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## Aggressive Philanthropy: Progressivism, Conservatism, and the William Volker Charities Fund

Michael J. McVicar



# Aggressive Philanthropy: Progressivism, Conservatism, and the William Volker Charities Fund

MICHAEL J. McVICAR\*

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In 1932, in the midst of the Great Depression, Kansas Citian William Volker set aside half of his personal fortune into a charitable trust, the William Volker Charities Fund. Volker had made millions of dollars in the home furnishings industry and longed to spend the rest of his life—and the rest of his fortune—remaking the political and social culture of Kansas City. Before establishing the fund, Volker had already used his money to quietly and patiently aid the city’s poor and reform its poorly administered municipal government. The fund’s impact on one of the nation’s most important metro areas makes it historically significant, but what happened after Volker’s death in 1947 is even more striking. Volker’s nephew, Harold W. Luhnow, led the fund in a new direction that helped reshape America’s intellectual landscape and influenced public policy for a generation. Luhnow used his uncle’s charitable foundation to support free market economists and conservative intellectuals in a bid to restructure American higher education, fight communism, and educate Americans about their Christian heritage.



*William Volker made a fortune in the home furnishings business and gave generously, and anonymously, to those in need. [SHSMO-KC]*

This essay documents the many incarnations of the Volker Fund. It outlines how the fund embodied many of the loftiest—and most controversial—spiritual and political aspirations of twentieth-century American culture. The first half of the essay situates the emergence of the Volker Fund within the context of the Progressive movement. The story begins with William Volker’s intriguing habit of anonymous giving and documents how the fund slowly evolved out of a series of progressive welfare projects in Kansas City that manifested Volker’s conviction that he was “positively and literally his brother’s keeper.”<sup>1</sup> Under Volker, the fund embraced many of the deepest desires of American progressivism: public-private cooperation to end urban poverty; support for large-scale projects to reform Kansas City’s jails, poorhouses, and hospitals; the establishment of better schools and universities; and political reforms

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\*Michael J. McVicar is a lecturer in the Department of Comparative Studies at Ohio State University, Columbus. He holds a PhD from Ohio State University.

designed to undermine the influence of political machines and promote the professionalization of municipal bureaucratic agencies.

After Volker's death in 1947, the Volker Fund was reborn under the management of Harold W. Luhnow, who led it in a distinctly libertarian direction, using carefully placed grants to support scholars, organizations, and publications that rejected government interference in the economy and favored an aggressive anticommunist and pro-Christian philosophy. Under Luhnow's management, Volker's money eventually helped to lay an intellectual foundation for the social and political philosophies of conservatism and libertarianism.

The second portion of the essay situates Luhnow's management of the fund within the wider context of the post-World War II emergence of the American conservative and libertarian movements. As historian George H. Nash argued, 1945 marks the moment when *conservatism* became "identifiable as resistance to certain forces perceived to be leftist, revolutionary, and profoundly subversive of what conservatives . . . deemed worth cherishing, defending, and perhaps dying for." In the decade following the war, Nash argued, conservatives ceased to be "scattered voices of protest" as they coalesced into a unified intellectual movement organized around a more or less coherent core of shared values.<sup>2</sup> While libertarianism and conservatism are not necessarily synonymous, under Luhnow they merged and blended in complex ways that gave the post-Volker Volker Fund a unique position within American intellectual history. Under Luhnow, the Volker Fund mobilized the complimentary and antagonistic values of conservatism and libertarianism—skepticism of centralized bureaucracy, support of free market economics, adherence to traditional moral standards and religious teachings, and deep unease with the newly emerging global order organized by the bipolar structure of the Cold War—to create a network of individuals and organizations seeking

*By the time William Volker became a millionaire in the early 1900s, he had established himself as a man who provided financial assistance to those less fortunate than himself.*  
[SHSMO-KC]



to develop a philosophical order capable of making sense of a rapidly changing United States.

In January 1882 twenty-three-year-old William Volker moved from Chicago, Illinois, to Kansas City, Missouri, in hopes of establishing a retail and wholesale home furnishings firm. Fierce competition among long-established firms in Chicago prompted his move. Volker hoped to tap into undeveloped home furnishings markets in the rapidly developing West and Southwest.<sup>3</sup> His move to Kansas City proved particularly fortuitous. Between 1880 and 1910, the city's population exploded from less than 56,000 to more than 248,000.<sup>4</sup> This dramatic increase created an auspicious business environment for Volker and two partners who opened Hansmann, Volker & Co. in July 1882. They manufactured "mouldings, picture frames, window cornices," and other luxury home items deemed by an 1886 trade publication as "not only above the average, but [to] reach the perfect and artistic in design and execution."<sup>5</sup> In 1885 Volker assumed control of the company and renamed

it William Volker & Co. By 1906 Volker's thriving company made him a millionaire.<sup>6</sup>

As his wealth grew, Volker began giving away his fortune. His charitableness stemmed from his days as a German immigrant in Chicago. The Volker family had left its native Hanover and arrived in Chicago in October 1871 shortly after the Great Fire had destroyed much of the city. The twelve-year-old Volker "saw the operations of a vast spontaneous system of relief supported by charitable persons from every section of the world."<sup>7</sup> After witnessing this resiliency, Volker's mother quoted the Gospel of Matthew to her son: "Take heed that ye do not your alms before men, to be seen of them. . . . Therefore when thou doest thine alms, do not sound a trumpet before thee, as the hypocrites do in the synagogues and in the streets, that they may have glory of men. . . . But when thou doest alms, let not thy left hand know what thy right hand doeth: That thine alms may be in secret: and thy Father which seeth in secret himself shall reward thee openly."<sup>8</sup> The verse stuck with Volker, and he followed its spirit for the rest of his life. He gave his gifts anonymously and insisted that recipients tell no one of his generosity. The practice eventually earned him the nickname "Mr. Anonymous" and, paradoxically, made him a legendary figure in Kansas City.

Volker's anonymous charity started small in the late 1880s as he gave to the generally needy: \$1.00 to replace Harry Ward's broken glasses; a \$100 check to Bell Memorial Hospital to cover the price of an operation for James Case; \$3.00 to Clarence Wonsetler to pay his rent.<sup>9</sup> As Harold W. Luhnow later summarized, Volker "seemed particularly sensitive to the needs of aged people and to those people who had genuine needs not easily met by the organized charities. Artificial limbs, dental plates, eye glasses, emergency operations, mortgage payments, deserted mothers with small children, wayward girls, the physically handicapped, illnesses of major wage-earners, represented the usual needs handled daily."<sup>10</sup>

Volker's sensitivity grew from a profound commitment to his German pietistic cultural heritage. The deeply religious Volker prayed regularly and read his Bible carefully, but he was not dogmatic or sectarian in his religious commitments.<sup>11</sup> Instead, like many German immigrants of his generation, Volker cleaved to traditional Evangelical values that favored thrift, hard work, and helping the needy but rejected unearned handouts. As a member of St. Peter's German Evangelical Church, Volker joined other members of Kansas City's German immigrant community in lobbying for municipally operated relief agencies similar to the ones in Germany.<sup>12</sup> He justified social welfare programs by appealing to his unique interpretation of Christian charity: "He would quietly state that the basic law of this universe is giving. He would point to nature, how it would abundantly furnish a thousand seeds where only one might be necessary. Once he referred to the well known verse, (John 3:16), 'For God so loved the world that he gave. . . .'"<sup>13</sup> Consequently, Volker worked with any group or individual—regardless of religious or political affiliation—if they shared his ethic of giving.<sup>14</sup>

Volker's desire to give and eagerness to work with others does not mean that he was a softhearted philanthropist who gave out his money willy-nilly, showing little forethought about the repercussions of his charity.<sup>15</sup> Instead, Volker combined his Christianity and high-minded sense of civic duty with his

business acumen to create a formidable charitable operation. By the onset of the Great Depression, Volker had so formalized the process that he employed a social worker and staff to follow up on his gifts and ensure they were having the most efficient and beneficial impact on the community.<sup>16</sup> As Volker's business grew, so did his charitable ambitions. From the 1890s to the early 1900s, Volker's gifts to individuals evolved into a broad agenda of bringing progressive reform to Kansas City government.<sup>17</sup> In this early progressive period, when he flirted with city politics, the seeds of the fund's later support for ideological conservatism were sown.

Among Volker's major contributions to Kansas City were cooperative public/private social welfare agencies that intertwined his wealth with the political and social culture of the city. As a self-described Progressive and Christian Socialist, Volker spent the early 1900s working with a group of progressive leaders who saw reforming local government by providing a social safety net for the less fortunate as their moral and civic duty. Volker's key partners were Jacob Billikopf, a Jewish social worker involved in labor reform and public welfare, and Frank Walsh, a Catholic attorney with ties to the Democratic Party and radical politics. Harry Haskell noted in his history of Kansas City progressivism, "This interdenominational trio liked to call each other 'coreligionists,' the religion they shared being, of course, progressivism."<sup>18</sup>

Together these coreligionists shaped Kansas City's Board of Pardons and Paroles (BPP) in 1908 and its later incarnation, the Board of Public Welfare (BPW) in 1910. Believing that pardons and paroles had become a "political football" because they fell exclusively in the mayor's purview, Volker successfully lobbied for an ordinance establishing the BPP.<sup>19</sup> Mayor Thomas T. Crittenden appointed Volker, Billikopf, and Kate E. Pierson—a reformer with Associated Charities who was concerned with poverty and urban hygiene—to the board, and in turn they selected Volker as the president.

