



YOUR KINDLE NOTES FOR:

The Rockefellers: An American Dynasty

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72 Highlights | 0 Notes

Yellow highlight | Location: 223

A pillar of the Baptist church since his youth, Rockefeller's tithes already approached \$100 million in 1905, and he was even then devoting his attention to creating the widest-ranging system of philanthropy the world had yet known. A loyal husband and devoted father, his courtly manner had disarmed many a government lawyer and made him wonder if this man was indeed not more sinned against than sinning.

Note:

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He was retired now, but even in his heyday at the helm of the great Standard trust he had lacked the vaulting ambition and sharkish appetites of the Fisks, Goulds, Vanderbilts, and others. They knew no bounds; he was a man of balance. He never engaged in their daring vandalism on the stock market, never bilked the public with their abandon, never took part in their audacious securities swindles. He knew what business was and what it was not; no one would ever say of Rockefeller — as crafty James Stillman of the First National Bank had said of the mighty J. P. Morgan — “He was a poet.” Withal

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It was Carnegie's comforting version of the gospel of the self-made man, and it would soon become the cohesive myth of the American polity. Those who raised themselves by their bootstraps were not just beneficiaries of chance. They were an elect, and their wealth proved it: they had demonstrated their right to privilege by triumphs in the democratic marketplace. It was an appealing view for the survivors of a generation of all-out economic war, and it is not surprising that John D. Rockefeller, whom Carnegie once referred to in pique as “Reckafellow” (and later, more affectionately, as “my fellow millionaire”), tended to put more emphasis on the poverty of his origins, the older and wealthier he grew.

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How their father amassed these large sums of money, however, was a subject that was not discussed in front of John; his younger brothers, William and Frank; or his sisters, Lucy and Mary Ann. He was a jack-of-all-trades, they were told, who sold land, traded fur, sold salt, and even distributed herbal medicines. They knew from experience that his “work” took him away for long periods of time, often months, and that during his absence the family could expect to exist on a broad line of credit obtained from the local general store and the generosity of neighbors. But then he would return as suddenly and mysteriously as he had departed, climb down from the buggy and affectionately slap the lathered rumps of his horses, pick his children up one by one as they ran to meet him, and press gold coins into their palms after kissing their cheeks. John D. Rockefeller would later discover that his father’s primary occupation was that of pitchman and con artist. Cut from the same mold as the legendary P. T. Barnum, he was far from chagrined by his secret life. In fact, he seemed to revel in his petty larcenies. When he visited Indian reservations with his buggy full of goods for sale, William Rockefeller pretended to be deaf and dumb, he admitted to a friend, because he believed the Indians took this to be a sign of supernatural power. But there was not that much money to be made flimflaming the Iroquois in upstate New York, and so he found a more promising career in patent medicines. He journeyed for hundreds of miles to camp meetings, passing out handbills that read: “Dr. William A. Rockefeller, the Celebrated Cancer Specialist, Here for One Day Only. All Cases of Cancer Cured unless too far gone and then they can be greatly benefited.”⁷ He sold bottles of his elixir and gave consultations for the princely sum of twenty-five dollars, a good two months’ wages at the time.

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An event that impressed Cleveland businessmen almost as much as the outbreak of war would, two years later, was the successful drilling of the first oil well by Edwin Drake.²³ Titusville, Pennsylvania, lay beside a wide stream called Oil Creek because of the black film on its surface. For years people had known of the oil on local streams, and though early settlers had condemned it as a nuisance, the Indians had valued it as a medicine. By the time Rockefeller joined Hewitt and Tuttle, oil bottled in small vials was an important part of the pharmacopoeia of his father and other frontier doctors. It had also been established as the cheapest, most efficient, and longest lasting of illuminants, so that in 1859 Colonel Drake’s Titusville well set off a stampede into the area, which soon became known as the Oil Regions. Overnight,

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The word “rebate” quickly became one of the most hated in the oil man’s lexicon. Rockefeller’s competitors didn’t have to recognize that the term came from the French

rabattre to know its meaning was “to beat down.” The rate advantages Rockefeller received were a powerful addition to his already formidable arsenal. It was like the humorist Artemus Ward had said: “Them as has, gits.” Parlaying his freight advantages with loans and new investors, Rockefeller formed a new company on January 10, 1870, with a capitalization of \$1 million. Its name was Standard Oil.

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Yellow highlight | Location: 1,053

Rockefeller’s strength was not in pioneering, but in the organization and deployment of power, which he liked to refer to as “combination and concentration.” Marshaling the right clout at the right point in the system, making the appropriate alliance, engaging the vulnerable opponent, and buying up the startling new innovation at the most advantageous moment was his forte. His contributions had far less to do with the technology of oil than with the technology of power. Others discovered ways of getting and moving petroleum; he was at work on different kinds of structures, like the creation of the corporate trust. Under

Note:

Yellow highlight | Location: 1,181

The Standard’s huge reserves of Lima oil put it in an advantageous position for a new struggle that was shaping up in the international market. Oil had from the outset been an international commodity, with exports exceeding domestic consumption by a considerable margin. For twenty-five years following Colonel Edwin Drake’s first gusher at Titusville, America had been the sole source of an exportable surplus in oil, and 90 percent of that oil had come from the Standard. Ever since he sent his brother William to New York in the days of Rockefeller, Andrews, and Flagler, John D. had recognized the importance of exports. The Standard fought for overseas markets with the same ferocious intensity as it had for its domestic concessions, with no quarter given or expected, defying foreign governments as routinely as it had state legislatures at home. The wall of Standard’s international oil monopoly had been breached with the opening of Russia’s great Baku field on the Caspian Sea. By 1883 a railroad had been built to the Black Sea, and the Czar had invited the Nobel brothers and the Rothschild family to help develop these great oil riches. By 1888 Russia had overtaken America in the production of crude, and Russian kerosene, unheard of a few years earlier, had already cornered 30 percent of the English market and was moving in elsewhere in Europe. The brain trust at 26 Broadway met on a crisis footing and began to fight back with a price-cutting war. It decided to eliminate the European importing firms it had previously used, substituting a system of foreign affiliates — the Anglo-American Oil Company, Ltd., in England, the Deutsch Amerikanische Gesellschaft, and others. It sent John Archbold abroad⁶⁸ for secret conversations with the Rothschilds with an eye toward “rationalizing” the market; it tried to buy out rivals and at the same time bore

into them through secret purchases of stock. Its success was impressive, but also incomplete. Though exports of U.S. oil to Europe grew five and a half times between 1884 and 1899, the Standard was at best able to maintain only 60 percent of the market until the Great War of 1914 changed the terms of the struggle altogether. In

