Poverty.⁴

Democrats and Republicans flocked to these projects, as did philanthropic and government funders, all based on community development’s promise to solve ghetto problems without any fundamental social, economic, or political disruption. This potential was so attractive that it formed a centerpiece of Robert Kennedy’s effort, culminating with his 1968 presidential bid, to reshape Democratic politics and repair a postwar liberal consensus torn asunder by the black freedom struggle, urban rebellions, the Vietnam War, and the resulting New Left and Right. Kennedy was an intensely ambitious politician who had the supreme confidence of McGeorge Bundy and

other fellow New Frontiersmen to perfect American society through the means of liberalism and capitalism. He sought policy alternatives to LBJ's Great Society that not only would more effectively respond to the ghetto conditions that sparked black rioting but also would simultaneously stanch the growing defection to the Republican Party of white Democrats who blamed the War on Poverty for ongoing urban unrest and growing black welfare dependency. As Kennedy acted on his presidential aspirations he sought to find policy interventions that he could effect from his Senate seat that would both demonstrate this new political alternative and work without the involvement of a federal social-welfare bureaucracy under President Johnson's control and underfunded by war appropriations.⁵

Community development provided Kennedy with the perfect demonstration of his new political and policy approach, distinct from Johnson's Model Cities program, also announced in 1966. First, Kennedy emphasized that community development was based on the notion of African Americans helping themselves in what he called the "critical" task of "building . . . self-sufficiency and self-determination within communities of poverty." Bolstering this American ethos of self-reliance, the public money for CDCs was not to be distributed through one-size-fits-all welfare programs that Kennedy claimed had "stripped" the poor "of their dignity and treated them as a nation apart" but via block grants in which independent nonprofit agencies in each "single community" competed for and administered funds on their own "in direct response to the needs and wishes of the people themselves." Finally, Kennedy saw the free enterprise of the private sector, or what he called "the sinew and strength of America," as playing an instrumental role in community development, providing technical and managerial know-how, spurring business and capital investment in the inner city, and building capacity among indigenous black leaders who would be schooled in corporate management through the experience of running community corporations in their own neighborhoods. He intended that this private-sector involvement would "end the isolation of these areas," by bringing "not just individual residents, but the entire community, into the mainstream of American life."⁶

Kennedy's distillation of community development's promise was a brilliant demonstration of his genius for coalition building. By offering a ghetto-based solution to the urban crisis centered on job and business creation, the CDC responded to black power's call for both self-determination and an end to a colonial relationship with the state and capital. Concurrently, this approach rejected the racial integration that was anathema to wavering white

Democrats, while simultaneously appealing to their widely and deeply held conviction that hard work and self-reliance were a universal path to upward mobility and assimilation. Similarly, Kennedy could promote the program's focus on transferring to ghetto dwellers the means to achieve what he called "the same entrepreneurial vision that has brought the rest of us to our present state of comfort and strength" by comparing it favorably to Johnson's Community Action Program, criticized by black activists for not providing the material resources to effect change and by white conservatives for fomenting unrest and encouraging black welfare dependency.⁷ Furthermore, it would replace the Community Action Program's controversial emphasis on participatory political processes with pragmatic and concrete programs run without political interference from above or below. Most immediately, Kennedy's CDC scheme seized on a moment of tremendous, riot-fueled anxiety on the part of the corporate establishment that it must intervene before cities were burned to the ground.

Kennedy and his staff spent most of 1966 using his clout and connections in putting the political pieces together to create the sine qua non of CDCs—one that would demonstrate how the liberal establishment writ large supported and could effect ghetto revitalization. Early in the year, he worked with his fellow New York senator, liberal Republican Jacob Javits, to amend the Equal Opportunity Act to include the Special Impact Program (SIP), which would provide the block-grant funds that would underwrite funding CDCs, and particularly Kennedy's brainchild, what would become the Bedford-Stuyvesant Restoration Corporation. In the spring, he again joined forces with Javits by playing a prominent role in the Ribicoff Hearings (also known as the City Hearings), a months-long bipartisan congressional attack on Model Cities, in which Kennedy could showcase his CDC alternative.⁸

Meanwhile, Kennedy used his exemplary connections with the liberal establishment to bring about the capital transfer to the ghetto that was a linchpin of his scheme for community development. He collected an all-star cast of American corporate and financial power in active support of his scheme. This group was led by André Meyer, the head of the investment bank Lazard-Frères, who was also the financial trustee to the Kennedy family and one of Lyndon Johnson's confidants. Meyer's involvement, along with Kennedy's personal and family charisma and his bipartisan efforts with Javits, helped attract the active support of other blue-chip leaders like International Business Machines (IBM) president Thomas Watson, Jr.; Columbia Broadcasting System (CBS) CEO William Paley; former Treasury Secretary and diplomat

C. Douglas Dillon; pioneering venture capitalist Benno Schmidt; First National City Bank (later Citigroup) chairman George S. Moore; corporate lawyer and once Deputy Secretary of Defense Roswell Gilpatric; and former director of the Tennessee Valley Administration and past chair of the Atomic Energy Commission David Lilienthal.⁹

For RFK biographer Evan Thomas, the energy behind Kennedy's relentless push to activate the CDC model was fueled by his family's "elite and anti-establishment" spirit, born out of their Catholic, arriviste roots in Boston, the crucible of America's WASP upper class. Thomas elaborated, characterizing Kennedy's idea of the CDC as "small, anti-bureaucratic, seemingly democratic but in fact tightly controlled, [and] operating outside the mainstream and proud of it."¹⁰ His family had imbued him with these values and characteristics, but they were not the Kennedys' alone: this ethos was shared by a large subset of their establishment liberal contemporaries, including the corporate types who supported the CDC effort. Furthermore, that bona fide Boston Brahmin McGeorge Bundy and his Ford Foundation officers also imagined themselves decentralizing American institutional life from the top down, as in the case of New York's public school system.

In fact, as early as September 1965 Paul Ylvisaker had begun to consider community development as the Foundation's next policy innovation, now that the Great Society had adopted his community-action approach. Foundation trustees were primed to support such a move. Reassured by their elevator meeting with Leon Sullivan in 1964, they had agreed to support the minister's work in Philadelphia, which by all accounts had been vastly more effective than that of the city's dysfunctional Gray Areas agency. They also joined the Rockefeller Foundation in helping to support the UAW's efforts in Watts. Now it was time for the activist Foundation to create its own version of these efforts: "a new type of non-profit organization, deeply identified with the physical area which it is to serve, to bring substantial amounts of capital, know-how, and indigenous control to bear on the area's own needs" (in other words, a scheme very similar to Kennedy's).¹¹ These plans picked up steam in the first half of 1966 as Bundy and his staff worked on the Foundation's new social development approach and were well under way in the fall that year when Robert Kennedy's staff first met with Ylvisaker (on the brink of resigning from the Foundation), along with Louis Winnick, the program officer in charge of the Foundation's Urban and Metropolitan Development program. Winnick continued to work with Kennedy's men in shaping the program, especially as it came to fruition in Bedford-Stuyvesant.¹²

What, beyond its political appeal, committed Kennedy and the Foundation's leaders to the CDC model? Foremost, they saw it as restoring the assumptions and objectives of establishment liberalism that they felt the Great Society had betrayed. Although both Ford's officers, through Gray Areas and the Mobilization For Youth community-action program, and Kennedy, through his leadership of the President's Committee on Juvenile Delinquency, had contributed to some of the most significant ideas and demonstrations undergirding Lyndon Johnson's program, they saw that in implementation it had fallen far short of their expectations as a solution to the urban crisis. In fact, by 1967, prevailing liberal opinion saw LBJ's behemoth domestic agenda as a fiasco. Public assistance programs, and particularly the predominant "welfare" program, Aid to Families with Dependent Children, had, according to Kennedy, "stripped the poor of their dignity and treated them as a nation apart," and the federal manpower program, intended to address welfare dependency, instead "trained people for jobs that did not exist," in marked contrast to efforts like Leon Sullivan's privately initiated job training and creation efforts in Philadelphia. Meanwhile, the Community Action Program, the initiative at the center of the War on Poverty that was supposed to offer black people a voice in their own affairs, instead only gave them the power to protest instead of the power to "act" on or "decide" their own affairs.¹³

These failings could be blamed on what Paul Ylvisaker called the "obsolete," and even "medieval," "hierarchically organized public bureaucracy" of the welfare state. Ylvisaker held that such hidebound institutions guaranteed silo thinking, one-size-fits-all solutions, and needless red tape, even in the face of urgent social distress. Instead, Kennedy and the Foundation were moving toward comprehensive programs to suit local needs made possible through the "public philanthropy" of block grants, like the ones available through Kennedy's SIP amendment. Even better for Kennedy and his Foundation counterparts, such programs, as early community-development efforts had shown, could mobilize private as well as public means to achieve their ends. The failure of the "bureaucratic tradition," as Ylvisaker put it, as well as public spending on Vietnam, may have spurred the shift to finding private monetary and technical assistance for public projects.¹⁴ However, the evolving notion of what would come to be known as the public-private partnership also appealed to establishment liberals, because, unlike traditional welfare-state programs, it reflected their belief in the corporate capitalist system and its ability to serve all Americans.

Therefore, despite their support of expanded federal programs and

spending on the urban crisis, these liberals believed, as Ylvisaker did as early as 1966, that this move should coincide with “energizing the vast resources of the private sector to fulfill a public purpose” through “private mechanisms” like nonprofit and even for-profit corporations.¹⁵ Furthermore, according to the Foundation, private-sector involvement in public policy would energize government bureaucracies through “the drive of talented businessmen and their readiness to solve problems through research and development.”¹⁶ These “public entrepreneurs,” as Ylvisaker and others called them, would know, unlike their civil-service counterparts, how to “create jobs, get performance, cut through red tape, and do a job.”¹⁷ Of course, public entrepreneurship of this type was the Foundation’s stock-in-trade, and the CDC’s public-private model offered it a role at the cutting edge of public policy that it had been missing since the Gray Areas program.