Under Volker's leadership, the BPP recommended paroles and investigated the dysfunctional components of the city's penal system.<sup>20</sup> Not satisfied with the limited scope of the BPP and concerned that the title "Pardons and Paroles" stigmatized those associated with it, Volker pushed city officials to create a Board of Public Welfare, which would subsume the Board of Pardons and Paroles under its mandate. In a study of the origins of the Board of Public Welfare, Mary Lou Fenberg summarized Volker's motivations: "It was his belief that since it was the City's duty to care for its indigent, Kansas City should fulfill its obligations. He also believed that welfare activities should be administered with the thought of prevention of social evils than to try to effect a cure after the evils exist." As with the Board of Pardons and Paroles, Volker was the chief mover behind the effort, going so far as to personally author the ordinance that created the new Board of Public Welfare.<sup>21</sup>

Although the Board of Public Welfare had been

*Jacob Billikopf served as superintendent of the United Jewish Charities in Kansas City from 1907 to 1916. In 1911-12 he was president of the Missouri State Conference of Charities. [SHSMO-KC]*



established by ordinance and was publicly funded by the city, Volker quietly financed many of its activities. According to Billikopf, the work of the board represented a unique moment in Kansas City history “when [Volker] and I and several associates labored together in unity and harmony on behalf of those less fortunate than ourselves.” When the board found municipal funds wanting, Billikopf remembered that Volker was a “Good Angel” who willingly committed substantial sums of his fortune to meet the need. To uneasy queries about the source of funding, Volker merely responded, “Ways and means will be found.” He became what his biographer called “a unique institution in America—a voluntary taxpayer.”<sup>22</sup> Even with Volker’s deep pockets, the Board of Public Welfare’s precarious fiscal situation became fatal when Volker and his progressive allies went beyond attacking criminality at its root and used the board’s limited resources to undermine the power of machine politics in Kansas City.

At the dawn of the twentieth century, the Pendergast brothers emerged as a major force in Kansas City politics. “Boss Tom” rose to prominence on the heels of his older brother Jim’s hard-nosed management of the West Bottoms, an industrial and entertainment district infamous for vice and gambling. “Big Jim” Pendergast protected his booming saloon and gambling interests in the West Bottoms’ First Ward by offering “welfare to the poor, primarily in the form of bags of coal and an occasional holiday turkey” in return for political loyalty.<sup>23</sup> Jim’s charity won the support of poor Democrats—a political base composed of immigrants, Catholics, and unskilled laborers—and he used them to extend his reach into neighboring wards. When Jim stepped aside in 1910, he turned over his seat on the ward’s council to his brother Tom. The younger Pendergast also manipulated the economic, racial, and ethnic tensions in the city’s wards with a clever social welfare agenda. As Tom Pendergast once told an interviewer, “If anybody’s in distress, we take care of them—especially in the poor wards. If they need coal or clothes, or their rent is overdue, we help them out—in and out of season. We never ask them about their politics. We know pretty well how they’ll vote after we help them.”<sup>24</sup> By the 1920s Pendergast’s political base allowed him to brazenly flaunt his disregard of Prohibition, and in the 1930s he used his growing influence in national politics to secure a steady stream of federal money for Kansas City.

The formation of the Board of Public Welfare guaranteed a showdown between the mild-mannered Volker and the rough-and-tumble ward boss.<sup>25</sup> As early as 1912, Pendergast recognized the BPW’s threat and worked to defund it. By 1918 most of its nonpartisan board members had resigned, and Pendergast supporters took control. Complicating matters, the city council blocked appropriations for the board, “compelling Volker to dig deeper and deeper into his own pocket for funding.”<sup>26</sup> Neglect and corruption ultimately rendered the Board of Public Welfare an extension of the Pendergast machine. Volker’s biographer asserts that the businessman resented the undermining of the BPW and cynically concluded, “I’ve learned something about government. . . . Government must be restricted to those activities which can be entrusted to the worst citizens, not the best.”<sup>27</sup>

After his experience with the BPW, Volker deeply resented the Pendergast machine, but rather than use his fortune to declare war on Boss Tom, Volker remained studiously apolitical as he turned his attention back to private

charity. In 1932 Volker set aside half of his fortune into the William Volker Charities Fund to further his habit of anonymous philanthropy.<sup>28</sup> The fund would, among other things, “care for the sick, aged and helpless”; “provide means and facilities for the physical, mental, moral and spiritual betterment of persons”; “improve living and working conditions”; and provide “education and educational facilities.”<sup>29</sup> The fund operated on a model of “aggressive philanthropy,” which “never waited for opportunities [for giving] to appear but went in search of them.”<sup>30</sup> Under Volker’s direct leadership, “aggressive philanthropy” meant the fund gave much of its money to community members in immediate need or to charities that could immediately affect the broader community.

As Volker’s health deteriorated in the mid-1930s, the ailing philanthropist turned most of his duties at William Volker & Co. over to others so he could focus his remaining energies on charity.<sup>31</sup> Most of the responsibilities for

the operation of the company fell to Volker’s nephew, Harold W. Luhnnow. Born in 1895 in Chicago, Luhnnow was a man of remarkably different temperament and political ambitions than Volker. If Volker’s progressive sensibilities emerged from his intimate association with the German immigrant community, then Luhnnow’s status as a second-generation German American indicates how far he had departed from the community values that nurtured his uncle.

A graduate of Kansas State University with degrees in agriculture and animal husbandry, Luhnnow served in the U.S. Army before

coming to Kansas City to work with his uncle in 1919. Luhnnow fondly told people that “he learned about people from cattle,” an indication of both his love for ranching and his departure from his old-world roots.<sup>32</sup> In terms of religion, Luhnnow shared aspects of his uncle’s religiosity, but unlike the taciturn Volker, Luhnnow eagerly vocalized his convictions. Luhnnow also deviated from his uncle when he abandoned St. Peter’s Church in favor of the First Baptist Church, home to a cross section of the city’s elites.<sup>33</sup>

Luhnnow’s most obvious deviation from family tradition was his willingness to become a not-so-anonymous public figure. While Volker flirted with Kansas City politics, Luhnnow threw his uncle’s caution—and large sums of Volker’s fortune—to the wind in support of an aggressive public rebellion against the Pendergast machine. Luhnnow did this with his uncle’s blessing, but as was his wont, Volker managed to avoid public association with his nephew’s effort to oust Pendergast.<sup>34</sup> Described as a leading “dynamo” in the anti-Pendergast crusade, Luhnnow used Volker’s long-standing support for the Civic Research Institute (CRI) to attack the Boss’s influence on city politics.<sup>35</sup> The CRI, a “privately-financed, nonpartisan, civic agency,” investigated claims of Pendergast corruption and proposed an alternative system of



*This building at Main and Second in Kansas City served as William Volker and Co. headquarters from 1915 to 1951.*  
[SHSMO-KC]

administration that “included hiring college-educated, career-professional managers” who would “eliminate patronage, thereby stopping the lifeblood of boss rule.”<sup>36</sup> With the help of the institute and other businessmen, Luhnnow organized a major get-out-the-vote effort in March 1934 that resulted in “Bloody Tuesday,” a concerted, violent effort on the part of pro-Pendergast forces to suppress voter turnout. Undeterred by the pro-Pendergast outcome of the election, Luhnnow redoubled his efforts for the 1938 elections with more success.<sup>37</sup>

Luhnnow’s efforts to overthrow the Pendergast machine had two long-term consequences that altered the course of the Volker Fund’s charitable operations and, as a direct result, influenced the history of American ideas. First, Luhnnow’s work with the Civic Research Institute introduced the businessman to a nationwide network of civic organizations that advocated government efficiency, transparency, and an end to machine politics. Many of these organizations had close ties with business interests that also resisted public welfare programs and New Deal-era federal intervention in local governments.<sup>38</sup> Through these associations, Luhnnow met Loren “Red” Miller at the Bureau of Government Research, a Detroit-based “good government” foundation. Miller preached an antigovernment philosophy that could be labeled “libertarian.” Generally defined as a governing philosophy that favors a constitutionally limited government, unfettered economic markets, and minimal constraints on individual liberty, modern American libertarianism has deep roots in Miller’s political philosophy and many of the men and organizations that eventually relied on the Volker Fund for financial support.<sup>39</sup> Miller’s antigovernment ideology emerged from his research into the abuses of local governmental power, which led him to argue that the only good government was a minimal one that did as little as possible while charities and businesses replaced most of the social welfare functions of the state. Miller’s antigovernment message resonated with the Pendergast-busting Luhnnow.