Note:

Yellow highlight | Location: 1,222

By the 1890s, 70 American oil was seeping into the unexplored reaches of the globe. As in a Conrad novel, Standard agents were rushing into hearts of darkness everywhere, carrying their products by sampans, camels, oxen, and on the backs of native bearers. They went along the east coast of Sumatra, to Siam, Borneo, and French Indochina. A transoceanic empire lay before them; in Brooks Adams's phrase, the Era of American Economic Supremacy had begun.⁷¹ It was more than thirty years since he had begun his career, and Rockefeller was the central figure of the most spectacular success story in business history.

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Yellow highlight | Location: 1,470

The author of these words was the Reverend Frederick T. Gates, who was destined to be a pivotal figure in Rockefeller's future. The son of a New York preacher, Gates had the noble features of a character out of a stage production of Ben Hur, the strong facial lines set off by a shock of thick wavy hair. He was ambitious and energetic, his personality an odd blend of worldly concerns and evangelical zeal. As a young man he had worked as a bank clerk and dry goods salesman before attending Rochester Theological Seminary. His first pastorate was in Minneapolis, and there he had met George A. Pillsbury, founder of the flour fortune. Dying of an incurable disease, Pillsbury had asked Gates to help him decide on the benefactions in his will, giving the young clergyman his first experience with philanthropy and making Gates understand that he would not be content to tend a remote flock the rest of his life.

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Yellow highlight | Location: 1,550

Someone who could make such observations was a man after Rockefeller's own heart, and he threw open all his voluminous personal investment files to Gates. Seeing that there were at least twenty corporations of which Rockefeller was part owner that were in trouble, Gates either bought out enough other stockholders to obtain control or disposed of the stock entirely. In the end, Rockefeller controlled thirteen of these corporations, and Gates was made president of them all. Gates's greatest coup in his new role was the consolidation of Rockefeller's ownership over the great Mesabi ore deposits of Minnesota. Eventually providing some 60 percent of the nation's iron ore, this rich area had been pioneered by the five Merritt brothers, who had by 1893 a 40

percent interest in mines that contained as much as 50 million tons of high-grade ore. To build a railroad connecting their properties to Duluth, they had issued bonds, and Rockefeller had been persuaded to purchase \$400,000 worth. Starting with this foothold and taking advantage of the Merritts' speculative greed, Gates used the leverage of Rockefeller's enormous capital to gain control over the properties.⁹⁸ In the process, he could not avoid a nasty and much publicized lawsuit by the brothers, who claimed that they had been bilked. Paying \$525,000 in an out-of-court settlement, Rockefeller enabled Gates to have a free hand assembling more properties. It was not long before he was made master of the richest ore deposits in the world.

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Yellow highlight | Location: 1,567

By a fortuitous combination of circumstance and Gates's good business sense, Rockefeller had thus slipped in between the steel manufacturers and their raw materials. But while never discouraging rumors that he intended to use the Mesabi property in a war with Carnegie for control of the steel industry, the fact was, Rockefeller really wanted less involvement in business, not more. In 1896 he made an agreement by which the Carnegie Company leased his properties for 25 cents a ton, agreeing to mine not less than 600,000 tons a year, which they would match with an equal amount from their own pits, shipping the total 1.2 million tons over Rockefeller's railroad and the huge fleet of ore-carrying ships Gates had been building up on the Great Lakes. The Carnegie Steel Company got high-grade ore and control over the competition; Rockefeller got a lease fee and guaranteed freight for his rail and shipping lines. Still, it was clear that the steel business would have to be consolidated. Carnegie was the largest but not the only steel maker; he had formidable competition from Elbert Gary's Federal Steel Company, among others, and every day new producers were springing up to challenge the large companies. Either Carnegie or Rockefeller could have stepped in to exert control over the competitive maelstrom, but Rockefeller had gotten into iron only by chance, and Carnegie wanted to get out and devote himself to spreading his new gospel. Only one man in the country could ensure prosperity for the steel industry by eliminating competition without a protracted struggle: J. P. Morgan, who had earned the title of the Jupiter of Wall Street by virtue of the powerful bolts he shot out of his chambers at 23 Wall Street into the financial world, asserting his undisputed supremacy as the greatest centralizer of a centralizing age. And in 1901, Morgan formed the largest business aggregation the world had yet seen, the United States Steel Corporation. It took over all the competition, including Carnegie, to whom Morgan paid \$300 million in steel bonds which the philanthropist promptly used to create a battery of foundations. Morgan had never bothered to hide his distaste for the ascetic Rockefeller, and when he went to call at 26 Broadway to see about the Mesabi properties and the completion of his plan, he was served up humble pie. For Rockefeller, who understood Morgan's feelings (and later said of Jupiter, "I have never been able to see why any man should have such a high and mighty feeling about

himself”99), waited on his caller, but declined to discuss business. When Morgan offered a “proposition,” Rockefeller replied with his chilliest courtesy that he himself was retired but his son “would undoubtedly be glad to talk with Mr. Morgan.”¹⁰⁰ Some days later, when Henry Frick went up to Pocantico with an offer from Morgan, Rockefeller allowed himself to be persuaded, after indicating that he didn’t like ultimatums. He told Frick in the gentlemanly code he had...