The community-development corporation concept got to the heart of what Kennedy, Bundy, and their peers believed was at the root of the urban crisis. Kennedy defined community development as a matter of economics, in which a “foundation of individual and community self-support” would allow black communities to escape “degrading and imprisoning dependency.” This dependency had been created because, like third world nations, “the ghettos of poverty” were “outside the great chain of investment, production, and consumption.” This chain “must be extended to include the inner city,” spurring “investment to create productive jobs, which will afford the jobholders the income they need to consume.”¹⁸ Such economic integration, as the Foundation’s National Affairs division summarized its argument for the creation of its kind of CDC, was the most potent tool of assimilation: “a closer working relationship with downtown business leadership” would lift the ghetto from a “public welfare fief” to “the mainstream of the City’s economic and social life.”¹⁹ Thus, a fundamental and distinguishing element of Kennedy and Ford’s concept of the CDC was an active partnership with corporate sponsors who were essential to the economic de-ghettoization of the inner city. This focus reflected their confidence in the liberal establishment and the tenets of postwar liberalism.

Such a model had added valence for Kennedy and Foundation officials in terms of their mutual commitment to developmental separatism. They all presumed that urban African American communities effectively existed outside of the national community. Kennedy counsel and speechwriter

Edgar Cahn even summed up the CDC’s “massive infusion of private resources, governmental programs, and expertise” as a form of “foreign aid” to the underdeveloped country of the ghetto,” a view very much shared by Ford staffers and one that animated other liberals in the CDC field.²⁰ Such a formulation of the ghetto precluded any notion that it could or should be integrated at present into the American mainstream, even if the assimilation of black people remained the ultimate goal. Kennedy made this key point of developmental separatism explicitly clear in his 1967 essay on the CDC model, where he, like his Ford Foundation allies, rejected racial integration outright as a solution to the urban crisis because he insisted that economic and community development could only happen successfully within the ghetto itself. Kennedy claimed that “many in the slums are unequipped to seek jobs away from the areas in which they live,” psychologically conditioned as they were by “a century of insecurity.” He also believed that the “fundamental pathology of the ghetto” meant that African Americans and other minorities required “community achievement” in order to overcome their marginalization and alienation, and to establish “basic financial and social security” that would lead ultimately to their full and equal participation in the “great creative enterprise in the life of this nation.” Black power, then, for Kennedy as for the Ford Foundation, was at its root a behavioral issue; it boiled down to “a sense of Negro self-reliance and solidarity . . . which has been the base on which earlier minorities [eventually] achieved full integration in American life.”²¹ In the meantime, though, African Americans had to stay put, if only so that Kennedy could sell this program to recalcitrant whites, a political imperative that reinforced his and the Foundation’s developmental separatism.

Finally, the CDC offered a pathway to conflict resolution in the ghetto, the Foundation’s fundamental objective since the 1940s in its work with African Americans. It avoided the political pitfalls of citizen participation that had made the community-action approach so conflict-ridden and unpredictable for both the federal government in its antipoverty program and the Ford Foundation in its foray into community control. By contrast, and in the spirit of the elite theory of democracy, RFK’s and the Ford Foundation’s kind of CDC was outside of politics and run on corporate principles by managerial and technocratic experts. However, it would take the implementation of the Bedford-Stuyvesant CDC for Kennedy and the Ford Foundation to understand that those experts could be black as well as white.

Franklin Thomas, the BSRC, and the Evolution of the Black Public Entrepreneur

Finding a place to demonstrate the CDC plan was an afterthought for Kennedy and his Foundation allies whose first priority was to develop their idea and then to assemble political support for it in Congress, in New York City, and among the nation's corporate leadership. This top-down approach gave little or no consideration to the desires, talent, or leadership potential of the local place or people where the corporation was to be located, despite Kennedy's avowal that specific community needs were at the heart of his vision. Establishment liberals like Kennedy, who most often labeled all inner-city black communities with the universal and undifferentiated descriptor "the ghetto," had little sense of these neighborhoods' diversity and understood them only in terms of their residents' assumed behavioral disabilities. This expectation of pathology made it unthinkable to elite whites that local African Americans could effectively run their own affairs, especially according to the establishment's notions of expertise and leadership.

Unsurprisingly, then, broader political considerations, not locally expressed needs, put Kennedy's CDC in Bedford-Stuyvesant. He had wished to locate it in Harlem, the nation's most iconic black community, but he also had wanted free rein with which to implement his idea, which Harlem's own powerful political machine would not allow. As a consolation, his staffers came up with the idea of Bedford-Stuyvesant, the biggest area in the conglomeration of black neighborhoods in north and central Brooklyn—including Ocean Hill and Brownsville—that together made up the largest ghetto in New York City. While Bedford-Stuyvesant would have been little known or understood by the likes of Kennedy, it had the virtues of being sizable, in New York, and known locally as emblematic of the urban crisis, especially after a 1964 riot had occurred in the area.

In the late 1960s, Bedford-Stuyvesant had about 400,000 residents, mostly migrant families from the American South or the Caribbean, including Puerto Rico. While the community had a relatively large rate of homeownership—at least 15 percent of its residential buildings were owner-occupied, compared to only 2 percent in Harlem and about 20 percent for New York City overall—it had been hit hard by deindustrialization. As the captains of finance and industry whom Kennedy had recruited for his effort oversaw New York's transformation into what historian Joshua Freeman has called "the headquarters for world capitalism," the black working class of Bedford-

Stuyvesant found itself disproportionately shut out of the postindustrial labor market.²² Brooklyn's black workers had been displaced by automation, laid off when major industrial employers like the Brooklyn Navy Yard shut their doors, and excluded by lack of education or by *de facto* Jim Crow prejudice from most opportunities for upward mobility in the city's new white-collar economy. Meanwhile, the neighborhood's population growth was a function of not only postwar black urban migration but also deliberate ghettoization. Since the New Deal, the city's real estate industry and banks had exploited white flight to the suburbs and employed a pernicious combination of urban renewal, public housing development, and federal redlining to reshape Brooklyn's racial geography, forcing both old and new black Brooklynites into the center of the borough's northern half, thus "saving" South Brooklyn for white development. In 1930 no neighborhood in the borough could be accurately described as African American and, in fact, black Brooklynites were less spatially segregated than the city's white ethnics. However, by the time Kennedy chose the neighborhood for his community-development efforts, black people in Brooklyn lived in New York City's largest ghetto thanks to the deliberate efforts of powerful white economic interests.²³

No one in Kennedy's office or at the Ford Foundation ever acknowledged the roots of racial segregation and impoverishment of Bedford-Stuyvesant residents in a racialized economy that profited from African Americans' exploitation and exclusion. Instead, they hewed to the orthodox explanation that the ghetto was a "natural" product of black urban migration in which African American cultural pathology had driven prejudiced whites out of their homes and into the suburbs. Kennedy had little opportunity to disabuse himself of this interpretation; unlike the care he had taken in assembling what was often modestly called his "businessmen's committee" of establishment heavy hitters, he left the community consultations in Bedford-Stuyvesant to his staff after a brief high-profile tour of the area in February 1966. These staffers took a desultory approach to this duty, only making sporadic stops in the neighborhood during the spring and summer of that year, meaning that the senator's office never gained more than a superficial notion of the social and political workings of Bedford-Stuyvesant.

Kennedy's team quickly cemented a relationship with the most obvious social-service agency in Bedford-Stuyvesant, the Central Brooklyn Coordinating Committee (CBCC), an umbrella group of churches, civic groups, and social workers. The CBCC had originated the area's federally funded antipov-erty agency, Youth in Action, whose most active adjunct, the Renewal and

Rehabilitation subcommittee, had been working for a few years with private and academic urban planners to put together a redevelopment scheme for the area. The senator's office's other main community contact was Thomas Jones, a civil court judge and former state assemblyman who was leader of one of black Brooklyn's many rival Democratic factions. Without seeking to understand the area's complex political landscape, Kennedy had fallen under Jones's influence during his February visit when the judge openly challenged the senator to put his community-development plans into action. Trusting Jones as an advisor within this highly partisan local scene led to a number of gaffes that demonstrated the superficiality of Kennedy's efforts to understand the area. These included the exclusion of the judge's bitterest political rival, Shirley Chisholm—who was the area's state assembly representative and a soon-to-be nationally known congresswoman and presidential candidate—from any consultations about the CDC project.²⁴

After these preliminaries in the neighborhood, Kennedy publicly announced the creation of his Bedford-Stuyvesant community-development project at the CBCC annual housing conference in December 1966. Surrounded by Javits, Meyer, and Mayor John Lindsay, he announced the formation of two corporations: Renewal and Rehabilitation (R&R), whose board would comprise the members of the CBCC committee of the same name and be chaired by Judge Jones; and the Development and Services Corporation (D&S), chaired by C. Douglas Dillon and comprising members of Kennedy's businessmen's group. In his statement, Kennedy declared that R&R would devise programs and priorities for Bedford-Stuyvesant's social, physical, and economic redevelopment, while D&S would provide managerial advice to R&R and work to attract capital to Bedford-Stuyvesant. Demonstrating that the private sector had already begun to answer his call for funding, he also announced that the Vincent Astor Foundation had committed \$1 million for planning projects in the area and for two park and playground "superblocks" to be designed by I. M. Pei, the cutting-edge architect who had designed the Kennedy presidential library. Furthermore, the Foundation had committed \$750,000 for administrative support to get the corporations off the ground so that they could attract the public and private funds required for community development.²⁵

The dual corporation was the scheme of Ford's Louis Winnick and RFK staffer Thomas Johnston. They assumed that the CDC's power would rest with D&S and not R&R, acting on the presumption that the community board was not ready to take on such responsibility. Therefore Ford insisted

that all of its funding be funneled through the "white" corporation, and not to its community counterpart. In an unspoken comparison between the two groups, a project monitor explained this choice by claiming that Ford "had confidence in the caliber of the men who were on [the D&S] Board."²⁶ Furthermore, the Foundation hoped that by making D&S the key partner, the project could take full advantage of the elite group that Kennedy had assembled. Kennedy and his Foundation allies believed that the high profile D&S board could harness the "drive of talented businessmen and their . . . readiness to solve problems through research and development" to find a solution to the urban crisis. In addition, they imagined it would be in these white leaders' interest to provide "opportunities for profitable private investment" in the "underdeveloped economic region" of the ghetto and to foster the economic "integration" of the "ghetto" with the rest of "downtown."²⁷ In short they believed that D&S would deliver on the promise of a massive capital transfer to the ghetto.