The second consequence of Luhnnow’s effort to break up the Pendergast machine resulted from his hiring of Miller to run the Civic Research Institute in 1941. Although Miller headed the CRI for only three years, he introduced Luhnnow to intellectual heavyweights and public figures who shared the businessman’s general antipathy toward governmental bureaucracy.<sup>40</sup> Beyond these important figures, Miller also introduced Luhnnow to a host of less prominent, but ferociously committed, antigovernment ideologues whose skepticism of government intervention in the economy eventually became the ideological impetus behind the rebirth of the Volker Fund in 1947.

On November 4, 1947, William Volker died peacefully at Roselawn, his Kansas City home.<sup>41</sup> At his bequest, some \$15 million of his assets rolled over into the already sizable William Volker Charities Fund, and Luhnnow took primary control of the trust. Luhnnow also took control of the company.<sup>42</sup> In 1952 he moved the headquarters of William Volker & Co. to Burlingame, California,

*Harold Luhnnow, Volker’s nephew, changed the focus of the William Volker Charities Fund following his uncle’s death in 1947. [SHSMO-KC]*





since the company's business had largely shifted to the West Coast.<sup>43</sup> When the company moved, the Volker Fund went with it. With the fund's move to California, Luhnnow began channeling more and more of its considerable resources away from its usual targets in Kansas City and toward intellectuals and academics. Under Luhnnow, "aggressive philanthropy" retained some of the key aspects of Volker's vision, but the fund was reborn as an overtly ideological institution favoring charities, educational programs, and academicians that shared Luhnnow's and his staff's hostility toward Keynesian economics and communism. Where Volker had rooted his charity in scriptural precedent and bootstrap individualism, Luhnnow began to develop the fund into a major proponent of antistatist, procapitalist, anticommunist, and pro-Christian values.

When Luhnnow took over the fund, few organizations were devoting a sizable portion of their means to support of an aggressively procapitalist, pro-Christian, and anticommunist agenda. While many businessmen were involved in such activities—including Sun Oil magnate J. Howard Pew, DuPont Chemical executive Jasper Crane, and B. E. Hutchinson of Chrysler—most of these individuals (with the exception of Pew) had idiosyncratic and sometimes incoherent agendas of giving to their pet causes. In contrast to these less focused individual efforts stood the small Earhart Foundation. Founded in 1929 by E. B. Earhart, who had made his fortune with White Star Oil Company, the Earhart Foundation concentrated laser-like attention on free market economists and gave mostly through research grants and scholarships. Finally, also of significance was the Henry Regnery Company, which published such conservative classics as Russell Kirk's *The Conservative Mind* and William F. Buckley Jr.'s *God and Man at Yale* among many other texts.<sup>44</sup> Luhnnow and the Volker Fund crossed paths with each of these conservative trailblazers. In the case of individuals such as Pew, Luhnnow often worked closely with like-minded conservative businessmen and used his resources at the Volker Fund to channel their money in more effective directions. Similarly, the fund reinforced the activities of the Earhart Foundation by supporting many of the same economists and scholars. Finally, Regnery's publishing endeavor would not have happened without Volker: Henry's father, William, began making his fortune as a salesman for William Volker & Co., and the younger Regnery relied on occasional infusions of capital from the Luhnnow-led Volker Fund.<sup>45</sup>

In this small, clubby world of right-wing philanthropy, Luhnnow piloted the reinvigorated Volker Fund to the heights of organizational success. In Burlingame, Luhnnow hired a parade of Miller-cultivated staffers to run the day-to-day operations, first tapping Herbert Cornuelle and his younger brother, Richard, to manage the fund. Later, as the Cornuelles moved between the fund and other organizations, Luhnnow hired Kenneth Templeton as a researcher and recruiter. Together, the Cornuelles and Templeton recruited other staffers, including two Cornell University economists, Drs. Ivan R. Bierly and F. A. "Baldy" Harper, to help them run the Volker Fund.<sup>46</sup> With Luhnnow's blessing, this new staff spent more and more time quietly and methodically locating intellectuals who shared Luhnnow's views on limited government and free enterprise.<sup>47</sup> The staff members recognized that their mission was both unprecedented and trailblazing. While much of their work focused on recruiting free market economists, they also cultivated cultural conservatives

who glorified religious tradition and criticized any form of state-sponsored coercion.<sup>48</sup> The fund brought these scholars together through symposia, a nationwide book distribution effort, and other networking opportunities.

The network of relationships created by Luhnnow and his staff had a profound impact on mid-century political and intellectual history. While the staff of the fund generated few original intellectual ideas, its most enduring achievements came in the area of higher education and the cultivation of intellectuals during this period of recruitment in the 1950s. In the realm of ideas, the fund supported a series of notable academic ventures. Of central importance was the William Volker Fund Series in the Humane Studies, an edited book series with fifteen scholarly volumes published under the fund's auspices by 1963. The series published laissez-faire economists alongside cultural conservatives. "Although heavily oriented toward economics,"

historian George H. Nash observed, "the list . . . drew upon not just laissez-faire economists but traditionalists like Eliseo Vivas and Richard Weaver as well."<sup>49</sup> On a related note, the fund also sponsored the National Book Foundation, an organization that provided free copies of conservative-themed books to academic libraries. The foundation selected several books a



year for the program and distributed thousands of copies over the course of nearly a decade. Many of these books would likely have been overlooked or passed over by librarians, but with well-designed information cards featuring glowing reviews, the National Book Foundation found a home for texts in important academic collections across the country.<sup>50</sup>

Along with distributing free market and conservative ideas through books to America's academic libraries, the fund also supported a host of economists whose anti-Keynesian ideas and rejection of New Deal-era and post-World War II economic policies were highly unpopular in the economics departments of many American universities. Most notably, Luhnnow used the fund to support the academic careers of Ludwig von Mises and Friedrich A. Hayek, two controversial Austrian-born economists.<sup>51</sup> Mises and Hayek were leading proponents of the Austrian school of economics, which emphasizes the activity of individual economic agents, downplays collective action and state intervention in the economy, and advocates for laissez-faire. Neither economist could find an American institution willing to pay them for their intellectual services, but Luhnnow used his connections with academics to place Mises at New York University and Hayek at the University of Chicago. Luhnnow persuaded reluctant administrators to hire them by agreeing to pay their salaries almost exclusively with Volker money.<sup>52</sup> Further, in 1947

*Harold Luhnnow (center in vest) and staff at Volker headquarters in Burlingame, CA, circa 1956. Morris Cox, who succeeded Luhnnow in the 1960s, stands at his right.*

[Kenneth S. Templeton Jr., courtesy of the author]

Luhnow used Volker resources to help fund the first meeting of the Mont Pèlerin Society, which assembled many prominent laissez-faire economists from Europe and the United States in Switzerland. Historian Kim Phillips-Fein described the Mont Pèlerin Society as an “elite intellectual organization devoted to the development of an economics and a worldview critical of the welfare state and economic planning.”<sup>53</sup> Luhnow provided the funds necessary for Milton Friedman, Henry Hazlitt, and Leonard Reed to travel to the meeting. Today, historians and economists generally view that meeting as a major turning point in economic history that eventually laid the intellectual foundation for the reemergence of conservative, free market economic principles in American and British governance during the end of the twentieth century. Ultimately, Luhnow also used the Volker Fund to support the early research careers of many noted free market economists, five of whom later won Nobel Prizes.<sup>54</sup>

While these academic achievements touched generations of economists and influenced U.S. economic policy for decades, Luhnow also used the Volker Fund to cast a wider net to reach businessmen, undergraduates, and other Americans interested in fighting communism at home and abroad. Although a full listing of the fund’s projects is difficult to compile because many of them have been lost to history, a few prominent ones are still in existence. Perhaps two of the most important are the Foundation for Economic Education and the Intercollegiate Society of Individualists. Loren Miller introduced Luhnow to Leonard E. Read, an antigovernment free market advocate associated with the Los Angeles Chamber of Commerce. Read so impressed Luhnow with a defense of capitalism that Luhnow gave him a \$30,000 grant from the Volker Fund to establish the Foundation for Economic Education (FEE) in 1946, a critical organization in the emerging libertarian movement.<sup>55</sup> With Luhnow’s support, Read worked tirelessly to expound the foundation’s “freedom philosophy” to anyone who would listen. The foundation would “conduct, encourage, promote, and support research and study in the general field of economics and related branches of the social sciences, and . . . disseminate the results of such research and study by all available media of communication, whether written, spoken or pictorial.”<sup>56</sup> Read spoke to numerous business groups and had a broad appeal to many regional and city branches of the Chamber of Commerce. Volker money made it possible for him to travel widely and distribute Hayek’s *Road to Serfdom*, Henry Hazlitt’s *Economics in One Lesson*, and other titles that merged serious economic scholarship with heated invective and popular appeal.<sup>57</sup> The Foundation for Economic Education remains a popular organization among businessmen and libertarian activists.