Note:

Yellow highlight | Location: 1,657

Morgan’s steel trust, sprawled over the most basic of modern industries, would be overlooked by Roosevelt’s regulators and trust busters, as would his New England railroad monopoly. On the other hand, the railroads of his rival, E. H. Harriman,¹⁰⁶ who had failed to jump on Roosevelt’s political bandwagon, would feel the crashing blade of the regulatory axe. But the most obvious sacrifice for which the public clamored was John D. Rockefeller and Standard Oil.

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Yellow highlight | Location: 1,735

These foundations, Gates might have added, would be highly visible, concerning themselves with problems that were part of the lives of every American. Rockefeller would be the screen on which Gates’s own dreams were projected. Gates began by inducing Rockefeller to create the first institution to bear his name, the Rockefeller Institute for Medical Research,¹¹⁴ which half a century later his grandson David would transform into Rockefeller University. In 1897, inspired by Osler’s Principles and Practice of Medicine, Gates dictated a memorandum to his principal proposing the creation of a medical research facility modeled on the Pasteur Institute in Paris and the Koch Institute in Berlin. Gates felt that medicine as practiced in the United States at the time was a “failure,” and that remedying this situation “would give Mr. Rockefeller an immense opportunity.” However, even if the Institute were to fail to discover anything, “the mere fact that he, Mr. Rockefeller, had established such an institute of research... would result in other institutes of a similar kind, or at least other funds for research being established.”

Note:

Yellow highlight | Location: 1,750

In 1901 the Rockefeller Institute for Medical Research was officially launched, the first of its kind in America, and a year later Rockefeller added \$1 million to the original \$200,000 endowment to build and equip a major laboratory on the upper east side of New York City. Dr. Simon Flexner of the University of Pennsylvania was chosen to head the Institute and to select a staff of equally brilliant scientists and administrators.

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Yellow highlight | Location: 1,757

In 1905 Flexner developed a serum for the treatment of epidemic meningitis, the first of several dramatic and highly publicized scientific advances made by the Institute, which eventually included important research in the development of a vaccine for yellow fever and work on infantile paralysis and pneumonia. But even more important, the Institute would provide the expertise for the medical and public health campaigns that the Rockefeller Foundation and other philanthropies would shortly take to the farthest corners of the globe. When Gates cast his eye over the medical institute that his energy and vision had helped to create, he waxed religious: "In these sacred rooms He is whispering His secrets. To these men He is opening up the mysterious depths of His Being,"¹¹⁵ he wrote. If Rockefeller thought such thoughts, he did not express them. He continued to puzzle people, moreover, by retaining the services of Dr. H. F. Biggar, a homeopath, as his personal physician, maintaining a basic distrust in modern medicine while spending millions to sponsor its advance.¹¹⁶ Gates might have succeeded ably as one of Rockefeller's lieutenants in Standard Oil if he had come along thirty years earlier. The minister understood those principles of monopoly that had allowed his employer to organize the oil industry, and he proposed to apply them to philanthropy. At Gates's urging, Rockefeller wrote Carnegie inviting him to become a trustee of his next great philanthropy, the General Education Board,¹¹⁷ incorporated in 1903. From its inception, the GEB had been an illustration of the principle of monopoly, choosing Negro education in the South as its subject. It started by putting its financial power behind the combination that had already been drawn together in 1901 under the aegis of the Southern Education Board. This combination included the Peabody and Slater funds, which were among the earliest examples of philanthropic foundations in America, and the Tuskegee-Hampton educational complex, which had dominated such "higher education" as had been available to freedmen in the post-Reconstruction era. Its influence in the South was soon unrivaled, and the General Education Board broadened its focus to include the rest of the country. In 1905 Rockefeller added \$10 million to the initial endowment of the GEB, accompanying the gift with a letter specifying that the income had...

Note:

Yellow highlight | Location: 1,833

In 1910 the great institution that would embody the world mission of the Rockefeller wealth was created when Rockefeller signed over to three trustees — Gates, Mr. Junior, and Harold McCormick, his son-in-law and heir to the International Harvester fortune — \$50 million worth of Standard Oil securities for the initial funding of the \$100 million Rockefeller Foundation. The following year, Senator Nelson Aldrich, father-in-law of John D. Rockefeller, Jr., and one of the most powerful men in Congress, introduced a bill to obtain a federal charter¹²³ for what would be the greatest

philanthropic foundation in the world. Despite Rockefeller's munificence during the previous decade and the exaggerated first announcement of the Foundation, which indicated that it would administer an endowment of some \$500 million, there was still suspicion. Skeptics pointed out the peculiar timing of the Rockefeller gifts — that a large \$32 million gift had been made to the General Education Board in 1907 at the time of the Landis decision, and now \$100 million five days before the Standard's attorneys filed their briefs with the Supreme Court in the dissolution suit against the trust. President Taft opposed¹²⁴ the Aldrich measure and said that it was really a "bill to incorporate Mr. Rockefeller." Theodore Roosevelt remarked, "Of course no amount of charities in spending such fortunes can compensate in any way for the misconduct in acquiring them." And AFL President Samuel Gompers snorted, "The one thing that the world could gracefully accept from Mr. Rockefeller now would be the establishment of a great endowment of research and education to help other people see in time how they can keep from being like him."

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Yellow highlight | Location: 2,831

Within two weeks of receiving the letters from Junior proposing the creation of the GEB, Senior gave \$10 million, and he followed that, a year and a half later, with a gift of \$32 million. Over the next decade, these gifts would mount until a grand total of \$129,209,167.¹⁰ was reached in 1921. It was Rockefeller in magnitude²²⁶ and from it would flow a characteristic Rockefeller influence. Men of vision would be attracted to this foundation as a practical fulcrum for their social plans and dreams; prospective recipients would shape their programs to the contours of its philosophy in the hopes of receiving their own enabling funds.