Conversely, Kennedy and the Foundation expected that, for the time being at least, R&R would remain a largely token body. Kennedy's staff had chosen the "indigenous" leaders for R&R who would broker for Bedford-Stuyvesant without any broad consultation with or participation by the community at large. Meanwhile, R&R had little power in the dual corporation model. While Kennedy wrote of the CDC precipitating "community achievement," giving communities the "power to act" and creating a "participating democracy," these promises proved to be little more than expedient rhetoric in the age of the call for black self-determination.²⁸ Kennedy and the Foundation, despite the fact that they had begun to focus on fostering minority leadership by the time they were involved with Bedford-Stuyvesant, shared a developmental mind-set that meant that for them the innovation of their project was not that it would be black-led but that, unlike any other CDC in the country, it would connect the ghetto with the very top rank of the nation's white leadership and expertise.

Nowhere were these intentions for Bedford-Stuyvesant more evident than in the courtship of the nationally prominent white talent that quickly began to stream into D&S's Manhattan headquarters to plan the community's future. The list of high-profile recruits began with Edward Logue, the national leader in top-down, if socially progressive, urban renewal, who Kennedy hoped would eventually lead the white corporation and who drew up the initial, ambitious redevelopment plans for the neighborhood.²⁹ Eli Jacobs, a young, well-connected investment banker who was appointed as the

corporation's acting executive director, also brought in some of the nation's top modernist architects and urban designers, including Pei, Philip Johnson, and David Crane, to put into practice Logue's "macroscale" ambitions for the neighborhood. These included a network of superblocks, or landscaped walkways closed to traffic, and the redevelopment of a two-block-wide corridor between Fulton Street and Atlantic Avenue that would run like a spine through the length of the area's major commercial corridor, with nodes of retail, community, government, cultural, and recreational services along its length. Jacobs used his business contacts to consult with legendary residential property developers William Levitt and Samuel Lefrak about this large-scale redevelopment, and he worked with the groundbreaking shopping-center developer James Rouse and renowned architect James Polchek to draw up plans for what Jacobs dreamed would be the nation's largest shopping mall, to be built over the Long Island Railroad at the eastern end of Logue's corridor. Jacobs hoped that "Broadway Junction" would ultimately draw two to three million customers yearly, especially from suburban Long Island. Other white consultants developed equally ambitious and quickly conceived plans to found a private-school system and a college in Bedford-Stuyvesant and to transform the neighborhood into New York City's next garment district, creating jobs in what had become a postindustrial wasteland.³⁰

While Jacobs and Logue developed their grandiose plans at D&S headquarters, the R&R Corporation foundered. Reflecting its subsidiary role in its white sponsors' minds, the community corporation remained unfunded and unstaffed, and hence it was utterly incapable to withstand the onslaught of experience and ambition emanating from Manhattan. R&R had no chance to perform its putative role as the initiator of programs that D&S would then help it operationalize. Always an afterthought for Kennedy and the Foundation, R&R remained without an executive director for months after Jacobs and Logue had drawn up their plans for the neighborhood. To compound this gap, a latent power struggle between Judge Jones and the CBCC members on the R&R board intensified and erupted into open conflict when the leadership search finally began.

From the beginning, Jones acted as Kennedy's agent in the R&R Corporation. Kennedy staffers imposed him on the CBCC members who made up the core of the board of the CDC's community arm. This majority, resentful of the manipulations that resulted in Jones's being the board chair, fought his efforts to control them, most notably during the contentious search for the corporation's president. Upon the recommendation of U.S. Attorney Rob-

ert Morgenthau, Kennedy selected Franklin Thomas, who was a New York City deputy police commissioner, former assistant U.S. attorney, and trusted deputy to Mayor Lindsay, as his handpicked candidate for the post. Jones's task was to promote Thomas in the face of the board majority, which supported the CBCC's executive director, Donald Benjamin, a seasoned veteran of the social-welfare field within Bedford-Stuyvesant. After a bruising interview with the R&R board, Thomas told Kennedy that he would accept the job only if the dominant and hostile CBCC faction could be neutralized and if he could be assured free rein in running the corporation. Kennedy and Jones, intent on hiring Thomas, cooked up a plan to expand R&R's board from twenty to fifty members, diluting CBCC's power.³¹ If that scheme did not work, they intended to bypass the CBCC group altogether by establishing a new community corporation behind which Kennedy would throw his weight and which Thomas would run and Jones would chair.³²

These machinations resulted in a flagrant coup. As expected, the CBCC group refused to countenance Jones's board-expansion scheme, and he lost a confidence vote. No sooner had Jones activated the backup plan by announcing his resignation from R&R and the creation of a new community corporation—with Franklin Thomas as its executive director—than he received prearranged telegrams of support for his action from Jacob Javits, John Lindsay, and Kennedy, who also announced that this new organization would replace R&R as the community arm of the CDC. These manipulations spurred the brouhaha that ensued in which everyone from the CBCC group to the *New York Times* noted the obvious political machinations that had transpired.³³

In drumming up political support for the new corporation in the face of the CBCC's many community allies, Kennedy enlisted the support of Sonny Carson, the controversial and confrontational black power figure who led Brooklyn's nationalist Congress of Racial Equality (CORE) chapter. While this move did not silence Carson's anticolonial criticisms of Kennedy's work in the community, Carson and other Brooklyn CORE leaders began to inveigh against the middle-aged women who made up the CBCC group for "emasculating the community and denying [them] models of black manhood." Carson threw his support behind Jones by accepting a board position for the new corporation.³⁴

Carson's gendered critique echoed those of both the Kennedy and Ford Foundation staffs, who justified the new entity on the basis of the period's conventional wisdom that black women had blocked opportunities for

strong, male leadership in the black community and hence had blocked African American progress. In fact, these “middle-aged women” were almost always criticized as the source of the problems at R&R, even though Judge Jones could just have easily occupied the hot seat. As “one well-informed official” said to the *New York Times*, “The situation really confirms all that’s been written about the power of the matriarchy in Negro communities.”³⁵ Two assumptions shaped this expedient and effective deployment of a presumptive “matriarchy” operating at the CBCC. The first was that the committee’s female leadership lacked the experience, talent, and confidence to put Kennedy’s ambitious, “hard” plans for community economic development into practice. As one of Kennedy’s staffers put it, “A new ballgame came to town,” in the form of the CDC model, “and the women were only good at the old one,” which was a traditional form of “soft” social welfare.³⁶ Such gendered assumptions saturated the masculinist imagination of postwar establishment liberals, and particularly their vision of effective leadership, black or white. Second, and by extension for the Ford Foundation and the Kennedy team in the black power era, the authentic black subject was not only male but also young, representing both the iconic rioter and the leader who could bring him back from the brink. Thus, the board at R&R needed to be expanded because, as Louis Winnick said to McGeorge Bundy, the CBCC group of middle-aged women was simply “unrepresentative” of the community, despite its long history and umbrella leadership of multiple local agencies. By contrast, Foundation officers applauded the involvement of Sonny Carson and other young male figures in the new corporation. They interpreted this participation as a significant step forward to the creation of a bona fide community agency, despite the fact that these young men represented Bedford-Stuyvesant no more than did the CBCC reformers.³⁷

While the CBCC group was vilified by received wisdom that unquestioningly elevated both men and youth as the true representatives of black America, in truth none of the African Americans involved in the Bedford-Stuyvesant CDC could claim to be “community” leaders for another reason—Robert Kennedy’s blatant presumption in anointing them to and, in the case of the CBCC, rejecting them from this role. As CBCC ally Walter P. Offutt put it, the question left hanging in the air after this episode was whether “an outside force” could “enter into a community and dictate to it whom its leaders should be.”³⁸ For “elite, anti-establishmentarians” like Kennedy and Bundy the answer was “yes,” given that they already thought that they knew the black community and what ailed it. Furthermore, the Founda-

tion—despite its early, positive experience with “indigenous” black leadership through Leon Sullivan in the Ylvisaker era—was in the process of being badly burned by its community-control experiment. Officers would be more careful in the future to partner with and choose only those African Americans whom they knew and trusted to carry out their vision. Even then, they only rarely treated these leaders as anything more than tokens or figureheads, even when the Foundation or its allies handpicked them. At least that was the case until Franklin Thomas demonstrated to the liberal establishment that there were black men like him, “ready” for power.

Thomas exactly fit the Foundation’s bill for black leadership. Born and raised in Bedford-Stuyvesant by a widowed, immigrant mother from Barbados, the thirty-three-year-old Thomas was a local boy who had most decidedly made good. While he still lived in the neighborhood in 1967, his considerable professional energy was focused in Manhattan, New York’s power center. He had attended Columbia, choosing it for its prestige over several other schools that offered him basketball scholarships, and graduated from the university’s law school in 1963. He then worked in the U.S. attorney and mayor’s offices, gaining the attention of powerful superiors, including Robert Morgenthau and John Lindsay, who were impressed by his intelligence, resolve, and loyalty in the difficult and ultimately frustrated effort to create a civilian police review board. Nevertheless, on the surface, Thomas’s job experience hardly seemed equal to that of Donald Benjamin, his main rival for the CDC leadership, who had years of experience in the social welfare field serving Bedford-Stuyvesant. However, Thomas was surely more qualified to direct a CDC than had been the thirty-four-year-old McGeorge Bundy when, without holding a Ph.D., he became the dean of arts and sciences at Harvard, or indeed when, fresh from the National Security Council, new to the Ford Foundation, and totally without experience in dealing with domestic social issues, he decided to tackle the “Negro Problem,” writ large.³⁹

Indeed, in choosing Franklin Thomas, Kennedy and the Foundation were implicitly choosing a black leader whose gender, education, and even outward appearance mirrored the liberal establishment’s own self-perception as the natural born leaders of America, up to any task. Like them, Thomas’s style was tough, top-down, and activist; his education was Ivy League; even his dress tended toward dark, narrow Kennedyesque suits. Thomas’s appeal to the liberal establishment might be understood through the lens of Roger Wilkins, one of the few black New Frontiersman in the Kennedy administration, who assessed his success in Washington—and presumably his



Figure 12. Franklin Thomas directing a tour by U.S. Senators Edward Kennedy and Jacob Javits, as well as Robert Kennedy's widow, Ethel, through Brooklyn's Bedford-Stuyvesant. Thomas's model of "public entrepreneurship" became the Foundation's ideal for post-civil rights black leadership. Photographs and Prints Division, Schomburg Center for Research in Black Culture, The New York Public Library, Astor, Lenox and Tilden Foundations.

appointment to run the Foundation's social development program—this way: "what white people saw [in me] was a well-educated, well-bred, sensible Negro who, but for the unfortunate color of his skin, was very much like them." "I was just the kind of person they wanted," Wilkins continued, "because I was 'ready'—ready to face white people."⁴⁰ Meanwhile, Thomas's youth and masculinity, best represented by his impressive physical stature, suggested to his white supporters that he was ready to lead black people as well. Thomas Jones claimed that in Kennedy's mind, Thomas's height and size were among his most important qualifications. The Ford Foundation grant assessor and future grant officer R. B. Goldmann concurred; in his appraisal, he commented that Thomas's "towering, attractive figure was ideal for a ghetto community starved for male images that reflect strength and leadership."⁴¹ In short, Thomas literally embodied the goals of the project as defined

by its liberal establishment founders, as a figure whose gender, youth, size, clothes, and résumé could appeal to both his white patrons and the black people he was to lead.