In 1953 a substantial grant of Volker Fund money helped found the Intercollegiate Society of Individualists to support conservative and libertarian ideas on college campuses. The society modeled itself on the Intercollegiate Society of Socialists, and William F. Buckley Jr. served as its first president. Volker money financed many of Buckley’s early lecture trips, helping to secure the conservative dandy’s early reputation as the enfant terrible of the right. Buckley and later presidents targeted higher education with lecture series and scholarships for liberty-loving, communist-hating undergraduates and graduate students. The organization sent free books and magazines to

members, a program heavily subsidized by Volker money and its National Book Foundation distribution list. Now known as the Intercollegiate Studies Institute, the organization continues to offer scholarships and lectures and to provide free books to students and faculty.<sup>58</sup>

Even with these important organizational successes, the Volker Fund's staff was riven with religious and ideological tensions. These tensions came to a head during a heated staff meeting in February 1962. Luhnnow opened the meeting with a discussion of his peculiar religious views, noting that he possessed a unique but unspecified spiritual power.<sup>59</sup> "The power I have may enter even Khrushchev," Luhnnow told his staff. "The step is to tune in on this power and let it work."<sup>60</sup> If this revelation perplexed the staff, it also heightened tensions between various factions in the fund. Sometime in the late 1950s, Luhnnow became convinced that many staff members did not share his appreciation for Christianity.<sup>61</sup> To remedy the "heathenism" of his staff, Luhnnow began aggressively insisting that fund employees must be committed Christians. This distrust sharply contrasted with both the period of Volker's management of the fund and Luhnnow's early stewardship in the late 1940s and '50s. Key staffers such as Templeton, the Cornuelles, and "Baldy" Harper avoided sectarianism and attempted to cultivate intellectuals of varied religious backgrounds. Under their leadership, the fund supported the research of known atheists such as the historian and libertarian economist Murray N. Rothbard, secularists in the tradition of Hayek, and theologically conservative Catholics associated with the Intercollegiate Society of Individualists and William F. Buckley Jr.'s *National Review*.

After Luhnnow's shocking revelation about his Khrushchev-defeating power, Kenneth Templeton recalled, "He [Luhnnow] blew the whole damn thing up."<sup>62</sup> Days later Luhnnow produced a memorandum declaring the termination of the Volker Fund.<sup>63</sup> He announced his intention to fire most of the staff and reorganize the fund into the Center for American Studies (CAS).<sup>64</sup> Luhnnow fired his allegedly irreligious staffers but retained Ivan R. Bierly to run the new organization.

The dismissed employees believed that Bierly had manipulated Luhnnow by convincing the philanthropist that his staff was a pack of godless anarchists. In fact, Luhnnow's first public statement regarding the founding of the Center for American Studies attests to the general validity of this assessment: "We have found that far too many so-called libertarians in essence are only pure anarchists, refusing to grant dominion to God, to government, or to anyone else—when liberty becomes only license."<sup>65</sup> Templeton, particularly, took the fund's religious turn as a personal insult and viewed it as a major setback for the cause of libertarianism. In a letter to William T. Couch, an employee of the new CAS, Templeton registered his anger: "The Center has arisen on the ruptured foundations of nine years of painstakingly developed work on the part of a few of Burlingame expatriates." Similarly, when Bierly contacted Rothbard and offered him the opportunity to consult for the center, Rothbard sarcastically wrote to Templeton, "They must really be short at CAS to start wooing an anti-Goldwater atheist."<sup>66</sup> Rothbard denied the request.

Following the termination of the Volker Fund in 1962, Luhnnow moved to unload its remaining commitments to social charities in Kansas City and replace them with a new mission to provide an institutional home for

conservative and libertarian scholars who had previously received Volker aid.<sup>67</sup> Before 1962 the fund had maintained most of Volker's commitments in Kansas City, including support for the University of Kansas City, the Kansas City Research Hospital, and numerous private charities. To baptize CAS—this “new type of educational institution”—in the holy spirit of Volker's magnanimity, Luhnnow tried to unite his support for free market ideology with the educational and religious spirit exhibited during Volker's management of the fund.

One of William Volker's most important contributions to Kansas City was his gift of forty acres to establish the University of Kansas City in 1930, and he gave more than a million dollars in gifts to the university.<sup>68</sup> Luhnnow continued this support until 1963 when the university joined the University of Missouri



*The Walter Dickey mansion, purchased by William Volker, was renamed Schofield Hall and became the first building of the University of Kansas City. [SHSMO-KC]*

System after a protracted battle with the philanthropist. During the fight, Luhnnow insisted that the university must remain privately endowed in order to continue receiving Volker Fund money. He also reportedly attempted to install Ivan R. Bierly as the university's chancellor.<sup>69</sup> Not surprisingly, the university rejected both of Luhnnow's demands. The *San Francisco Examiner* reported that the Center for American Studies formed with \$10 million that “would have gone to the University of Kansas City if it had remained privately endowed. But it joined the Missouri state system for higher education this year. So the Burlingame Center and some other unspecified beneficiaries will share in the final distribution.”<sup>70</sup> Thus, even as Luhnnow claimed to be continuing his uncle's support for higher education, the new center abandoned much of the fund's earlier educational work in Kansas City.

In terms of religion, Luhnnow insisted that the new CAS shared Volker's appreciation of “divine providence.” But Luhnnow's emphasis on providence betrayed Cold War-era concerns about Christianity's ability to contain the advance of godless communism. Such concerns would have been largely foreign to the ecumenical Volker, but Luhnnow nevertheless aggressively pushed for a sectarian form of Christianity at CAS. “The intent of the Center,” Luhnnow stated in a press release, “is to bring a renewed appreciation of Americans to the firm convictions of the founding fathers in the reality of God, and the necessity of looking to Divine Providence for the proper direction of our government.”<sup>71</sup> An internal memo circulated to center staff made this commitment clearer: “No individual will ever be employed by the Center for American Studies who does not have an admitted dedicated commitment to God. . . . In our daily contacts we hope all staff members might clearly demonstrate their Christian convictions but nevertheless our activities, particularly our printed literature, will stress the spiritual foundations rather

than using the word Christian. . . . We sincerely hope that every contact of the staff members of the Center for American Studies will leave no doubt of our sincere dedication as Christians.”<sup>72</sup> By insisting on the importance of providence, Luhnnow repeatedly asserted that the CAS embodied the charitable spirit of William Volker. Indeed, Luhnnow’s recollections suggest that a generic commitment to the concept of “providence” was a central component of Volker’s spiritual beliefs. “His interpretation of Divine Providence,” Luhnnow wrote of Volker, “was as complete Pro-vid-e-ance. . . . God would meet his every need.”<sup>73</sup> But if Luhnnow hoped to re-embody the spirit of Volker in the CAS, his focus on sectarian religion all but guaranteed problems for the center and further alienated many former Volker staffers and grant recipients who might have otherwise been sympathetic toward the new organization.

The final act for the Volker Fund came in 1963 and 1964 when the Center for American Studies collapsed as the result of the volatile interplay of religion, fascism, anti-Semitism, and internal disagreements over the conservative identity of the center. Troubles emerged immediately as Luhnnow and Bierly began hiring staff to replace the Volker employees fired during the formation of CAS. Three strong-willed men formed the core of CAS’s new staff: Dr. William Terry Couch, Rev. Rousas John Rushdoony, and Dr. David Leslie Hoggan.<sup>74</sup> Couch—formerly a director at both the University of North Carolina and University of Chicago presses and editor-in-chief of *Collier’s Encyclopedia*—was a notable American academic who was no stranger to controversy and political infighting.<sup>75</sup> Rushdoony was an aggressive, theologically conservative Presbyterian minister who longed to refight the fundamentalist/modernist split of early twentieth-century Protestantism. He was a force of nature who read a book a day, lectured endlessly, helped create the American homeschooling movement, and eventually became a key player in the radical theocratic wing of the Christian Right of the late 1970s.<sup>76</sup> Hoggan was a Harvard-trained revisionist historian whose analysis of the causes of World War II mirrored the isolationist, America First perspective popularized by Harry Elmer Barnes, a popular revisionist historian who challenged the standard narrative of America’s involvement in World Wars I and II.<sup>77</sup> Hoggan had a penchant for fabricating sources in multiple languages, thought Hitler was misunderstood, and denied the Holocaust.

Couch immediately found himself at odds with Rushdoony and Hoggan. He labeled Rushdoony a “literate Fundamentalist” and “congenital liar” who hoped to use the center to forward his “anti-Catholic, anti-Semitic, anti-Negro, anti- just about everybody and everything” agenda. Hoggan, Couch believed, was a “Nazi sympathizer” and “apologist” who was working with Rushdoony to start a “neo-Nazi movement” in the United States.<sup>78</sup> Although it is unlikely that either man really desired to start an American Nazi movement, it is instructive to look at their roles in the 1963-64 turmoil in the center, which illustrates the fragility of Luhnnow’s control over CAS and the destabilizing role that religion and right-wing politics played in its collapse.