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Yellow highlight | Location: 2,847

While his father's philanthropic investment in the Institute and the GEB made Junior a central figure in a powerful constellation of social and cultural institutions at home, the missionary fervor of Frederick Gates, which had entered the international programs of the Rockefeller Foundation, was drawing him into a community of men and ideas that would come together after World War I in a select circle of America's overseas empire builders. Gates had begun to understand the possible international implications of Rockefeller philanthropy at the turn of the century, when he had read a comprehensive review of the work of English-speaking missionaries of all denominations and had been struck by how much the philanthropic effort had increased in the last decade in America until the funds and foundations seemed to "overlap and crowd each other." But there was relatively little effort in foreign lands. Like Rockefeller's own early efforts in the Oil Regions, the missionary enterprise abroad seemed to Gates to be scattered and uncoordinated. For this reason he was favorably disposed in 1905 when the

Congregationalist church solicited the donation for their work abroad that would soon erupt into the “tainted money” controversy. After studying the proposal, Gates wrote his employer that “a study of the map of the world discloses a comprehensiveness of organization, a unity of plan, a masterfulness of strategy and tactics, which suggests that the whole is being carried on in accordance with one great, preconceived plan, and that its movements are controlled and directed by one master mind.”

Note:

Yellow highlight | Location: 2,982

In every subject it pursued, the Bureau of Social Hygiene created a group of experts who would concentrate their expertise on social problems with the object of quarantining sin and removing it as a temptation and, in the process, transforming sinners into criminals. For all its modernity, the social science of the bureau bore a striking resemblance to the staid Baptist atmosphere of the Cleveland household where Junior had grown up.

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Yellow highlight | Location: 4,298

But underneath the altruism, his philanthropy had a shrewdly practical side in which good works interfaced smoothly with power and a sense of the control that could come from intimate involvement in the social movements his growing band of Associates forecast would be important in coming years. His approach to giving was businesslike. This was only fitting, for while he had found it convenient to sever his public ties with business after Ludlow, he never lost sight of the importance of the business process. Publicly he tried to convey the impression that making money was no concern of his. As he once said to a reporter from the New York Tribune, “What do I want with more money, or what does Father want with more? Nearly all my time and nearly all the time that my father gives to financial affairs is devoted to studying how best and wisely to distribute the money accumulated.”³⁴⁷ But privately he never relinquished his obligation to manage and preserve the family fortune. In fact, his life was like the parable of the loaves and fishes, for even while he was giving away vast amounts of money, he was taking steps to make sure that his five sons would have something like the sum his father had put in his custody. Even before he controlled the fortune himself, Junior had tried to convince his father to streamline it for the new age. As early as 1911 he had strongly urged the old man to invest part of the money in lending and trust companies. Senior was like Henry Ford in his aversion to bankers and their institutions. He had seen too many securities schemes in his day to feel comfortable having his money tied up in a bank. But his son pressed the suit strongly. He wrote his father, quoting approvingly from a memorandum he had solicited from Gates: This estate is going to require at all times in the future a number of qualified men if it is to be handled properly. Large interests in several trust companies will give the estate the

right to put its agents on the boards of such companies. The associations on such boards and the information got at such meetings cannot fail to be of great value to the agents and cannot fail to bring the important facts necessary to be known at all times in the commercial world to your father's attention.³⁴⁸ Others in the Rockefeller circle strengthened his view that finance was the business hub of the era. His own father-in-law, Nelson Aldrich, was the voice of the financial bloc in Congress, and a major force behind legislation creating the Federal Reserve System in 1913 and establishing a partnership between the bankers and the government in managing the nation's money. With the help of this circle, Junior finally persuaded John D. to buy a controlling interest in the Equitable Trust Company,³⁴⁹ formerly a subsidiary of the Equitable Life Assurance Society that the 1911 reform law had forced them to sell. The latent power of the Rockefeller fortune made the Equitable Trust Company's expansion rapid. By 1920 it had...

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Yellow highlight | Location: 5,191

Lincoln School was the brainchild of Abraham Flexner,⁴²⁶ longtime family Associate whose brother, Simon, was head of the Rockefeller Institute for Medical Research. For years Flexner had operated a successful private school in his hometown of Louisville, running it without examinations or report cards and with a curriculum stripped of the old classics and in tune with twentieth-century progressivism. Many of Flexner's students would end up at Harvard, and there come to impress President Charles W. Eliot. In 1914, when both Eliot and Flexner were trustees of the General Education Board, which had become concerned that American high schools were both "slow and ineffective," they decided to resurrect aspects of the Louisville experiment in a demonstration high school that would provide a laboratory for the kind of education that was, in Flexner's words, "adapted to the needs of modern living." In 1917, the GEB established Lincoln School in collaboration with Columbia Teachers College. Located in a large building at 123rd Street and Amsterdam Avenue, it was, from the beginning, a model of Deweyite pragmatism. Latin and Greek were banished and rote memory in the study of history was deemphasized; units of study about modern culture were instituted, drawing from the new initiatives of social science. Lincoln School took a flexible attitude toward the students, allowing them to learn at their own speed and without conventional forms of coercion. For the sake of the educational experiment and because of the philosophy of the Rockefellers and other wealthy patrons, it brought in a sprinkling of poor and minority students through scholarships. When Lincoln opened its doors in 1917, there were 23 of the best graduates of Teachers College ready to instruct the 116 students.