Unlike Leon Sullivan, the Foundation's first towering and trusted black leader, who had come to Ylvisaker and the trustees' attention after he had already created a successful program on his own in Philadelphia, Kennedy and Ford officials at first chose only to exploit Thomas's symbolic strengths and not his managerial smarts. Thomas quickly assumed "complete authority" over BSRC and its board, which he had insisted upon before taking the job. However, he struggled to assume any power, let alone rough equality in relation to his white brethren at D&S, despite having the foresight of negotiating preconditions like a salary equal to Eli Jacobs's. Neither Jacobs nor Logue relinquished any of their control to Thomas, and they faced no pressure from the Foundation to do so. The two men continued with their grandiose planning for Bedford-Stuyvesant's redevelopment, cutting BSRC out of a visioning process that the community corporation was to have led from the beginning. More generally, they insisted that D&S continue to have absolute financial control over both corporations. BSRC was very much the subsidiary partner in this respect; for example, it had to apply for any resources it needed through elaborately detailed proposals that D&S was free to reject.⁴²

Thomas bridled at this paternalism. Even before he accepted his position he began a shrewd and unrelenting almost seven-year campaign to reverse these practices so that BSRC would eventually subsume D&S while retaining the support of its white, corporate proponents. His approach was an astute one that showed his white patrons that he was no mere puppet but that, beyond his appearance, his actions reflected their values and worldview and also fulfilled their notion of leadership. His first victory was over Logue and Jacobs. He asserted BSRC's role as the originator of the CDC's program by rejecting their ambitious redevelopment schemes, and he reminded Logue that BSRC was, in effect, D&S's client. Soon after this encounter, Logue left D&S to run for mayor of Boston. That left Thomas to develop his own program, which he described as "very simple," "manageable," and focused on "tangible results," aimed at community support for the CDC.⁴³

Thomas's initial move was to put into place an exterior renovation scheme (CHIP) in which blocks of homeowners applied as a group to have the out-sides of their brownstones cleaned, repaired, and painted. In exchange they paid \$25 each and pledged to maintain their properties and keep their streets clean by collecting and storing trash in metal garbage cans emblazoned with

the BSRC insignia. This kind of "simplest of programs," as Thomas characterized CHIP, fulfilled the goals of jobs and housing for the neighborhood, and it put the incremental self-help and self-esteem objectives of developmental separatism into action. Thomas told an interviewer that CHIP took "guys on the street corner, who are unemployed and who have no commitment to this community, and whom everybody felt were the logical people to burn the place down" and got "them to work on the buildings right in their own blocks, owned by people, who look like they do, and who live here." Thomas hoped that this experience would make these men "feel . . . that this is their community and a place to be preserved," while the homeowner beneficiaries, who Thomas believed were the neighborhood's essential "anchor on which to build," would resist the urge to abandon the community when they "start to see in those faces of guys on the corner not the enemy but their friend, because they're at work improving neighborhoods in which everybody lives."⁴⁴

Thomas extended this pragmatic localism to his proposal for \$7 million in grants from the SIP program, which would largely underwrite BSRC's work. Along with expanding CHIP, he outlined plans in line with other CDC efforts around the country for job training and creation connected to the physical and economic revitalization of the neighborhood. He intended to create jobs and spur entrepreneurship through manpower training and small-business loans. He also put forward a scheme for local contractors and construction-work trainees to rehabilitate the Sheffield Dairy building, located on a central commercial strip, into a community center to house the offices of BSRC and other social, financial, and community services. Meanwhile, Thomas worked with the D&S board to use its members' banking connections to put a community mortgage pool in place and with the IBM president and D&S board member Thomas Watson, Jr., to locate a plant in the neighborhood. Future projects included manpower programs, the creation of subsidiary companies to manage local properties for the federal Department of Housing and Urban Development, and to build low-cost housing and a small community shopping center. All of these already tested and relatively small projects conformed to the SIP priorities of jobs and housing for community people, thereby lacking any element of Logue's master plan.⁴⁵

Thomas won kudos for what Kennedy staffer Adam Walinsky called his "doable" program of the modest and pragmatic goals that the Ford Foundation had urged Kennedy to consider from the beginning.⁴⁶ While Logue's and Jacobs's plans had the enormous scope that, if achieved, might actually have brought about the extraordinary economic revitalization and job crea-

tion intended by Kennedy and that would have set his project apart, the age of wholesale, top-down urban renewal was over. These plans were too rich for the federal government, and their logistics were also overly complex and risky for the private-sector investors Logue and Jacobs courted but had not convinced. Furthermore, Logue's master plan's political repercussions were untenable, especially in terms of the inevitably lengthy and contentious community consultations that would have been required. By contrast, without fanfare but with community support, Franklin Thomas got two hundred local men working on exterior renovation in the summer of 1967, even before the SIP funds came in. However, these miniaturized and pragmatic efforts, starting with CHIP, with an emphasis on community self-help through support for jobs, entrepreneurship, housing development, and homeownership, did not pioneer anything new in community development, despite BSRC's auspicious origins and Kennedy's ambitions. Instead, the programs replicated other pioneering CDCs' more modest efforts and would in turn become the model for other CDC activities nationwide in the years to come, when the conservative turn would necessitate the scaling down of ambitions for community development to local and "doable" projects focused on individual uplift.⁴⁷

Meanwhile, despite CHIP's achievements and his successful grant application to SIP, Thomas still had to contend with BSRC's subordinate role in relation to D&S. As he recalled his struggle for a "transfer of power" to BSRC, "[n]othing evolved naturally"; every concession from D&S "was very grudging, very difficult."⁴⁸ While Thomas made sure that the SIP proposal went out under both corporations' names, and he achieved a joint check-signing protocol with D&S, the white corporation's staff and board refused Thomas's many attempts to get D&S to act upon its March 1967 commitment to the merger of the corporations' operations, meaning that until 1974 D&S had effective oversight over BSRC's day-to-day management and the final say over its program. Thomas chafed under what he called this "master-slave" relationship, but he understood its causes.⁴⁹ He believed that his white patrons in government, the Foundation, and D&S saw him as a kind of superman anomaly among African Americans. As he put it, "I think . . . what they believed way down deep was that, 'Okay, we may be lucky and get Frank and his background, but the odds are that we won't be able to get ten Franks in that corporation, because there just aren't that many black guys around.'" Indeed, D&S board member Benno Schmidt confirmed these suspicions when he made the histrionic claim that Thomas "may be the best black administrator in existence."⁵⁰

Thomas worked hard at disproving his white patrons' ignorant assumptions: he attracted a staff of highly accomplished, competent, and likeminded black men with education and experience comparable to his. These were figures like BSRC's counsel, Ronald Huntley, a former staff lawyer for CBS who had, like Thomas, been an assistant U.S. attorney; Owen Hague, the director of finance and administration, a retired Air Force lieutenant colonel and former Tuskegee airman who held a faculty position in accounting at Brooklyn College and had experience managing two antipoverty programs (HARYOU-ACT in Harlem and Brooklyn's Youth in Action); and Alvin Puryear, the director of economic development who held a Ph.D. from Columbia and was an associate professor in Rutgers University's business school.⁵¹

These overqualified men's impatience to assume the authority they deserved was compounded by their legitimate contempt for a D&S administration that was decidedly amateur in comparison, even though it oversaw BSRC's operations. Between 1968 and 1973, D&S was run by a former Kennedy staffer, John Doar, the acclaimed assistant attorney general for civil rights during the height of the Southern black freedom struggle. While a highly accomplished lawyer and negotiator, Doar had virtually no experience and little knowledge about the Northern urban crisis, and in fact he took the job in Brooklyn as a crash course to attain both. Furthermore, he was decidedly distracted at the beginning of his tenure at D&S when, amid the school decentralization crisis, John Lindsay tapped him for the presidency of the New York City Board of Education. Minding the store at D&S while Doar was preoccupied by this task was a uniformly young and inexperienced white staff. Unsurprisingly, of sixteen program contracts that had been approved by D&S by December 1968, BSRC had put all but one forward, despite Doar's group's ostensible responsibility for economic development. No wonder then, that Thomas asked this "basic question" of D&S: "Will the white power structure deal directly with competent representatives of the black community or does there still have to be a layer of whites in between?"⁵² Despite repeatedly asking this pointed question, neither Doar nor the D&S board would budge on a move that would eliminate their jobs. The merger finally happened in 1974, in the months after Doar left D&S, with Thomas in charge of a consolidated staff.⁵³

While Doar's departure provided a belated opening to the amalgamation of BSRC and D&S, Thomas's efforts to make BSRC's operations irreproachable and its program peerless in the eyes of its benefactors doubtless finally led to his victory. Beyond anything else, Thomas worked to distinguish BSRC

from the poverty programs of the Great Society, especially by eschewing the Community Action Program and its mandate for "maximum feasible participation," by what one BSRC manager called "unsophisticated" and "inexperienced" community members. Instead Thomas was guided, as one report summarized, "by the principles that serve to make large industrial firms effective, mobilize resources, and generate substantial returns."⁵⁴ This guiding ethos pleased BSRC's white supporters who blamed community action for the poverty program's reputation as cumbersome, ineffective, and corrupt. As one Foundation discussion paper put it, "a major reason, if not the basic cause of the trouble" with the federal approach, "has been inadequate capability in the depressed areas to give substance to the kind of participation and leadership they were called upon to exercise," resulting in the tendency of federal antipoverty groups' tendency "to consume themselves in process with little product to show for it."⁵⁵ Indeed, participatory democracy's apparent shortcomings, not only with the Community Action Program but also in the community-control demonstrations, prompted the Foundation's transition from community action to the CDC model.