*Rousas John Rushdoony, who became an important figure in the Christian Right, was one of several controversial and forceful personalities hired by Harold Luhnnow. [Courtesy of Chalcedon Foundation]*



Luhnow and Bierly recruited Rushdoony because of his fervent religious commitment. In turn, Rushdoony came to the Center for American Studies with the ambition of directing its scholarship in an exclusively Christian direction.<sup>79</sup> During his brief stint at CAS, Rushdoony heightened tensions among staffers by demanding that all employees demonstrate their commitment to orthodox Christianity. For example, in May 1963 one Rushdoony-directed position paper on the center's "Statement of Purpose" insisted that all staffers must share "a respect and commitment to the great creeds, faith of orthodox Christianity as represented in the Apostles' creed, the Nicene creed, the Augsburg Confession, the Belgic Confession, the Westminster Confession, and the Declaration of Savoy."<sup>80</sup>

Couch responded angrily to Rushdoony's aggressive Christianity and pushed Luhnow and Bierly to fire the minister. Couch insisted that Rushdoony's appeal to "our Christian faith" or "Christian nation" in CAS documentation "could be taken by men like [Austrian economist and classical liberal] Ludwig von Mises as a slap in the face."<sup>81</sup> In short, the center's insistence on conservative Christianity threatened to alienate moderate Christians and secularists alike. After Couch persuasively marshaled evidence that Rushdoony's religiosity was alienating supporters of CAS, Bierly fired Rushdoony in 1963.<sup>82</sup>

The controversy over religion remained a more or less internal dispute, but Hoggan's support for nazism proved far more destabilizing for the center. Hoggan came to CAS as a researcher in charge of reviewing books and authoring position papers. His 1948 Harvard dissertation, according to his adviser William Langer, was "a solid, conscientious piece of work, critical of Polish and British policies in 1939, but not beyond what the evidence would tolerate."<sup>83</sup> By the time Hoggan revised the manuscript and published a translation of it in Germany, it had morphed into a book that, as one reviewer noted, "distorted or ignored" evidence and quoted sources that "do not always corroborate the deductions said to be based on them. An entire issue of this journal would be required to put the matter right."<sup>84</sup>

When the German and American media got wind of the book, the center faced an international scholarly incident. Couch and Bierly began to hear rumors of the translation's content as Hoggan prepared to go on a speaking tour to support the book in Germany in 1963.<sup>85</sup> Then *Der Spiegel* and *Die Zeit* ran articles and cartoons mocking Hoggan as a Nazi apologist. The story came to America when *Newsweek* published an unflattering profile of Hoggan, which noted his frequent mood swings and combative character and recorded his laughable assertion that he was a "little right of the Republicans."<sup>86</sup> Bierly fired Hoggan the week the *Newsweek* article appeared, but the damage was done. Academics who had once supported CAS turned against Luhnow and Bierly. Dr. Karl Brandt, the director of Stanford University's Food Research Institute and one of the center's few academic supporters, wrote a scathing letter to Luhnow about his mismanagement of the Volker Fund. Brandt scolded: "You surely can give whatever fund there is to any charitable purpose and thus dispose of it. But thereby you simply set a *pitiful end* to what was so far a formidable course of battle for real values in our embattled world. In spite of an obvious serious lack of taking well advised and courageous decisions in the last few years, there is still the opportunity to dedicate the

Fund to many years of excellent . . . work and to build a center from which our society can get new orientation and guidance toward our real Christian values.”<sup>87</sup> Brandt’s criticism came just as Bierly and Couch desperately hoped to “to cloak this program with the prestige of [Stanford] University or of the Hoover Institution,” a fact not lost on anyone at Stanford or Hoover.<sup>88</sup>

As Bierly and Couch struggled to establish the academic legitimacy of CAS, they dangled an estimated \$10 million of the Volker Fund’s remaining assets in front of Stanford University’s Hoover Institution on War, Revolution and Peace, a conservative-leaning think tank. Bierly and Couch longed for an institutional home for CAS, but they made a series of demands—which included insisting on institutional autonomy within Hoover and Stanford and installing nonacademics such as Luhnnow and Morris Cox, president of William Volker & Co., as directors of the center—that neither Stanford nor Hoover could grant.<sup>89</sup> Making matters worse, all their contacts within Hoover knew of the problems with Rushdoony and Hoggan, leading to serious questions about Luhnnow’s ability to manage his personnel.

David Packard, cofounder of Hewlett-Packard and a Hoover Institution trustee, served as liaison between CAS and Hoover. He related the institution’s concerns that the center would continue in its Volker Fund mode of anonymous research funding that “predetermined” the acceptable results, ultimately leading to the production of “propaganda.”<sup>90</sup> Further, in one meeting an unnamed figure involved in the negotiations made it clear that most of the principals at Hoover, including the director, Glenn Campbell, did not trust Bierly and believed “CAS [is] falling to pieces under IRB [Bierly], [and is] now seeking rescue by the Hoover Institution.”<sup>91</sup> In short, figures from Hoover knew that the Center for American Studies needed them more than they needed Volker’s money.

Hoover representatives laid much of the blame for the mismanagement of the fund at Bierly and Couch’s feet. Couch pushed back and openly blamed Luhnnow for the fund’s problems. Luhnnow had been seriously ill since November 1963, and he required frequent hospitalization throughout the winter and spring of 1964.<sup>92</sup> Couch angrily attacked Luhnnow, despite his illness, for not providing the necessary leadership for the fund. He held the businessman “solely responsible” for the center’s misdirection.<sup>93</sup> Hoover principals saw it differently. They demanded that Luhnnow fire Bierly and Couch and insisted on direct control of the center’s staff.<sup>94</sup> Fortunately for Bierly and Couch, Luhnnow saved them the embarrassment of being fired by terminating the center in September 1964.

Unlike the enraged Couch, Bierly held his fire until it became clear that Luhnnow was not willing or able to fight Stanford and Hoover to support the Center for American Studies. Bierly wrote a note of support to Morris Cox, then the head of William Volker & Co. and the heir apparent to the remaining sources of the Volker Fund. Although carefully worded to maintain a sense of loyalty to his longtime boss and libertarian fellow traveler, Bierly finally admitted that Luhnnow’s behavior was “in effect repudiating the work of the



*William Couch had directed university presses and edited encyclopedias before he came to the Center for American Studies in 1963. [North Carolina Collection, University of North Carolina Library at Chapel Hill]*



Fund under his leadership over the years.” Bierly said that he had come to the fund in 1957 “with a geologist’s sense of time,” hoping to fight a long, protracted battle for conservative, laissez-faire principles, but he was now leaving a mere seven years later “[p]hysically, mentally, and emotionally . . . drained.”<sup>95</sup>

By December 1964 Bierly had turned to selling real estate. In a pathetic letter to Rushdoony, his former nemesis at the center, Bierly invited the minister to consider moving to Menlo Park: “The ocean is just a few miles West; the mountains a few hours to the East. The climate is the best to live in that we’ve known. We’re glad to recommend it as a most enjoyable place in which to work or to retire.” The erstwhile disciple of free market economics was left to conclude, “The change from selling ideas to serving the participants in the real estate market is a natural one.”<sup>96</sup> The Volker Fund was finally dead.

The legacy of the Volker Fund remains visible throughout Kansas City. A university campus, a hospital, and a grand memorial fountain all bear timeless tribute to Mr. Anonymous.<sup>97</sup> Much less visible is the legacy of Harold W. Luhnow, the man who turned the fund into a controversial engine of intellectual production. In fact, none of the scholarly artifacts that the fund produced during his lifetime—from books to Nobel Prize winners to think

tanks to endowed chairs—bears Luhnow’s name.

In 1978 Cox temporarily revived the long-dead Volker Fund. In a letter to Kenneth Templeton printed on Volker Fund letterhead, Cox explained that the fund was liquidating—something it had purportedly done several times before—its remaining \$11 million. To Templeton, a man so impetuously dismissed by Luhnow for his supposed godlessness, Cox wrote, “I know you will be pleased to know that there are many people who give the Fund credit for keeping the torch of Freedom alive. Surely the conservative swing of the pendulum in this country regardless of political ties is having its effect upon our nation. The

wheels of progress do turn slowly yet also grind exceedingly fine.”<sup>98</sup> Thus in 1978 the Volker Fund finally ceased to be after three distinct deaths and subsequent reincarnations. A portion of its remaining \$11 million finally ended up at the Hoover Institution in a murky deal that created the Morris Arnold Cox Senior Fellowship, an endowed chair held since 1985 by labor economist Dr. Edward Lazear. In a *Stanford Daily* editorial, Lise Giraud, a librarian at Stanford University, claimed that Hoover took control of \$7 million of Volker’s money following an out-of-court settlement. Giraud speculated that the money should have gone to “Kansas City poor people” as she assumed Volker would have intended. “Somewhere in the halls of Hoover in the dead of night,” she concluded, “there may be some awful spooky sounds. . . . They could be the anguished cries of William Volker, gyrating in his grave.”<sup>99</sup>



*The William Volker Fountain in Kansas City was dedicated in 1958. Appropriately, sculptor Carl Milles named the piece St. Martin and the Beggar. [SHSMO-KC]*

## NOTES

1. Harold W. Luhnow, "Mr. Anonymous of Kansas City, Missouri: His Life, His Business, His Philosophy" (mimeograph typescript, September 15, 1948), 5, folder 67, William Volker and Company Records, State Historical Society of Missouri Research Center-Kansas City.