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Yellow highlight | Location: 5,697

No oil man could afford to ignore a Rockefeller, even if he had only just turned thirty, but the Jersey board was a power in its own right and was not compelled to take his advice. They had complied with the Venezuelan government's new regulations and saw no reason to undertake the campaign Nelson seemed to be advocating. But Nelson was not discouraged. He simply packed up and went to Venezuela, using his status as one of Creole's directors to demand an increased sensitivity to local conditions. He forged ahead with even more than his usual zeal, pressing for an end to the more blatant manifestations of cultural chauvinism that characterized the behavior of U.S. business abroad. Seasoned veterans in the oil game suddenly found themselves under assault by this Rockefeller heir who spent weeks on end touring their operations and trying to explain that the changes he had in mind had less to do with fuzzy idealism than making sure they did not create an opening for the Communists and thus lose everything, as in Mexico. ("He wasn't much of a reader," Nelson's Venezuelan associate Carl Spaeth recalls. "But he had read a book about Esso's misadventures in Mexico that had a great effect on him. He made sure that all of us read it too and had the Mexican precedent in mind."⁴⁶⁶) Nelson found reluctant allies in Arthur Proudfit,⁴⁶⁷ the general manager of Creole, and Eugene Holman, chairman of its board. (Holman later became president of the Jersey Company, and Proudfit moved up to the presidency of Creole.) They too sensed the intensity of the revolt simmering in Latin America. The problem for the oil companies, as Proudfit later expressed it, was to prove to Venezuelans "that we are an asset to the culture, education, and general welfare of the country." Those in the Creole organization who opposed young Rockefeller's ideas or mistook his glad-handing for weakness quickly found themselves transferred, retired, or kicked upstairs to a stateside desk. Soon the barbed wire around Creole's compounds in the Maracaibo Basin came down. Twelve Berlitz instructors were hired to help the company's American executives and staff brush up on their Spanish and learn the rudiments of Venezuelan culture. A public health program, like those pioneered by the Rockefeller

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Foundation, was introduced funded in part by government aid to combat hookworm, malaria, and other tropical diseases that plagued workers in the oil-producing regions. One of the chief cries heard against the oil companies in the years following Gómez's death was that the oil boom had made Venezuela a one-product economy, wrecking agriculture and inflating prices and thus ruining domestic industry. All factions in the country agreed that economic diversification was necessary to lessen the dependence on oil production. To demonstrate the path such diversification might take became Nelson's next crusade. Gathering together a group of friends and business associates in 1940, he formed the *Compañía de Fomento Venezolano*⁴⁶⁸ (Venezuelan Development Company). He raised \$3 million in initial capital, a third coming from his family, a third from Venezuelan partners, and a third from the oil companies. (Nelson had gone to Jersey Standard⁴⁶⁹ with this idea of developing the Venezuelan economy, and they

had agreed to an investment of \$300,000 if he could secure equal commitments from Gulf and Shell, which he surprised them by doing.) The

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It was the sort of Realpolitik that appealed to someone who was in many ways more fearful of the Communists' inflaming nationalist passions in Latin America than the hemispheric consequences of a possible German victory in Europe. Yet the approaching war had clearly created a new set of circumstances in the hemisphere, and Nelson's ambitions pointed him in the direction of Washington. About the same time that he was founding the Compañía, he brought together a number of people, most of them his own age and with similar views, whom he had met since making his first South American tour. The regular briefings they held about the state of things in Latin America, and plans to cope with them, resembled a war council.⁴⁷³ Twenty

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Yellow highlight | Location: 5,783

The Group met first at his place in Greenwich Village and later at Nelson's Fifth Avenue apartment. As the world crisis deepened, their discussions began to focus on the outlines for a hemispheric policy consistent with Nelson's ideas. By late spring 1940, Ruml had distilled their thinking into a sort of white paper called "Hemisphere Economic Policy," outlining ways of increasing U.S. investments in Latin America and preventing the Nazis from winning a diplomatic war there with the same lightning speed their armies were displaying as they raced across Europe. On the evening of June 14, 1940, Nelson appeared at the White House with the three-page memorandum and delivered it to Roosevelt's right-hand man, Harry Hopkins. At Hopkins's request, Rockefeller read out loud what began more like a manifesto than a mere policy recommendation: "Regardless of whether the outcome of the war is a German or Allied victory, the United States must protect its international position through the use of economic measures that are competitively effective against totalitarian techniques."⁴⁷⁶ Less than a month later, on July 8, Nelson was celebrating his thirty-second birthday with his family and close friends when the telephone rang with a long-distance call from Washington. It was James Forrestal,⁴⁷⁷ special assistant to President Roosevelt. An intense, suspicious man, Forrestal had already made a name for himself as the "boy wonder" of Wall Street by pulling off the merger of Chrysler Automobiles and the Dodge Corporation. Years earlier, under subpoena by the Pecora Committee, he had admitted to self-dealing in millions' worth of foreign securities during the boom days of the twenties, but like many whom the President had denounced as "economic royalists," Forrestal had since done penance by grudgingly supporting Roosevelt's reforms and had thus become eligible for national duty in the country's hour of need. Now he was on the phone to Nelson asking about a job: Could Nelson come to

Washington to talk further?⁴⁷⁸ The following evening Nelson dined with Forrestal in the garden of the F Street Club. When offered the newly created post of Coordinator of Inter-American Affairs, Rockefeller asked for a few days to think it over. Then he immediately boarded a plane for Salt Lake City to ask permission from the Republican presidential standard-bearer, Wendell Willkie,⁴⁷⁹ who was on the campaign trail in a candidacy Nelson's Uncle Winthrop had helped create and whose effort the Rockefeller family was heavily backing. But he knew before he hung up what his answer would be — not only because (as Willkie would tell him) accepting the post was his patriotic duty, but because he himself had proposed the idea of creating such a position in his talk with Harry Hopkins barely a month earlier.

Note:

Yellow highlight | Location: 6,409

The dispute arose over the mutual defense agreement, which became known as the Act of Chapultepec and was the most lasting achievement of the Mexico City conference (as well as a prototype for the later NATO and SEATO alliances). The agreement guaranteed existing borders and provided that an attack against any American state would be considered an attack against all. It was the regional concept in the pact that brought down the wrath of the State Department's International Division, led by Special Assistant to the Secretary of State Leo Pasvolsky. Such an agreement, Pasvolsky and his allies pointed out, contradicted the commitment the United States had just made at Dumbarton Oaks to refer all international disputes to the new world organization. It invited the Soviet Union and other great powers to create similar regional security pacts with clusters of smaller states whom they could easily dominate. In the heated controversy within the U.S. delegation in Mexico City, however, the day was carried by Rockefeller,⁵⁴⁴ A. A. Berle, Jr. (who had recently been moved from the State Department to the ambassadorship in Brazil), and Senator Warren Austin, senior Republican on the Foreign Relations Committee; they were backed by the army and navy brass, who exploded at the idea of sacrificing a military security arrangement for what they saw as an idealistic concept. With the war almost over, Nelson was reorienting himself to the struggle against Communism, jettisoning the ideological baggage of the antifascist crusade and taking the sort of stance that would characterize Washington's cold war policy in the coming years. Shortly before the conference, Nicolo Tucci, then head of the Bureau of Latin American Research in the State Department, resigned and asked Secretary Hull to abolish his bureau because — as he later put it — “my bureau was supposed to undo the Nazi and fascist propaganda in South America and Rockefeller was inviting the worst fascists and Nazis to Washington.”⁵⁴⁵ When Tucci took his complaints to Nelson, he was told: “Everybody is useful and we're going to convert these people to friendliness to the United States.’ And then Rockefeller's lawyer Larry Levy said to me, ‘Don't worry, we'll buy those people.’” One purchase that caused outrage in the liberal press involved Argentina (only recently denounced by former Secretary of State Hull as “the refuge and

headquarters in this hemisphere of the fascist movement"). At the Chapultepec conference, Nelson introduced a resolution Berle had drafted specifying the internal reforms necessary for Buenos Aires's reentry into the inter-American system and the community of democratic nations. It was part of a larger strategy: aside from the fact that he was committed to a hemisphere united under U.S. leadership, Nelson knew that the Latin American regimes that would be most pleased by the gesture toward Argentina — caudillos like Stroessner, Somoza, and Trujillo — could be relied on to be staunchly...

Note:

Yellow highlight | Location: 6,571

Following the meeting, Assistant Secretary of War John J. McCloy put through a call to Henry Stimson, his superior in the War Department, for advice. Stimson was then recognized as the dean of American diplomacy, having served as Secretary of War or State in four Cabinets going back to the Taft administration; he was the guiding eminence of the Council on Foreign Relations, and his office had become a kind of academy for young men like McCloy, Robert Lovett, and others who would shape American policy in the postwar era, the best and brightest of their time and place, but who, outside their own elite world, were virtually anonymous.⁵⁵⁹ "I've been taking the position," McCloy told Stimson in the emergency telephone call from San Francisco, "that we ought to have our cake and eat it too; that we ought to be free to operate under this regional arrangement in South America, at the same time intervene promptly in Europe."⁵⁶⁰ The proponents of the Dumbarton Oaks draft within the delegation, McCloy reported, felt that a broadening of the regional concept (such as Rockefeller was advocating) would undermine the very basis of a world organization. "They will say that the Security Council and the World Organization has been defeated. And I'm not at all sure that it wouldn't be." Stimson agreed. However, he thought it might be possible to argue that the desire of the United States to retain a right to intervene in Latin America was unique. He further suggested that the U.S. delegation could argue against any Russian claim to similar prerogatives in Europe because Russian interventions would not be "moderate"; she would tend to compensate for her relative weakness in Europe by overkill. By contrast, "our fussing around among those little fellows [in Latin America] doesn't upset any balance in Europe at all." That

Note:

Yellow highlight | Location: 7,153

Taking a \$4.5 million⁶¹⁸ investment from the Betancourt government in 1947 to go along with what he had already gotten from the oil companies, he formed a subsidiary of IBEC called the Venezuelan Basic Economy Corporation (VBEC).⁶¹⁹ The Betancourt government fell to a right-wing coup the following year, the new dictatorship crushing the trade union movement and the left and initiating favorable policies for the oil

companies. Meanwhile VBEC moved ahead with its idea that economic development could be promoted by importing U.S. techniques to improve food distribution, provide cheaper services, and build new industries. From the beginning, however, VBEC ran into difficulties.⁶²⁰ Partly it was insensitivity to local culture. (An elaborate and expensive attempt to build a tuna fishery failed largely because key factors like the place of fish in the dietary habits of Venezuelans were not taken into account.) Yet the basic problem was the fact that IBEC's personality was split between its corporate commitment to the status quo and its ideological commitment to change.

Note:

Yellow highlight | Location: 7,279

After five months' work, the International Development Board published its report, *Partners in Progress*,⁶³¹ which stressed the importance of private capital as the key to development, supported by government aid for roads, ports, irrigation, and power facilities as a "base to build on." But the main recommendation, for which Nelson himself was responsible, was to centralize all major foreign economic activities in one overall agency, a U.S. Overseas Economic Administration, headed by a single administrator and reporting directly to the President. Point Four had already come under attack from the conservative right, which called it a plan to provide "a carton of milk for every Hottentot." Now, Rockefeller went to work on potential congressional opponents such as Senators Taft and Byrd. But while garnering support in these quarters, he failed to pay attention to a more formidable opposition building up in the higher echelons of the executive branch.

Note:

Yellow highlight | Location: 7,322

Nelson had, in a sense, been the pioneering architect of the system of alliances with which Washington was now encircling the globe. (The legislation he was testifying on was the Mutual Security Act, intended to begin a program of massive military aid to foreign countries.) In 1947 the provisions of the Act of Chapultepec had been realized in the creation of the Rio Pact, the first of the postwar defense arrangements, although some critics suggested that the threat of conflict in Latin America came mainly from its own numerous military regimes. But, while Nelson regarded military aid as essential to any security program, and so testified, he was also convinced it had to be integrated into a comprehensive plan that included economic and social efforts. Technical aid and public health programs were not only necessary to strengthen the U.S. image among the underdeveloped countries; they were essential infrastructures for the economic processes on which national strength and security were finally based. "For instance, you could not get rubber out of the Amazon during the last war because of disease, sickness, and lack of food," Nelson told the House Committee on Foreign Affairs. "Until you could lick those, you could not get the rubber. You find there is an interrelationship

between all these factors, particularly in the underdeveloped areas of the world." Having thus built a forceful argument for technical assistance, Nelson concluded his House appearance by urging that a U.S. Overseas Economic Administration be created to orchestrate, and support with government aid and guarantees, the flow of billions of dollars of private U.S. capital into the underdeveloped world. The congressmen received the suggestion enthusiastically. Rockefeller was not, however, invited to go on to the Senate to testify. And as it became clear that he had lost out in his bid to create and become the coordinator of a new agency overseeing U.S. foreign economic activities, he made an appointment to see President Truman and hand in his resignation from the International Development Advisory Board. Arriving at the White House, he chanced to meet Harriman, who was just leaving. As the two men shook hands and eyed each other with a circumspect cordiality, Nelson spoke: "I'm just going in to present my resignation as chairman of the advisory board."⁶³⁵ "Oh, no," Harriman exclaimed. "The work