In contrast to the poverty programs, and indeed most other CDCs, while Thomas and his staff very much believed they served the people of Bedford-Stuyvesant, they did not even pretend to work with them or follow their lead. As a precondition for taking the job, Thomas insisted that he must be a strong executive who, rather than community members or even his board, determined the corporation's mandate. He depended on the expertise of his staff to put programs in place quickly and effectively, without having to train them or to explain and justify technical details to uneducated laypeople. Meanwhile, BSRC used its power in the community as a provider of jobs and affordable housing to practice a kind of internal paternalism in the community that harkened back to an older era of black uplift and respectability. It retained the right of inspection of brownstones renovated by CHIP to ensure that homeowners lived up to their pledge to maintain the exteriors and restore the interiors of their properties once BSRC's work was complete. Similarly, BSRC used the desirability of its own rental properties to exercise strict control over tenant selection, investigate residents' housekeeping, require tenants to take home economics classes, and enforce an eviction policy so strict that it rivaled any other landlord in the community. Reinforcing this distance from participatory democracy, BSRC's offices were housed outside of Bedford-Stuyvesant, at the Granada Hotel in downtown Brooklyn until its headquarters at the newly renovated Sheffield Farms complex was complete

in 1971. Thomas's management style was deeply appealing for "elite, anti-establishment" liberals like Kennedy and Bundy, true believers in the elite theory of democracy and particularly for the supposedly rudderless black community.⁵⁶

In seeking an appropriately professional headquarters, Thomas signaled his intention to run his CDC according to the standards of corporate America, earning him yet further kudos from the Foundation. While he hated the oversight of the D&S staff, he very much saw the value of its board in terms of the economic doors its members could open to Bedford-Stuyvesant. As he explained to an interviewer, "If you start with the premise that we're a capitalist country" and "if you can tie in the sources of capital and the controls of capital in what you're doing," then "you're going to find a tremendous variety of ways, most of which may well be beyond your imagination when you start out, to involve them [corporate leaders] in the process" of community regeneration.⁵⁷ So Thomas worked hard to earn the D&S board's trust by emulating their values and practices at BSRC. He made sure that BSRC "realize[d] the efficiencies of a business structure as opposed to an 'anti-poverty' structure," and he exercised extreme probity in its financial dealings, including his requirement that every check bear his signature or initials.⁵⁸ "The whole notion," Thomas explained, was "to really work like hell to make programs . . . that were good, solid, and substantial, so that when somebody lifted the lid, what they saw just kept getting better and better and better."⁵⁹ Clearly BSRC's white patrons liked Thomas's modeling of their corporate values and practices; by 1971 he had been named to the boards of First National City Bank, CBS, Lincoln Center, and Columbia University, largely thanks to his links to the D&S board.⁶⁰

Finally, Thomas and his staff came much closer to the Foundation's vision of ultimate black assimilation into the American mainstream through developmental separatism than the activists of the black freedom struggle with their radical visions of collective racial self-determination or even the cooperative capitalism espoused by other CDCs. As one interviewer described an unnamed BSRC executive's vision for the community, while he hoped that neighborhood residents would be "be more concerned with less fortunate people, those having drug, alcohol, or other social or psychological problems" and "to work to help their less lucky brothers," his larger vision was one of independent bourgeois success. He hoped to create a "prosperous middle-income community, with a variety of significant business ventures owned by local residents, increased opportunity for individual action in the private sec-

tor, rewards consistent with those gained for similar efforts elsewhere, and a quality of life commensurate with such gains."⁶¹ In short, through BSRC programs like CHIP's exterior renovations and incentives for small business, this respondent wanted to engineer Bedford-Stuyvesant's transformation into a black Brooklyn Heights, another brownstone neighborhood that had, through a transfusion of white professionals attracted to the area's housing stock, become a thriving postindustrial, middle-class outpost in an otherwise declining outer borough.⁶²

Mitchell Sviridoff and the Shift from Community Action to Community Development

Franklin Thomas's achievements in Bedford-Stuyvesant cemented the Ford Foundation's commitment to the CDC as the ultimate instrument for social development. After Robert Kennedy's assassination, the Foundation became the standard-bearer for what would become the dominant, corporate model of community development, patterned closely on BSRC. Furthermore, these local and private nonprofits, competing for funding from private and public sources, with their pragmatic, self-help focus on developing affordable housing, minority enterprises, and productive workers, would become a primary conduit for serving the needs of impoverished, inner-city communities in the new political and policy era brought in on the wake of the collapse of the state-centered New Deal order. They would become so dominant in large part because of the work of Mitchell Sviridoff, Bundy's vice president of National Affairs, whose success at fostering and molding the community-development approach was a central achievement of his time at the Foundation, earning him widespread and ongoing credit for spreading and institutionalizing CDCs nationwide. As a marker of the increasing focus and prestige that the community-development approach gained within the Foundation's domestic agenda under Sviridoff, by 1971 the CDC program supplanted all others within the social development office and it had become the predominant Ford approach to resolving racial inequality.⁶³

Part of the reason for Sviridoff's focus on CDCs had to do with two external factors. The first concerned changes in federal law regarding philanthropy that were contained in the Tax Reform Act of 1969. This legislation was the result largely of a populist, right-wing campaign against the Foundation as the emblem of a purported giant conspiracy by the liberal establishment, in

which it used enormously wealthy, unaccountable, and tax-exempt foundations to underwrite partisan social-engineering efforts that favored liberal causes, particularly racial ones. As evidence of these allegations, Foundation critics pointed to its partisan involvement in political issues like school decentralization, a voter-registration campaign in Cleveland to elect Carl Stokes as the first black mayor of a major American city, and study grants given to aides to Robert Kennedy in the months after his assassination. The new law's "McGeorge Bundy" amendments—as they were called after his defiant performance in front of the House Ways and Means Committee caused him to be blamed for pushing its members over the brink in their quest to shut down liberal foundations' activism—put strict new controls on philanthropies' political involvement. Many of Bundy's peers in the philanthropic community also blamed him for a new, and for them, punitive, 4 percent tax placed on their income. Tax reform took the wind out of liberal philanthropies' reformist sails; all of them, including Ford, beat a retreat—as the Foundation had done during the conservative 1950s congressional attacks against its integrationism—away from any grant making that might attract negative publicity, especially those activities tainted by civil rights activism.⁶⁴

Furthermore, budget cuts at the Foundation, starting in 1971 and caused by inflation and market instability, meant that the social development program could no longer sustain a comprehensive approach of many different demonstrations. Instead the Foundation chose to collapse these efforts into a focus on community development as a strategy that could keep the multifaceted approach alive, albeit in miniature and at the local level. Throughout the 1970s, the Foundation shrank or eliminated many of its programs, marking the end of the heady period of the 1950s and 1960s in which it actually had to expand into new areas, like the humanities and the arts, in order to disburse enough of the enormous investment income generated by its behemoth endowment. Both of these external factors marked the end of the salad days in which its coffers were full and when activist Democratic presidents solicited its help as a progressive "change agent" in forging both the New Frontier and Great Society.

However, even without this outside pressure, Sviridoff's arrival at the Foundation would probably have marked the social development program's growing concentration on community development, based on the new vice president's outlook and prior experience. Another white beneficiary of the Foundation's meritocracy, Sviridoff was a former sheet-metal worker without a college degree but was very much imbued with the values of establishment

liberalism. A quintessential "new man of power" within the postwar American labor movement, by the age of twenty-seven Sviridoff had risen in 1946 to lead Connecticut's branch of the Congress of Industrial Organizations, newly purged of its popular-front, left-wing union affiliates.⁶⁵ A New Deal Democrat who had become a New Frontiersman, he first came to the Foundation's attention in the early 1960s when reformist New Haven, Connecticut, Mayor Richard Lee called him back from a stint as a special assistant for the Alliance for Progress, JFK's modernization effort in Latin America, to engage in domestic development by running what Ford considered the most successful, and by any measure the most hierarchical, iteration of Gray Areas.

Associates variously described Sviridoff as a "genius at organization" and "a born leader with a tremendous conceptional [*sic*] mind."⁶⁶ These qualities no doubt attracted Mayor John Lindsay, who in January 1966 poached Sviridoff from Gray Areas in New Haven to head a Ford Foundation-funded systems-reform study to reorganize New York City's mismanaged and ineffective poverty and social-service programs. Sviridoff based his plan on the Gray Areas precedent of an umbrella agency meant to achieve an effective and coordinated antipoverty thrust by cutting through bureaucratic firewalls that had heretofore prevented such a comprehensive approach. With great fanfare and pride at nabbing one of the nation's most celebrated antipoverty administrators, Lindsay appointed Sviridoff in August 1966 as the first head of the new entity, called the Human Resources Agency (HRA). Sviridoff's experience in planning, if not implementing, this systemwide overhaul, as well as his past presidency of the New Haven Board of Education, no doubt also led to his appointment by Lindsay to Bundy's school decentralization panel where he promoted systems reform and private-sector involvement as a lever for public school reform. Already a strong proponent of community development and manpower programs in New Haven and at the HRA, Sviridoff also played a crucial role in ensuring the Bedford-Stuyvesant CDC's survival after its rocky start; as one of Lindsay's most trusted advisors, Sviridoff overcame the mayor's political rivalry with Robert Kennedy, and he secured the city's support of the Brooklyn experiment, including the coup that brought Franklin Thomas to power.⁶⁷

When Sviridoff accepted the Foundation's offer to lead National Affairs, just under a year after assuming his HRA post, his move was widely interpreted as an escape from what the *New York Times* called the "irate poor people and recalcitrant civil servants" he had encountered in his effort, not to mention the enormity of the poverty problem in postindustrial New York,



Figure 13. National Affairs Vice President Mitchell Sviridoff would successfully navigate the Ford Foundation's social development programs through the post-1968 conservative turn in American politics by focusing on black leadership and community development. Ford Foundation Archives. Courtesy Rockefeller Archives Center.

all of which had and would continue to challenge his belief that his master plan for system overhaul would reduce poverty.⁶⁸ This failure would soon be followed by the school decentralization fiasco with its similarly disillusioning political obstacles. Personally unscathed but no doubt chastened by these debacles of systems reform, at Ford Sviridoff turned to the CDC model, a manageable, surrogate approach to the enormity of bureaucratic overhaul, and without its myriad and inevitable political pitfalls.