2. George H. Nash, *The Conservative Intellectual Movement in America, Since 1945* (New York: Basic Books, 1976), xii, xiii.

3. Herbert C. Cornuelle, "Mr. Anonymous:" *The Story of William Volker* (Caldwell, ID: Caxton, 1951), 37. The following biographical summary of Volker is, unless otherwise cited, drawn from Cornuelle, "Mr. Anonymous"; David Boutros, "The William Volker and Company," Western Historical Manuscript Collection—Kansas City, 2004-07, [www.umkc.edu/whmckc/Scrapbook/Articles/Volker.pdf](http://www.umkc.edu/whmckc/Scrapbook/Articles/Volker.pdf); and "Volker, William," in *National Cyclopedia of American Biography* (New York: James T. White, 1949), 35:204-5.

4. The 1880 census listed Kansas City, Missouri, as the thirtieth largest urban place in the United States. Campbell Gibson, "Population of the 100 Largest Cities and other Urban Places in the United States: 1790 To 1990," June 1998, U.S. Census Bureau, accessed October 20, 2009, <http://www.census.gov/population/www/documentation/twps0027/twps0027.html#tabB>.

5. S. Ferdinand Howe, *The Commerce of Kansas City in 1886 with a General Review of Its Business Progress* (Kansas City: Howe, 1886), 261.

6. Cornuelle, "Mr. Anonymous," 87; Boutros, "William Volker and Company," 5.

7. Cornuelle, "Mr. Anonymous," 23.

8. Matthew 6:1-4 (King James Version).

9. Nicole Hoplin and Ron Robinson, "William Volker and His Nephew Harold Luhnow," in *Funding Fathers: The Unsung Heroes of the Conservative Movement* (Washington, DC: Regnery, 2008), 15. In 1887 Volker began making monthly payments to the widow of August Hansmann, a former business partner who had drunk himself to death. Luhnow, "Mr. Anonymous," 15; Cornuelle, "Mr. Anonymous," 58.

10. Luhnow, "Mr. Anonymous," 16.

11. On Volker's "earnest and habitual" reading of scripture, see "William Volker's Hard Head Made Millions: His Soft Heart Gave Millions Away," *Kansas City Star*, January 11, 1948.

12. Florence C. Dewitt noted in her study of the economic and religious values of Kansas City's German immigrant community that immigrants retained an emphasis on personal thrift and frugality and were therefore reluctant to take money they had not earned. These same immigrants, however, were also accustomed to traditional welfare networks in old world guild towns that provided collective means for alleviating poverty when such programs were necessary. Thus, Volker and many of Kansas City's German population favored organizations that traded relief for work projects or short-term loans—typified by Volker's support for the Municipal Farm and Welfare Loan Agency—and did not involve direct payment of unearned money. Florence C. DeWitt, "Guild-town Influences in Kansas City's German Evangelical Community, 1860-1882" (master's thesis, University of Kansas, 1983), 348-51.

13. Luhnow, "Mr. Anonymous," 5.

14. For example, during the depression, Volker paid some \$10,000 in outstanding debt for St. Mary's Episcopal Church. Volker had no direct ties to the church beyond a self-same commitment to charity. His motivation seems to have been to help the church so it could continue to help the poor. Rev. E. W. Merrill to William Volker, October 2, 1936, folder 1, Volker and Company Records.

15. Volker's official biography helps cultivate this legend by noting, for instance, "The stream of persons who stopped at the Volker office asking for a dime or a dollar seemed ever-increasing, in good times and bad. William Volker seldom turned a man down." Cornuelle, "Mr. Anonymous," 70. Archivist David Boutros notes that such tales created a "popular tradition" in which "Volker is perceived as a kindhearted 'easy touch' who could not say no to an outstretched hand." Most of these stories, however, are apocryphal and do not "convey history," but instead "perpetuate the traditional image of . . . Volker" as a naïve philanthropist. Boutros, "From the Stacks: Western Historical Manuscript Collection—Kansas City, The William Volker and Company," *Missouri Historical Review* 101 (July 2007): 246, 250n2.

16. Luhnow, "Mr. Anonymous," 16.

17. For summaries of Volker's profound impact on Kansas City, see Henry C. Haskell Jr. and Richard B. Fowler, *City of the Future: A Narrative History of Kansas City, 1850-1950* (Kansas City: Glenn Publishing, 1950), 112-13; Harry Haskell, *Boss-Busters and Sin Hounds: Kansas City and Its Star* (Columbia: University of Missouri Press, 2007), 105-8, 231; and Boutros, "From the Stacks," 246-50.

18. Volker ran on the Progressive ticket for the Kansas City School Board in 1914 and won. He had originally run on the Republican ballot, but the party withdrew his name after rumors surfaced about Volker's low wages and unfair hiring practices. Cornuelle, "Mr. Anonymous," 106; Lawrence H. Larsen and Nancy J. Hulston, *Pendergast!* (Columbia: University of Missouri Press, 1997), 66; Haskell, *Boss-Busters and Sin Hounds*, 105.

19. Mary Lou Fenberg, "History of Board of Public Welfare, Kansas City, Missouri, 1910-1918" (master's thesis, Washington University, 1942), 8, 13; Cornuelle, "Mr. Anonymous," 89-90.

20. For a detailed discussion of the Board of Pardons and Paroles' recommendations and investigations, see Fenberg, "History of Board of Public Welfare," 15-26.

21. *Ibid.*, 25; Cornuelle, "Mr. Anonymous," 93.

22. Billikopf to William Volker, November 8, 1944; Billikopf to Herbert C. Cornuelle, September 23, 1949, both folder 21, box 30, Jacob Billikopf Papers, Jacob Rader Marcus Center of the American Jewish Archives, Cincinnati, OH. Billikopf related a similar account in Fenberg, "History of Board of Public Welfare, 39-40. Cornuelle, "Mr. Anonymous," 94.

23. Larsen and Hulston, *Pendergast!*, 20.

24. Jerome Beatty, "A Political Boss Talks About His Job," *American Magazine*, February 1933, 111, quoted in Anton K. Jacobs, "The Politics of Philanthropy: The Contrasting Styles of Pendergast and Volker," *Kawsmouth: A Journal of Regional History* 4 (Autumn 2002): 8.

25. While the comparison cannot be forced too far, Jacobs ably demonstrates that there were some affinities between the charities of Volker and Pendergast. Jacobs, "Politics of Philanthropy," 5-17.

26. Cornuelle, "Mr. Anonymous," 93-97; Haskell and Fowler, *City of the Future*, 112-13; Larsen and Hulston, *Pendergast!*, 66-67; Haskell, *Boss-Busters and Sin Hounds*, 108.

27. Cornuelle, "Mr. Anonymous," 97.

28. *Ibid.*, 158. According to Cornuelle, the fund "was to carry on William Volker's philanthropic work while he lived and to continue it for thirty years after his death" (p. 158). The "Articles of Association" for the fund, however, make no mention that it would terminate thirty years after Volker's death. Instead, they state, "Its duration shall be perpetual" (p. 209). A news article at the time noted that the fund's "duration will be permanent after his death." "Volker Aid Trust,"

*Kansas City Times*, December 1, 1932. This eventually became a matter of controversy for both the staffers of the Volker Fund and its many grant recipients as it became clear that Luhnnow used the fund's impending termination to manipulate staff and beneficiaries.

29. "Articles of Association of William Volker Charities Fund," in Cornuelle, "Mr. Anonymous," 209-10.

30. William Volker Fund, "A Statement of Policy" (Burlingame, CA: William Volker Fund, n.d.), 10, document in author's possession. See also Brian Doherty, *Radicals for Capitalism: A Freewheeling History of the Modern American Libertarian Movement* (New York: Public Affairs, 2007), 185-86.

31. Boutros, "William Volker and Company," 7.

32. Secretary to H. W. Luhnnow to Taylor Abernathy, August 17, 1943, folder 28, Volker and Company Records.

33. This biographical summary of Luhnnow is drawn from Luhnnow, "Mr. Anonymous," 40-42, and "Biographical Data," November 3, 1941, folder 18, Volker and Company Records.

34. According to Luhnnow, he "spent most of his time away from firm affairs. . . . Mr. Volker closed his eyes to Luhnnow's continued absence from the office and opened his personal purse to enable the successful conclusion of the campaign." Luhnnow, "Mr. Anonymous," 21.

35. Lyman Field, "Citizens V. Boss: Citizens Win," *National Municipal Review* 43 (October 1954): 468; Cornuelle, "Mr. Anonymous," 180-82. Originally known as the Public Service Institute, Volker founded the organization in 1918 on the heels of the failure of the Board of Public Welfare to undermine the influence of Pendergast on Kansas City government.