Note:

Yellow highlight | Location: 7,484

Once on European soil, however, Nelson began lobbying for support of the Open Skies proposal. This time there was no individual of Vandenberg's stature to lean on, but Nelson managed to enlist the support of NATO Commander General Gruenther and of Admiral Radford. On the opening day of the Summit, Premier Bulganin drew attention to the Soviet acceptance of Western disarmament proposals and called for a dramatic reduction in the conventional forces of the great powers. The next morning, Dulles received a coded cable signed by Admiral Radford strenuously urging that he adopt Rockefeller's plan as a way of salvaging the Summit. Nelson (who had spent much of the previous evening with U.S. disarmament head Harold Stassen drafting the telegram) made sure the President received a copy via his aide, Colonel Andrew Goodpaster. Nelson was called to Geneva, where Eisenhower took up the Open Skies plan once again with Dulles. The Secretary now admitted that circumstances had made him change his mind, and the next day Eisenhower stood in the magnificent Palais des Nations, looking down at the expectant faces. Staring squarely at the Russian delegation, he summoned all his Kansas sincerity and began, "The time has come to end the Cold War,"⁶⁴⁹ and then went on to outline the Open Skies plan. Its success was instantaneous and complete, and Eisenhower became the hero of the conference. A month later, Harold Stassen, U.S. delegate to the disarmament conference, was able quietly to withdraw all the disarmament proposals⁶⁵⁰ that the United States had made over the previous ten years, and which had been substantially accepted by the Soviet Union.

Note:

Yellow highlight | Location: 7,535

By the mid-1950s, the United States was locked into its global crusade and the Rockefeller family was established as an important resource in the life of the nation. If it was not quite the “Rockefeller conspiracy” some charged, it did have the appearance of careful organization. Through its connections with the Chase Bank and the Standard Oil companies, and its association with such great Wall Street investment and law firms as Kuhn, Loeb; Lazard Frères; Debevoise, Plimpton; and Milbank, Tweed, the family had its fingers on the pulse of the country’s industrial and financial heartlines. Through the Rockefeller Foundation, the Council on Foreign Relations, and the Republican party, it was connected to the highest directorates of national policy. Whenever members of the power elite gathered to make the crucial decisions of the postwar period, one or two of the key individuals would inevitably be drawn from the executive levels of the institutions with which the family was deeply involved. Men like John J. McCloy,⁶⁵⁶ C. Douglas Dillon, James Forrestal, Robert Patterson, Robert A. Lovett, the Dulles brothers, and Winthrop Aldrich were never elected to office, but wielded a power that was in many ways greater and more sustained than that of the elected officials they served. While they shaped the contours of America’s postwar strategy, the policy technicians who would succeed them — individuals like W. W. Rostow, Zbigniew Brzezinski, and Henry Kissinger — were busily working their way up through the complex of international institutes and think tanks the Rockefeller Foundation had played such a key role in creating.

Note:

Yellow highlight | Location: 7,638

In the summer of 1949, as the Russians exploded their first atomic bomb and the armies of Mao Tse-tung began their final sweep toward Peking, Secretary of State Acheson appointed a three-man committee⁶⁶⁴ to tour Asia on a fact-finding mission. Headed by Philip Jessup of the State Department and including Raymond Fosdick (now president of the Rockefeller Foundation) and Everett Case, a director of the Institute for Pacific Relations,⁶⁶⁵ the team stopped off in Saigon to bestow official recognition on the Emperor Bao Dai, whom the French had just installed as a puppet to oppose Ho Chi Minh. On returning to the United States, the team submitted its findings to a round table⁶⁶⁶ of China experts convened at the State Department to recommend policy toward the Chinese Communists. JDR3 was among the select group of “China hands” present. The issue was whether to put maximum pressure on the new regime in an effort to promote its collapse (but thereby driving it also into the arms of Russia) or to maintain diplomatic and trade links with the mainland in an effort to encourage the forces of nationalism and wean Peking from Moscow’s camp. In the discussions on these questions, JDR3 participated very little; but when he did, it was to come down on the hard side: “On U.S. trade with China,” he offered at one point, my own reaction is that it should be terminated.

Note:

It was, as he added, "a negative approach to the problem in China and I dislike very much negative approaches," but it was the consensus view of the men who gathered with him in the Council on Foreign Relations, and whom JDR3 regarded as peers. The round-table group was more disparate, more academic, and less socially distinguished. Their lack of enthusiasm for the hard line disturbed JDR3, and after returning to New York, he wrote a follow-up letter to Phillip Jessup, who had chaired the meeting. He noted that there seemed to be pretty general agreement that even if China was not actually controlled from Moscow, its thinking and ideology were "in tune" with the Kremlin. The "big question" that remained was, Is China different? JDR3 was concerned that many of the experts at the round-table seemed to think so. "Much of the discussion at our conference was on the basis, it seemed to me, that China is different. Is this assumption justified today, when totalitarian regimes have such effective methods of control as the secret police and the tommy gun?"⁶⁶⁸ If this was not the most subtle view of the factors determining China's destiny, it was to be the prevailing one for the next two decades. With the isolation and encirclement of Mao forming the backbone of U.S. Asian policy, the pivot of Washington's strategy in the Far East fixed on Japan. The time had come to negotiate a peace treaty so that the Japanese could become partners in America's Asian security system. To make the move bipartisan, Dean Acheson assigned John Foster Dulles, Dewey's foreign policy adviser, to negotiate the peace treaty.⁶⁶⁹ Dulles asked JDR3 to come along.