Like Robert Kennedy and Bundy, Sviridoff was preoccupied with finding a post-civil rights and post-Great Society solution for the ruptures in American liberalism caused in part by the urban crisis. For example, he understood that, after the debacle of Lyndon Johnson's failed and underfunded domestic policy, the federal solutions that had undergirded American social policy since the 1930s were no longer politically or fiscally feasible; he looked to local government and the private sector to step into the breach. Similarly, despite or perhaps because of his participation on the mayor's decentralization panel, he abjured the community-action approach for privileging process over product and for fomenting the racial division that led to Nixon's victory and the end of the New Deal Democratic coalition. Instead, he looked to universal, apolitical, and technical solutions to the issue of racial inequality in the United States that would impact both blacks and whites and resonate deeply with mainstream American notions of individual self-help. Sviridoff believed that such an approach would lead to the re forging of American liberalism, or the reconstitution of what he called "a nonrevolutionary yet dynamic approach to social change" akin to the New Deal.⁶⁹

In putting his beliefs into action, Sviridoff pulled the Foundation back from an earlier strain of social development, exemplified by its schools activism, that would have extended civil rights racial liberalism by promoting capacity building and political participation by the poor as the center of community development. Roger Wilkins, who served as the first program officer in charge of social development under Sviridoff, chafed under the vice president's regime. As a former assistant attorney general in the Lyndon Johnson administration and the nephew of Roy Wilkins, the executive director of the NAACP, Roger Wilkins was no radical, but he was an inveterate civil rights liberal. His racial consciousness had grown during his time at the Ford Foundation, as had his conviction that the social development program should be "a continuation" of the "thrust for equal rights . . . for minority people" that demonstrated a "sustained moral commitment to equal justice" against growing white backlash and apathy that either repudiated or marginalized

this recent driver of the nation's domestic agenda.⁷⁰ During Wilkins's tenure, he promoted an earlier version of community development that put group uplift at the forefront. For example, under his watch the Foundation spent \$3.5 million to establish the Center for Community Change, an antipoverty organization with roots in the explicitly community-action-oriented and Foundation-funded Citizens Crusade against Poverty. Continuing that tradition, the center was unequivocally committed to the political empowerment of the poor.⁷¹ Given his objectives for social development generally, and community development in particular, it was no wonder that Wilkins fought furiously against Sviridoff's announcement in 1970 of plans to cut the social development budget by \$1 million in order to fund new National Affairs programs for the environment and police training. These were efforts that engaged Sviridoff's strategy to create more "universal" domestic programs that would appeal to white middle-class Americans so that they would swallow the pill of minority social development, made yet more palatable to them by Sviridoff's definition of the program as leading to individual, not group, gains. Fighting a losing battle, Wilkins left the Foundation in 1971 after delivering an impassioned memo to the trustees about their "very tight and homogenous vision of American society and the world." He urged them to fulfill their duty to extend the philanthropy's civil rights legacy by bringing in "minority" voices, including women, youth, people of color, and representatives from the so-called third world, as Foundation decision makers.⁷²

Significantly, Sviridoff did not hire another African American or a civil rights lawyer to replace Wilkins to run the social development office; instead he chose the white economists and international development experts Eamon Kelly and Sol Chafkin as successors. They shared Sviridoff's vision for a "domestic development process" in which the CDC on the BSRC model would be the pivot.⁷³ Instead of advocacy for the poor or participatory democracy, they were committed to jobs and income creation to end the urban crisis and poverty in the ghetto, a process that they imagined would happen not by addressing deindustrialization or other structural factors, or even necessarily by focusing on working-class employment, but rather by capital transfer from government and the private sector into the inner city for business development and job creation. However, in order for this transfer to be effective, institutions had to be in place that could successfully forge what the Foundation called a "coalition" between the "leaders of the deprived community and of the established civic and business interests in its city" so as to attract outside funds to the ghetto.⁷⁴ Such fund-raising abilities had to



Figure 14. Roger Wilkins, the Ford Foundation's first program officer in charge of social development, objected strenuously to Mitchell Sviridoff's move away from the group empowerment of the minority poor as a primary Foundation objective. Ford Foundation Archives. Courtesy Rockefeller Archives Center.

be partnered with these instruments' capacity to absorb resources by "successfully running programs that increase jobs and income, improve housing, and secure better services." If successful, Sviridoff and his officers predicted that CDCs following this model would become self-sufficient engines of economic growth, leading ultimately to black community enterprises' "ability to penetrate the economy of the mainstream," and the consequent upward mobility of individual African Americans.⁷⁵ Sviridoff and his staff focused their efforts not on advocacy for the poor but on retaining and attracting the middle class in the black community as an essential "anchor" for community development. In the end the middle class would remain living in its own improved neighborhoods, not because ghettoized, but by choice and as a matter of racial pride deepened by the prosperity fostered by the CDC. In short, the CDC changed "the mood of the community" from "apathy and despair to expectation and hope," but it also had to "play its part" in the Foundation's ultimate assimilationist aim for developmental separatism, "a single though pluralistic national community," largely based on an expanded middle class and elite that would share the economic, if not cultural, interests of the white majority.⁷⁶

This model, with its vision of black community uplift without community control or participatory democracy, ghetto prosperity without structural reform, race and class coalition and capital transfer without conflict between the corporate "establishment" and the ghetto, and black economic assimilation without social integration, encapsulated the Foundation's long-standing and elusive objectives for African Americans' social development. The Foundation's version of the CDC also differed from many earlier community-development efforts, which promoted participatory democracy and measured the project's success based on a conception of community capitalism that privileged collective versus individual capacity building and wealth creation. Nevertheless, those CDCs that wished to receive funding in the Sviridoff era would have to fall in line with the Foundation's ethos. In short, the CDC had become a potential cure-all for Sviridoff and his officers—one in which community development could be facilitated through the funding of corporate capitalism and the state channeled through a politically immune entity run by black professionals with the technical skills and charisma to solve the urban crisis by directing Foundation-defined development objectives on a local level.

In the 1960s and 1970s, the Foundation would fund up to fourteen CDCs at a time nationwide, both in cities and in the rural South, all of which were

increasingly measured against this prototype and had ultimately conformed to it.⁷⁷ Of this group, the Foundation consistently named a handful as bona fide success stories, including the Watts Labor Action Committee in Los Angeles and Leon Sullivan's Zion Non-Profit Charitable Trust in Philadelphia. The Foundation rewarded these CDCs not only with grants and program-related investments—a new instrument designed specifically to prime the pump of CDC grantees through direct Foundation investment in their enterprises—but also with grant-writing assistance and introductions to the federal decision makers who would determine who would receive the federal support so crucial to CDC success.

Hovering above all of the Foundation's CDC grantees was Franklin Thomas's BSRC, Ford's "flagship" CDC, as Sviridoff called it, against which all other efforts were judged.⁷⁸ From 1966 to 1981, BSRC received more than \$11 million from the Ford Foundation, leading any other grantee, CDC or not, receiving administrative support. In the same period, BSRC received almost one-third of all funding disbursed by SIP, the largest federal government program for community development.⁷⁹ The Foundation's institutionalization of the BSRC prototype culminated in the founding of the Local Initiatives Support Corporation (LISC) in 1979, which was Franklin Thomas's first major move as Ford Foundation president. First headed by Sviridoff, the Foundation underwrote LISC with \$4.75 million matched by an equal amount from the corporate sector. It provided CDCs in the BSRC vein with loans, investments, corporate partners, and technical support so that they could scale up redevelopment efforts. LISC and its local subsidiaries remain the most important institutions supporting Ford's still dominant community-development model of public-private partnerships to fund local development projects.⁸⁰

BSRC's influence in shaping the Foundation's version of community development extended to the growing importance Sviridoff and his staff placed on black leadership as both a precondition to and an outcome of CDC achievement. Thomas's success as what the Foundation privileged as a "dominant" leader of an institution outside the democratic political process and entrenched state bureaucracies demonstrated to the Foundation that a CDC with "indigenous" leadership could implement the top-down systems-reform model of Gray Areas without the volatility, compromises, and coalition building of the community-control experiment. Furthermore, Thomas's success proved that "grassroots" leaders did not have to be chosen by the black community but could be designated by outsiders. This "legerdemain of symbolic racial collectivism," as Adolph Reed has described this increasingly

common phenomenon, meant that a black leader like Thomas, appointed by outsiders, could become a legitimate "community" representative for whites, and even most blacks, especially in a period of intense racial pride like the late 1960s and 1970s.⁸¹

In privileging this conception of tough, top-down individual black leadership and talent, the Foundation demonstrated that it finally fully understood that there was a "best and brightest" in the black community, as defined by the "best and brightest" of the white community. In fact, identifying these "public entrepreneurs" was inordinately important to the Ford Foundation, especially when it came to African Americans. In the wake of the failure of the War on Poverty, the social development division explained black poverty, not only as a problem of national programs and bureaucratic incompetence but also as a matter of "inadequate capability in the depressed areas to give substance to the kind of participation and leadership they were called upon to exercise."⁸² According to Sviridoff, this "limited local capacity" to capitalize on the "relatively large amounts of available resources," which had been made available to ghetto communities, resulted in an inability for any program "to reverse the spiral of deterioration and despair."⁸³ Thus, it came as a relief to social development staff that effective black leadership (or capacity) could be found for an African American community that it implicitly defined as largely incompetent to run its own affairs. These successful leaders were "strongly individualistic executives who have demonstrated ability to devise programs, attract funds, inspire co-workers, earn the respect of people in the community, and harmonize conflicting forces." They would use these talents to bring disorganized and inarticulate communities out of the socioeconomic doldrums and prepare them for their incorporation into the American mainstream.⁸⁴ Accordingly, the fountainhead from which all community development should flow, as specified by one Foundation document after another, was the leadership of a "strong, enterprising personality" who, as some implied and others put explicitly, "cannot be trained." Rather, this individual "has to be discovered."⁸⁵