36. Field, "Citizens V. Boss," 467. See also Larsen and Hulston, *Pendergast!*, 67.

37. On "Bloody Tuesday," gangs beat anti-Pendergast voters, and police arrested anyone not associated with the machine. Four men were killed. Field, "Citizens V. Boss," 466. Voters proved more successful in 1938, and the Pendergast machine acknowledged Luhnnow as a real threat to its power. "The machine answered by raising [Luhnnow's] personal property tax assessment eight-fold, and by quadrupling the Volker concern's assessment." *Ibid.*, 468.

38. For a general discussion of various "good government" organizations that eventually switched their focus to attacking the New Deal policies of the

Franklin Roosevelt administration, see Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: Norton, 2009), especially chap. 1-2.

39. Doherty, *Radicals for Capitalism*, 182; Edmund W. Kitch, "The Fire of Truth: A Remembrance of Law and Economics at Chicago, 1932-1970," *Journal of Law and Economics* 26 (April 1983): 180. Because of Luhnow's vast business dealings in the Midwest and West, he encountered like-minded individuals throughout the United States and spread Volker's largess accordingly. Volker contributed to the Bureau of Government Research before Miller moved to Kansas City and put up significant funding for a citizenship program at Wayne State University in the 1940s.

40. Walter Matscheck, interview by J. R. Fuchs, April 30, 1962, accessed October 20, 2009, Harry S. Truman Library and Museum, <http://www.trumanlibrary.org/oralhist/matschw.htm>.

41. "WM. Volker Dies," *Kansas City Times*, November 5, 1947.

42. Luhnow had become president of William Volker and Company following his uncle's retirement in 1937, but it was not until after the death of Volker that Luhnow began making radical organizational changes to the company. *Kansas City Star*, October 5, 1937.

43. Boutros, "William Volker and Company," 8.

44. Russell Kirk, *The Conservative Mind: From Burke to Santayana* (Chicago: Regnery, 1953); William F. Buckley, *God and Man at Yale: The Superstitions of Academic Freedom* (Chicago: Regnery, 1951).

45. Hoplin and Robinson, "William Volker and His Nephew Harold Luhnow," 31; and Nicole Hoplin and Ron Robinson, "Henry Regnery," in *Funding Fathers*, 36.

46. Kenneth Templeton, interview by author, March 20, 2007.

47. Volker staffers did not make the final decisions to fund any of these projects. The Volker Fund's "Statement of Policy" clearly outlined the decision-making process: "The staff plays no part in the decision-making process. The staff is instructed to gather information first hand wherever possible, and they travel widely to do it. These factual reports are carried to the directors and become the basis for their decisions" (pp. 6-7). The fund retained a small staff of researchers—including notable conservatives such as Murray Rothbard, Rose Wilder Lane, and Frank Meyer—who read widely and gave other staffers names and ideas to track down. Staff members such

as Harper and Templeton, in turn, did the legwork, traveling across the country to interview potential grant recipients and gauge their interest. They then reported to Luhnow and the Volker board, which made all final decisions. Templeton, interview.

48. Doherty, *Radicals for Capitalism*, 186. For example, Volker money supported key traditionalist conservatives such as Richard M. Weaver, author of *Ideas Have Consequences* (Chicago: University of Chicago Press, 1948), and Russell Kirk, along with early leaders in the Christian Right such as R. J. Rushdoony.

49. Nash, *Conservative Intellectual Movement*, 182.

50. In 1953 the fund's staff commissioned a survey to determine the best means for encouraging the adoption of conservative- and libertarian-themed books by America's university and community college libraries. Results of the survey were collected and published as *A Study of College Libraries: A Survey for William Volker Charities Fund* (Princeton, NJ: Opinion Research Corporation, 1953). The report advised that librarians wanted short, accurate reviews that placed books within a specific disciplinary context. Librarians told the survey that they looked to seemingly nonpartisan groups with no obvious ideological affiliation. In response, the Volker Fund organized the National Book Foundation, which sent flyers that contained short reviews written by knowledgeable scholars to academic libraries. Librarians could then return the card and order complimentary copies of the reviewed texts. A full catalogue of the NBF's flyers is available in box 1, William Volker Fund Records, 1953-1961, Rare Book, Manuscript, and Special Collections Library, Duke University, Durham, NC.

51. The latter's *The Road to Serfdom* (Chicago: University of Chicago Press, 1944) remains a classic in the libertarian tradition and has sold more than two million copies since its publication. Paul Ormerod, "The Fading of Friedman," *Prospect*, December 16, 2006, accessed October 20, 2009, <http://www.prospectmagazine.co.uk/2006/12/the-fading-of-friedman/>.

52. For overviews of the Volker Fund's role in bringing Mises and Hayek to the U.S., see Phillips-Fein, *Invisible Hands*, 26-52. For a more in-depth account, see Robert Van Horn and Philip Mirowski, "The Rise of the Chicago School of Economics and the Birth of Neoliberalism," in *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, ed. Philip Mirowski and Dieter Plehwe (Cambridge: Harvard University Press, 2009), 139-78.

53. Phillips-Fein, *Invisible Hands*, 43.

54. These included Hayek, Friedman, James Buchanan, Gary Becker, Ronald Coase, and George Stigler.

55. Luhnow, "Mr. Anonymous," 23; Gregory Teddy Eow, "Fighting a New Deal: Intellectual Origins of the Reagan Revolution, 1932-1952" (PhD diss., Rice University, 2007), 145. For a summary of the FEE's importance to libertarianism, see Doherty, *Radicals for Capitalism*, 155-69. For the FEE's wider importance to the history of American conservatism, see Nash, *Conservative Intellectual Movement*, 21-25.

56. Leonard Read, "Memo to the Board of Trustees, Foundation for Economic Education," December 17, 1946, quoted in Eow, "Fighting a New Deal," 145.

57. Henry Hazlitt, *Economics in One Lesson* (New York: Pocket Books, 1948).

58. For a thorough history of the ISI, see Lee Edwards, *Educating for Liberty: The First Half-Century of the Intercollegiate Studies Institute* (Washington, DC: Regnery, 2003).

59. By this point, Luhnow had adopted some idiosyncratic form of Christian Science. In an interview with the author, Kenneth Templeton described Luhnow as a "science of mind guy" from a "nominally" Baptist background who opened all board meetings with a prayer. Templeton, interview. Gary North, who interned at the Center for American Studies in 1963, remembered that as he prepared to meet Luhnow for the first time, R. J. Rushdoony, a staffer at the fund, "warned me that Luhnow was a science of mind disciple, and not to laugh if he said something preposterous." Gary North, e-mail to author, March 17, 2007.

60. "Defensive Memo #7: Institute for Humane Studies: History and Progress," April 20-22, 1962, document in author's possession.

61. By the end of the 1950s, Luhnow's management of the fund became unpredictable. Those close to him claim that Red Miller's death in 1958 had a profound personal effect on Luhnow. He became progressively erratic and leaned heavily on Bierly to run the fund. Many staff members such as Templeton saw this reliance on Bierly as a betrayal of trust. Doherty, *Radicals for Capitalism*, 294-95.

The most notable figure to blame religion for the 1962 collapse of the Volker Fund was libertarian economist and historian Murray N. Rothbard. Rothbard believed that both Luhnow and Bierly had converted to the conservative Calvinism of R. J. Rushdoony. See Murray N. Rothbard, "The Early 1960s: From Right to Left," December 6, 2007, Ludwig von Mises Institute, accessed October 20, 2009, <http://mises.org/story/2760>;

"A Conversation with Murray N. Rothbard," *Austrian Economics Newsletter* 11 (Summer 1990): 3, Ludwig von Mises Institute, accessed October 20, 2009, [http://mises.org/journals/aen/aen11\\_2\\_1.pdf](http://mises.org/journals/aen/aen11_2_1.pdf); and Doherty, *Radicals for Capitalism*, 294, 671-72n5. Rothbard's account, however, is problematic because he incorrectly dates the fund's collapse to 1972, possibly because he conflates both the 1962 dissolution of the Volker Fund with the tensions in the Center for American Studies in 1963. In fact, religion played a key role in the collapse of both the fund and the center, but Rushdoony was only a major player in the latter instance.

62. Templeton, interview.

63. Brian Doherty reported that Luhnow "adopted shifting pretenses that Volker had ordered the Fund be liquidated back in 1958, and he was only now getting around to remembering that or telling anyone. . . . The standard story, contained in the Luhnow-sponsored William Volker biography . . . is that Volker decreed a lifespan of thirty years after his death on the Fund, which should keep the Fund alive until 1977." Doherty, *Radicals for Capitalism*, 294. In fact, Volker principals seem to have moved the goalposts as situations dictated; they variously told employees that the fund would cease activities twenty-five years after Volker's death or that it would begin termination in 1957, 1959, and 1978. The perpetual precariousness of the fund's existence probably grew from Volker's own ambivalence about its life span. As early as 1948, Luhnow recorded that Volker believed "the Fund had grown beyond any conception he had for it originally and that he had been debating liquidating the Fund before his death since the Federal Government now had taken over most of the burden of direct relief. His final conclusion was to let the Fund continue, but he made a recommendation that the trustees terminate the Fund about ten years after his death, or sooner if the trustees so decided." Luhnow, "Mr. Anonymous," 19. In other words, Luhnow likely used Volker's precedent to manipulate the fund and its staff as he felt expedient.

64. Luhnow to Members and Executive Staff of the William Volker Fund, March 15, 1962, folder 132, William T. Couch Papers, Southern Historical Collection, Wilson Library, University of North Carolina, Chapel Hill; also available in the R. J. Rushdoony Library, Chalcedon Foundation, Vallecito, CA.

65. "Speech by H. W. Luhnow: Dedication for Research Hospital Addition, Kansas City, Missouri," August 11, 1963, folder 133, Couch Papers. Luhnow's reference to "dominion" was probably directly influenced by R. J. Rushdoony.

66. Templeton to Couch, November 19, 1963; Rothbard to Templeton, October 28, 1963, both in author's possession.

67. Luhnnow also desired to change the name of the Volker Fund to enhance fund-raising efforts. One early memo for the center noted, "So long as this remains the William Volker Fund, the fact of its long history of fund-granting will be an important road block to contributions to its programs." I. R. Bierly, "Administrative, Policy, Budget Matters for the Center for 12 Months after June 1, 1963," May 14, 1963, folder 133, Couch Papers.

68. "A Fine University Site," *Kansas City Times*, March 18, 1930; "Volker, William," *National Cyclopedia*, 35:204-05.

69. Templeton, interview.

70. "New Study Center for Burlingame," *San Francisco Examiner*, August 13, 1963. The actual value of the Volker Fund's assets at this point is unclear. In the final days of CAS, Bierly wrote, "In 1963 it was stated that some \$10 million was available to launch this Center. . . . It has been stated that certain important resources of the Fund are now of questionable value." Bierly, memorandum to directors, June 4, 1964, folder 138, Couch Papers.

71. Luhnnow, press release to *Kansas City Star*, August 11, 1963, folder 133, Couch Papers.

72. Luhnnow, memo to all staff members of Center for American Studies, July 30, 1963, *ibid*.

73. Luhnnow, "Mr. Anonymous," 5.

74. Bierly and Luhnnow knew these men well because each had previously received support from the Volker Fund.

75. Most notably, Couch was involved in a heated public controversy over the publication of Morton Grodzins's *Americans Betrayed: Politics and the Japanese Evacuation* (Chicago: University of Chicago Press, 1949). See Stephen O. Murray, "The Rights of Research Assistants and the Rhetoric of Political Suppression: Morton Grodzins and the University of California Japanese-American Evacuation and Resettlement Study," *Journal of the History of the Behavioral Sciences* 27 (April 1991): 130-56.

76. For a summary of Rushdoony's theological positions, see Molly Worthen, "The Chalcedon Problem: Rousas John Rushdoony and the Origins of Christian Reconstructionism," *Church History* 77 (June 2008): 399-427. For a full exploration of his life and ministry, see Michael J. McVicar, "Reconstructing America: Religion, American Conservatism, and the

Political Theology of Rousas John Rushdoony" (PhD diss., Ohio State University, 2010).

77. An untitled timeline, n.d., of Hoggan's career at the Volker Fund indicates that Barnes was responsible for bringing Hoggan to the fund's attention in 1957 and ultimately helped secure funding for Hoggan's Harvard study from Volker sources (folder 138, Couch Papers). For assessments of Barnes's scholarship and his relationship to Hoggan, see Justus D. Doenecke, "Harry Elmer Barnes," *Wisconsin Magazine of History* 56 (Summer 1973): 311-23, and Henry M. Adams, "World War II Revisionist," in *Harry Elmer Barnes, Learned Crusader: The New History in Action*, ed. Arthur Goddard (Colorado Springs: R. Myles, 1968), 308-11.

78. Couch to A. N. J. den Hollander, March 14, 1964; Couch to Fred Wieck, September 5, 1963; Couch to Ivan R. Bierly, n.d., all in folder 138, Couch Papers.

79. Couch believed Rushdoony aspired to take over the operation of the center with "allies and disciples"—notably Hoggan, C. J. Miller, Fred Andre, and Gary North—but "fortunately, Rushdoony became too sure of himself and took positions that other[s] had to oppose or let him run everything. This brought his separation and that of his allies—through whom he still tried to run the place after he had left." Couch to den Hollander.

80. C. J. Miller, "Suggested Statement of Purpose and Perspective," May 28, 1963, folder 133, Couch Papers. Miller, one of several Presbyterians at CAS who took their religious lead from Rushdoony, clearly wrote the memo under Rushdoony's guidance. In response to the memo, a perplexed Couch scribbled, "[Point three] would exclude me" in its margins. *Ibid*.

81. *Ibid*.

82. While Couch did not directly take credit for Rushdoony's firing, it is clear from existing archival evidence that Couch was the minister's most vocal critic at the CAS and eventually convinced Bierly of Rushdoony's danger to the organization. He wrote memo after memo attacking Rushdoony's Calvinism (cited above). Couch most directly indicated his role in Rushdoony's termination in Couch to den Hollander. Gary North also later recalled that Rushdoony "had allied himself with Hoggan—a huge mistake. Hoggan fell out of favor by the summer of 1963. Bierly and Couch wanted him out. They persuaded Luhnnow. So, there was a clean sweep." North, e-mail.

83. David L. Hoggan, "The Breakdown of German-Polish Relations in 1939: The Conflict Between the German New Order and the Polish Idea of Central

Eastern Europe” (PhD diss., Harvard University, 1949); William L. Langer, “To the Editor of the American Historical Review,” *American Historical Review* 69 (October 1963): 304-5.

84. Frank Spencer, review of *Der Eerzwungene Kreig*, 6th ed., by David L. Haggen, and *13 Tage Weltgeschichte*, by E. Philipp Schäfer, *International Affairs* 41 (July 1965): 506-7.

85. Most of the rumors came from those sympathetic to the goals of the CAS. Letters arrived from conservatives—including Henry Regnery, F. A. Hayek, and Felix Morley—familiar with revisionist history who worried that Hoggan was less a historian than an anti-Semitic, pro-Nazi agitator. See, respectively, untitled timeline that lists the Regnery and Hayek correspondence, and Morley to Bierly, May 16, 1964, both in folder 138, Couch Papers. Generally speaking, their concerns were well founded. After *The Forced War: When Peaceful Revision Failed* (Costa Mesa, CA: Institute for Historical Review, 1989), the English translation of *Der Eerzwungene Kreig*, Hoggan is probably most infamous for *The Myth of the Six Million* (Los Angeles: Noontide Press, 1973), one of the first works of Holocaust denial published in the United States. Today Hoggan is best remembered—if he is remembered at all—for his tenuous connection to the wider anti-Semitic, neo-Nazi movement in the United States. See Frederick James Simonelli, *American Führer: George Lincoln Rockwell and the American Nazi Party* (Champaign: University of Illinois Press, 1999), and Lucy Dawidowicz, “Lies About the Holocaust,” in *What Is The Use of Jewish History?: Essays*, ed. Neal Kozodoy (New York: Schocken Books, 1992), 84–100.

86. “In Defense of Hitler,” *Newsweek*, May 18, 1964, 57.

87. Brandt to Luhnnow, June 16, 1964, folder 138, Couch Papers.

88. David Packard to Morris Cox, September 8, 1964, folder 142, *ibid.*

89. “I am concerned that your revisions of August 12th provide virtually no involvement by the University.

In effect, under this arrangement the University does little more than provide housing for the American Studies Program.” Packard to Luhnnow, August 28, 1964, *ibid.*; “Preliminary Draft for Discussion of a Proposal for a Center for American Studies Program at the Hoover Institution, Stanford University,” June 17, 1964, and revision, June 24, 1964, *ibid.*

90. Packard to Cox. Packard’s concerns were well founded, for as late as August 1964 Bierly was authoring letters that noted he only considered hiring people who “shared our views.” Bierly to Morris Cox, August 28, 1964, folder 142, Couch Papers.

91. William T. Couch, meeting notes, October 8, 1964, folder 142, Couch Papers.

92. F. A. “Baldy” Harper to Kenneth Templeton, February 23, 1964, letter in author’s possession. Since Bierly and Couch were generally disliked, distrusted, and viewed as incompetent, CAS languished without a strong leader to negotiate with Hoover and Stanford. By the end of the 1960s, Luhnnow had been placed in a retirement facility, and he had turned control of the fund over to Morris Cox. Templeton, interview.

93. Couch to Morris Cox, May 26, 1964, folder 138, Couch Papers.

94. Couch, meeting notes.

95. Bierly to Cox, September 11, 1964, folder 142, Couch Papers.

96. Bierly to Rushdoony, December 1964, Rushdoony Papers, Rushdoony Library.

97. For a list of Volker monuments in Kansas City, see “Lasting Legacies: William Volker,” *Kansas City Star*, May 21, 2000.

98. Cox to Templeton, October 30, 1978, letter in author’s possession.

99. Lise Giraud, editorial in *Stanford Daily*, October 18, 1979, 4.