Finding these black supermen might have been a matter of luck in the case of figures like Franklin Thomas or Leon Sullivan, but social development officers nevertheless also started an effort to discover and polish leaders within the black community; by the time of its budget proposal in 1968, minority "leadership development" commanded one-third of the subdivision's funds and comprised its largest proposed budget line. Foundation

documents justified this thrust as an effort to develop "articulate, responsible" black leadership, the absence of which it interpreted largely as a matter of a lack of "managerial competence."⁸⁶ That year Sviridoff pointed out in his first National Affairs budget request that "the rise of black militancy and its counterparts in Puerto Rican, Mexican-American, and Indian communities" had finally disciplined the Foundation "to distinguish clearly for the first time between community action programs emphasizing program objectives and those designed to enhance community power in decision making."⁸⁷ His division worked to offer the former by delivering tangible results to ghetto communities through tough, top-down CDC leadership. These "performance"-oriented leaders were not "elected in formal elections." Rather, through "close and steady contact" with residents, they determined and acted upon "[c]ommunity attitudes and aspirations" without the intervention of the formal participatory processes. These, according to Sviridoff, "led to sterility and frustration for so many community organizations under the poverty program." Similarly, the Foundation highlighted the "dominant personality" of these leaders who "vastly prefer performance to rhetoric" and who became "impatien[t] when process becomes disproportionate to product."⁸⁸ They could also control ghetto residents' putatively unproductive and antisocial dissent, in the way that Franklin Thomas had been able to withstand the tempest in Bedford-Stuyvesant over the coup that put him in power. Thus the Foundation sought to channel black "militancy" into the CDC and the Hobbesian sovereign who led it. His ability to serve, control, and represent the black community signaled the political modernization of the ghetto, according to the elite theory of democracy, whose adherents could now countenance black leaders guiding the development of their own communities, thanks to pioneers like Thomas.⁸⁹

Ultimately, one Foundation document admitted, it became "hard to separate 'leadership development' from community development."⁹⁰ Effective CDC leaders, characterized in part by their successful development of second-tier technocratic public entrepreneurs within their corporations, grew to be so important to the Foundation that by the 1970s this quality became among the most crucial variables that the Foundation used in measuring the success of its CDCs.⁹¹ Furthermore, it put all of its social development eggs in the CDC basket, and it began more and more to elide the CDC and its leaders with the community it served, writing in various contexts that the corporation "embodied" the neighborhood and its potential for change.⁹² Some Foundation documents even ascribed the success

or failure of entire inner-city communities to the presence or absence of a CDC led by a “strong, enterprising personality,” noting the “sharp contrast” of Bedford-Stuyvesant to the “continuing decay” of Brownsville, for example, where the Foundation had ascribed the failure of its community-control experiment in part to a lack of effective leadership.⁹³ In other words, the success of the CDC in garnering grants, developing real estate, and identifying and training technocrats to run its operations became a proxy for uplift of the community as a whole.

This conflation was also reflected in the Foundation’s growing assumption that the internal development of the CDC, including the upward mobility of its principals and staff, was the most effective strategy for community development. The Foundation could justify this miniaturization of its focus from the community to the CDC on the basis of its liberalism. Assimilation through the ascension of individuals had been its objective from the start. Thus, the fostering of public entrepreneurs in the CDC not only served ghetto communities but also was an “income-elevating” objective for social development, facilitating the upward mobility of individual African Americans.⁹⁴ As this concentration coalesced, Sviridoff and his staff also surmised a connection between CDC prosperity and the ongoing focus on the middle class as key to the health of the black community. So, for example, by the early 1970s, the Foundation had deemphasized using CDCs to forge independent minority enterprises in ghetto communities and instead began to focus on fostering entrepreneurship within the CDCs themselves, particularly “projects of scale,” like housing developments, upon which no other entity in the black community would be large enough to embark. These were the only kinds of projects in their mind that brought “recognizable change,” transforming “the tone and texture of the environment enough to retain or attract middle-class residents.”⁹⁵

Furthermore, these large-scale endeavors would give entrepreneurial individuals working for the CDC the opportunity to be ambitious in a way otherwise unlikely or impossible in the capital-poor ghetto. Thus, the CDC’s primary function became the incubation of individual entrepreneurs, whom the Foundation more and more saw as the essential precondition to community uplift. For Eamon Kelly, Roger Wilkins’s replacement as program officer in charge of social development, this objective was stymied by the Great Society “mode of community corporate ownership—in which individual gains are made dependent on group gains,” limiting the salaries of CDC managers and their ability to profit from their corporate entre-

preneurship. As a result, it was “difficult to build management incentives” into CDC “enterprises.” Kelly called for “a new doctrine on the transfer of economic power” that would make legal “considerable personal enrichment for some of the principals.” In short, he wished to use the CDCs to foster “a prorata share of millionaires and controllers of the sources of economic and hence political power” in the black community. Without this economic elite, “minorities cannot be deemed to be fully participating in the society.”⁹⁶

Thus, while one Foundation document had made the rare acknowledgment that the lives of inner-city residents had not “yet been materially improved” by its CDC grantees and had fretted that this program might have merely created a handful of “Potemkin villages,” Ford’s leaders continued to support its CDC blueprint.⁹⁷ They could point to the CDC program’s fostering of a cadre of white-collar and professional African Americans as a tangible achievement of a long-standing ideal of individual assimilation through upward mobility. That was justification enough to make the CDC program the foundation of Ford’s social development efforts.

The Business of Restoration

In May 1971, Franklin Thomas, John Doar, and their staffs finally moved their offices to Bedford-Stuyvesant and into a \$3 million BSRC renovation of the old Sheffield Farms dairy building in the heart of the community’s business district on Fulton Street. Including offices for government services and community nonprofits, a theater, and an ice-skating rink, the complex gave BSRC a visible anchor in the community. The renovation and move capped off three years of achievement for BSRC, including forty blocks of exterior renovations and dozens of scatter-site refurbishments of brownstones, all completed by local labor; the opening of an IBM plant that would grow to employ four hundred locals; and the completion of thirty-six loans to local entrepreneurs who opened businesses in the area.

Continuing federal, foundation, and private-sector support underwrote this flurry of activities in Bedford-Stuyvesant. Despite the Republican ascendancy in Washington, Thomas successfully negotiated a new \$10 million SIP grant from the Nixon administration in 1970, demonstrating this Kennedy initiative’s bipartisan staying power, given its strong emphasis on self-help and entrepreneurship. BSRC also won property-management

contracts from the Federal Housing Administration, and it brokered with the agency on behalf of residents to make an exception of Bedford-Stuyvesant by loosening federal regulations for mortgage insurance in the area. The Ford Foundation both continued to bankroll BSRC's administration costs and offered a "working capital fund" to some of the business-loan recipients. Meanwhile, a consortium of New York banks led by George S. Moore, D&S board member and chair of the First National City Bank of New York, created a \$65 million mortgage pool in order to combat the usurious lending practices that flourished in Bedford-Stuyvesant as a result of the FHA's and the real estate and financial industries' redlining practices in the neighborhood.⁹⁸

These successes confirmed the liberal establishment's faith in the Bedford-Stuyvesant experiment, no doubt reinforced by the ongoing patronage of the Kennedy family. Robert Kennedy's widow, Ethel, joined the D&S board in 1969, and she and other family members hosted an annual ice-skating party on the BSRC rink, which had been built at the Kennedys' request, despite the fact that few of the neighborhood's Southern and West Indian residents were familiar with winter sports. The Kennedy influence also undoubtedly lent glamour to and shaped the program of the annual fundraiser, the Restore Ball, for BSRC's arts programming, inaugurated in 1971. That year, 1,300 guests paying \$50 each joined co-chairs Ethel Kennedy, philanthropist and socialite Nancy Astor, Congresswoman Shirley Chisholm—now in the BSRC fold—and the wives of John Lindsay and Hollywood director Sidney Lumet in a star-studded affair. The evening boasted celebrity entertainers Lena Horne and Alan King as hosts who introduced performances by soul superstar Stevie Wonder, world-renowned opera singer Leontyne Price, and television comedians Jerry Stiller and Anne Meara, rounded out by a piano recital by a decidedly less accomplished artist, Edward Kennedy's wife, Joan. Given the array of talent drawn to this affair and the consequent publicity, concessions to the Kennedy family were doubtless a small price to pay for BSRC to perpetuate and benefit from its founder's legacy.⁹⁹

However, despite BSRC's energetic economic development efforts, and its success at garnering federal and philanthropic support as well as the protective goodwill of a powerful patron, it did not come close to the comprehensive community development first envisioned by Robert Kennedy. It also did not achieve self-sufficiency or become the instrument of a middle-class transformation of Bedford-Stuyvesant, as imagined by Sviridoff, Thomas, and their

staffs. Despite its exalted position, it did not even exceed the performance of other CDCs in the Foundation's stable, none of which reached Kennedy and Sviridoff's lofty goals, but some of which, particularly Leon Sullivan's projects in Philadelphia, brought in more capital investment, industrial development, and more and better jobs and job training for their communities than did BSRC.¹⁰⁰ Instead, what BSRC achieved in the long run was a "leadership institution" that fostered and developed black managers with little material payoff to the community at large. Stymied by a model of community development that did not acknowledge the engrained structural forces underlying black urban poverty, including those that prevented any kind of sustained "coalition" between capital and the ghetto, the best that BSRC could do was to make the physical rehabilitation of the community into an industry unto itself. In paring down its activities to staff and real estate development, BSRC once again forged the path that most of the nation's CDCs would follow. The result was a new model of public-private, nonprofit affordable housing that would grow to predominate a new, stripped-down national housing policy. As for alleviating the larger issues of economic underdevelopment, unemployment, and isolation from the mainstream economy, all efforts to address these problems resulted in failure.¹⁰¹

The first and foremost shortfall of community development in Bedford-Stuyvesant was the dual corporations' *raison d'être*: economic "coalition" between the corporate and financial establishment and the ghetto. D&S board minutes recorded numerous entreaties and prods to get members to do what they were appointed for in the first place, which was to spur outside capital investment in the ghetto. As John Doar reminded the board members, "[I]t was not enough to depend on black capitalism" for community economic development "but that American businesses would have to go into the ghetto, and provide job opportunities on a large scale."¹⁰² Yet, aside from the IBM plant founded in 1968, during the crisis of the riots, nothing happened. Not even D&S board chair Benno Schmidt's vocal championing of this approach and a proposal to use \$1.5 million of the CDC's budget to build a plant to a willing company's specifications resulted in any action on this front. Given the power and influence amassed on the D&S board, its collective combination of unwillingness and inability to attract industry to Bedford-Stuyvesant signified that American capital could not or would not turn back the clock on New York City's deindustrialization and transformation into a global financial and tourist center, particularly given the worsening local and national economy of the early 1970s.¹⁰³

This truth became even clearer with BSRC's efforts to foster black capitalism. It hoped that supporting local entrepreneurship in Bedford-Stuyvesant would establish a manufacturing base and thus create jobs and wealth in the neighborhood. In the early 1970s, BSRC, the Ford Foundation, and financial institutions connected to D&S board members offered local businesspeople loans, direct investment, working-capital grants, and technical support for schemes to produce clothing, textiles, leather goods, and ultrasonic equipment in Bedford-Stuyvesant.¹⁰⁴ None of these inexperienced and undercapitalized newcomers succeeded. They were unable to penetrate a mainstream marketplace already crowded or dominated by a few big players. Even more modest niche market efforts fell flat, even when they had outside support and little competition. In late 1970, the white high-society textile designers D. D. and Leslie Tillett joined local black Brooklynites, artist Calister Thomas and jeweler Mark Bethel, to create Design Works, an upscale silk-screening operation that based its designs on African motifs. The Tilletts had been introduced to BSRC's work by their client, Jacqueline Onassis, and they came up with the idea of Design Works based on their international development experience in Africa, where they had worked on projects to foster indigenous textile design and manufacture. BSRC not only lent Design Works money but also invested directly in the firm. The Tilletts's business and social connections and Onassis's patronage led to exhibitions of the company's designs at the Metropolitan and Brooklyn museums, a *House Beautiful* spread of its work displayed in Onassis's New York apartment, contracts with Macy's department store, and production of its motifs on carpets, wallpaper, sheets, and towels, including those mass produced by textile giants Martex and West Point Pepperell. Nevertheless, Design Works folded in 1978, always operating at a loss except for one barely profitable year, and never getting close to its objective of training and employing 250 locals to run the company.¹⁰⁵

BSRC's manpower and mortgage pool programs hit similar barriers. While BSRC had some notable success in placing local people in white-collar work inside and outside the community that might otherwise have been inaccessible to them, it could not make more than a tiny dent in the rampant unemployment of postindustrial, recession-era Bedford-Stuyvesant, especially among undereducated and inexperienced black men and young people who represented the core of Bedford-Stuyvesant's joblessness crisis.¹⁰⁶ Meanwhile, despite the fact that it offered the by far best terms available in

Bedford-Stuyvesant, by 1974 the neighborhood's residents had only used 30 percent of the mortgage pool to guarantee mortgages in the area, and 85 percent of those who had taken advantage of this opportunity were already property owners refinancing their mortgages, rather than first-time homebuyers. Worsening poverty in Bedford-Stuyvesant meant that the number of local people who had the wherewithal to buy property was shrinking, not growing, and so this instrument did little to achieve its major objective of expanding the area's homeownership middle class. Furthermore, real estate companies and mortgage lenders discouraged their clients from using the pool; these groups had a vested interest in the existing system in which minority mortgage holders were charged extra interest points typical in the tight housing market of ghetto neighborhoods redlined by banks and brokers. Again, even BSRC's high-profile efforts stood little chance against entrenched systems of black exclusion—this time America's deeply racialized property market.¹⁰⁷

BSRC's Legacy

Despite these failures to revive Bedford-Stuyvesant, BSRC continued to thrive. Bipartisan support of the project, along with the Nixon administration's commitment to black capitalism and a decentralized welfare state, meant that BSRC was well positioned to continue to benefit from federal largesse, even during the program cutbacks of the second Nixon administration. Its reputation as an established, well-run organization with its eye on the bottom line made BSRC a prototype in the new regime in which local nonprofits competed for federal or federally funded loans, loan guarantees, and block grants in order to deliver social services to communities. However, this new arrangement with its narrowly focused programs abandoned any sense of the comprehensive community development imagined by Kennedy. In fact, the Nixon administration defined community development in purely economic terms, resulting in the shift of the SIP program to the Commerce Department after the dissolution of the federal Office of Economic Opportunity in 1974. This new iteration of SIP based its "community-development" program on a trickle-down philosophy that emphasized minority business, including profit-producing CDC enterprises that, if successful, could use their surplus earnings to fund local social programs and, more important to Washington, ultimately to become self-sufficient.¹⁰⁸

That self-reliance never arrived. While everyone from federal officials to Mitchell Sviridoff to Franklin Thomas dreamt of BSRC showing the world that the CDC model could achieve independence for the ghetto from government and philanthropic support, all efforts failed. In 1982, the last year of the SIP program, one-third of BSRC's budget still came from federal funds. Consequently, when the Reagan administration cut off this lifeline, BSRC was eviscerated, reduced to a skeleton staff and program. Furthermore, even before these cuts, the residents of Bedford-Stuyvesant could see few tangible benefits from BSRC's work. Its efforts were no match for the structural forces of deindustrialization, stagflation, and neoliberalism that were inexorably shaping the city's and nation's economies. Significantly, BSRC's only visible achievements in the community, beyond housing, were the Sheffield Farms headquarters and a subsequent and adjacent shopping center development, completed in 1975; both were housed in industrial plants abandoned by deindustrialization. These businesses produced only professional and service-sector jobs reflective of a new urban labor market that offered employment either outside the qualifications of working-class black Brooklynites or without a living wage. Needless to say, joblessness and welfare dependency did not decrease with BSRC's work. In fact, neighborhood buying power fell 12 percent between 1970 and 1990, and while the poverty level in greater New York dropped from 14 to 12 percent in the same period, in Bedford-Stuyvesant, it rose from 27.5 to 34 percent, a trend that matched other inner-city neighborhoods around the country.¹⁰⁹

Despite these failings, continued Foundation and federal funding suggested ongoing support for the BSRC model. With the diminished expectations that accompanied a realization of its limits, BSRC's leaders and funders focused on physical development, which they hoped could create the kind of community-generated benefits that undergirded developmental separatism. As Franklin Thomas declared optimistically, "[R]ebuilding the inner city is an industry in itself."¹¹⁰ The precedent for this emphasis was BSRC's first and, according to the Foundation and BSRC, its "most impressive" and "most popular" activity, the exterior renovation program.¹¹¹ Certainly, it was a fast and cheap way to achieve "concrete, visible results" in the community.¹¹² It also provided job training and temporary work for unskilled local people, and its improvement of middle-class homeowners' brownstones suggested the possibility that, at least in the construction industry, the CDC could generate and perpetuate job creation and produc-

tive economic activity on its own. However, perhaps even more important, these limited physical development programs—which could never cure the community's economic and employment woes—helped anchor BSRC as a recognized community institution and as a "symbol of good and positive change" as Franklin Thomas put it, in a way that none of its other activities had done.¹¹³

Even though its efforts failed to achieve profits, good jobs in any appreciable number, outside investment in the community, black entrepreneurship, or a nonracialized private housing market, BSRC nevertheless persisted and lives on today. One major reason is its success at perpetuating itself as an institution by decoupling itself from the outside community. As efforts like attracting outside investment or generating black entrepreneurship failed, BSRC, encouraged both by its government and Foundation funders, confined its efforts more and more to activities it could control and direct within its own purview. So, for example, its for-profit construction and development units only ever worked on BSRC-initiated projects. Starting in the mid-1970s BSRC began to limit its commercial loans to local businesspeople who were tenants in the Sheffield commercial development or in operations like Design Works, in which it had a direct investment and whose president, Mark Bethel, served on the BSRC board. In this way, more and more, the reach of BSRC "community" development extended only within its own closed, self-perpetuating circle of employees, board members, and commercial and residential tenants. This group's ties to Bedford-Stuyvesant were even sometimes quite tenuous; in 1977, a majority of BSRC managers and almost half of its staff lived outside of the neighborhood.¹¹⁴

BSRC's persistence as a model for community development, despite its disappointing returns, is symbolic of the diminishing expectations of racial liberalism in the post-civil rights era. Bundy had begun his tenure at the Foundation seeking fundamental institutional reform to pursue his vision of social development for the ghetto. By the end of his presidency and the beginning of Thomas's in 1979, the Foundation had abandoned any notion of genuine transformation in the inner cities, where economic conditions and social marginalization had worsened, not improved. By that point, the Foundation had stripped down its objectives for CDCs to institution building only, largely to foster individual minority leaders and their meritocratic inclusion in the American elite. In doing so, the Foundation finally, if only implicitly, acknowledged the limitations of its racial liberalism, and its lead-

ership's corresponding unwillingness and inability to confront the intractable structural problems facing the inner city. Nevertheless, the Foundation celebrated the CDC as its most successful work in social development, and it remains, despite its enormous limitations, a predominant instrument to achieve that still-elusive goal of the restoration of the city into a crucible of upward mobility and racial assimilation.

Epilogue: The Diminishing Expectations of Racial Liberalism

The diminution of the purview and program of the Bedford-Stuyvesant Restoration Corporation (BSRC) matched the Foundation's shrinking expectations for its community-development work overall. In the end, institution building and leadership development were the only concrete and lasting accomplishments of the Foundation's efforts to build and sustain community-development corporations (CDCs), which it nevertheless celebrated as the successful culmination of its work in social development. Ford readily conceded these shortcomings in assessments of its achievements on this front, both frankly admitting the impossibility of its earlier, lofty goals in solving the urban crisis and setting more modest and cautious goals for itself in achieving social change. A 1975 assessment of the model's limitations was typical, in that it concluded that while CDCs were "attempting to help overcome the severe adverse effects on the local community of the broader social, economic, and political forces at work," an individual corporation "should not be held responsible for adverse changes in such community-wide measures" nor "should it claim that its acts are solely responsible for any observed positive changes."¹

The Foundation's recognition of and helplessness in the face of what it now acknowledged to be intractable structural issues represented a striking shift from the optimism of McGeorge Bundy's first years at the Foundation. Operational changes bore a major responsibility for this turn; after losing \$1 billion of its \$3 billion dollar endowment in the stock market downturn of 1974, Ford announced in December of that year that it intended to cut its annual grant giving by half, to around \$100 million annually. This decline represented market realities as well as a new fiscal conservatism for Ford; despite scaling back giving at the beginning of his presidency, Bundy and the trustees had nevertheless persisted with the earlier practice of disbursing more than the Foundation earned, digging into its capital in the interests of