Note:

As president of the Japan Society, JDR3 hosted the first dinner for the first postwar ambassador from Japan to the United States; over the next two decades he was to entertain every Japanese Prime Minister and member of the royal family visiting the United States. Raising that part of the society's yearly budget that he didn't contribute himself, he became a familiar face not only to the Japanese business leaders and statesmen who began streaming to the United States, but also to musicians, Kabuki troupes, and No players as well. He could often be found at Japan House, his tall figure draped in a kimono, hosting a tea for visiting dignitaries. He was so completely identified with the cause of bettered U.S.-Japanese relations that when producer Josh Logan received the completed script of *Sayonara*,⁶⁷⁸ he sent it to Rockefeller for his comments before starting to film. The Dulles trip had opened other areas besides Japan. One was population. Neither JDR3 nor his family were strangers to that field. In 1925, Beardsley Ruml, then director of the Laura Spelman Rockefeller Memorial Fund, had written Raymond Fosdick to suggest that it was a field in which the Rockefellers could profitably involve themselves. Nine years later, in 1934, when the Memorial and the General Education Board were merged into the Rockefeller Foundation, JDR3 wrote his father of his concern that the sex education program of the GEB was not to become part of the Foundation, and suggested that he consider supporting it by private

donations. "I take the liberty of making this suggestion to you," he wrote, "because of my very great personal interest in birth control and related questions... I have come pretty definitely to the conclusion that it is the field in which I will be interested, for the present at least, to concentrate my own giving."⁶⁷⁹

Note:

Yellow highlight | Location: 7,768

JDR3 was instrumental in making the transition. He had come back from his 1951 trip upset by the sight of Asia's teeming masses and convinced that the stability and economic progress of the underdeveloped countries would require attention to the runaway birthrate. He understood that to accomplish this, population research would have to be established as a science with a technology that could be exported. The Rockefeller Foundation seemed like the logical place to launch a program in the population field.⁶⁸⁰ In 1948 its president, Raymond Fosdick, had sent a four-man research team on a fact-finding tour of the Orient. In a cautious set of recommendations, the team called for further study rather than action; yet even their modest proposals for a future program were rejected by the Foundation board.⁶⁸¹ Now JDR3 put his proposal before the Foundation. He was the family representative on the board of trustees, becoming its chairman in 1952 when Dulles joined the Eisenhower administration. As such, he seemed in the key position to control policy. Yet the Foundation had come far since the days when Gates had built it and Junior had run it. Now it enjoyed a great international prestige and had incalculable social and political influence in the United States and abroad. Its leaders would be sought after for high government office: Dean Rusk, who became the foundation president the year after Dulles departed, would go to Washington as Kennedy's Secretary of State; his successor, J. George Harrar, would be offered the post, almost as if it were the Foundation's by hereditary right, when Nixon came to power. Nelson might have been able to bend the high-level trustees (when assembled, they looked like a combined caucus of the national scientific, university, and financial establishments) to his will, but not JDR3. He was a Rockefeller who could not get backing⁶⁸² for a program he enthusiastically supported in an institution bearing his name. Looking back at it now, he shrugs and says, "Well, I pushed the subject as far as I felt I reasonably could, but I was unable to convince them."⁶⁸³ Such a rebuff might have crushed him a few years earlier, but the Dulles mission had increased his confidence in his own ability to get things done. He assigned Donald McLean to pursue the creation of a program of research and development to increase and disseminate knowledge about population. While his chief aide was exploring the subject with Frank Notestein and others, JDR3 had a fortuitous meeting with Lewis Strauss in the only place on the 56th floor of Rockefeller Center where everyone, Rockefellers and non-Rockefellers alike, was equal — the men's room⁶⁸⁴ just off the main corridor. A successful investment banker at Kuhn, Loeb and one of the original members of the Atomic Energy Commission, Strauss had left the Truman administration a year earlier to come to work in Room 5600.

During their brief encounter, he mentioned that he had heard JDR3 was looking for a way to...

Note:

Yellow highlight | Location: 8,005

McDonnell was only one of Laurance's links into the new military age. In 1946 the navy approached him with a problem. A helicopter company, which had been founded by Frank Piasecki,⁷⁰⁴ the son of an immigrant Polish tailor, and had received a contract to build twenty small craft in 1943, was foundering. Could Laurance help? After investigating, Laurance decided the company needed more capital and a firmer business hand. He agreed to head a consortium that included his friends C. Douglas Dillon and A. Felix Du Pont, and that purchased 51 percent of the Piasecki stock for \$500,000. By the time war broke out in Korea, they had put Piasecki on a firm financial footing, and when a company representative went to the battle zone and was able to convince army generals that a helicopter his company had just built for arctic rescue under contract to the air force could easily be converted to use in troop transport, Piasecki became an important factor in the era of "limited war." Investments in other young corporations with strategic potential soon followed. The navy was interested in Reaction Motors,⁷⁰⁵ a New Jersey company involved in classified research on liquid fuel rocketry. Like Piasecki Helicopter, it had fine engineering capabilities, but poor administration. Laurance purchased 21 percent of the company for \$500,000 and sent his aides in to strengthen its managerial core. He also picked up a 20 percent interest in Marquardt Aircraft, which built ramjets; a 27 percent interest in Wallace Aviation, which built jet engine blades; a 30 percent interest in Flight Refueling; 24 percent of Airborne Instruments Laboratory; and 24 percent of Aircraft Radio, which specialized in electronic equipment. To see his investments through what he called their "ten-year risk cycle,"⁷⁰⁶ he assembled a group of employees to watch over his ventures and make them pay off. Names like Harper Woodward (a former secretary to the president of Harvard) and Teddy Walkowitz (a former air force R&D officer with strong scientific contacts) were not household words, even on Wall Street; but observers soon learned that their presence on a board of directors ("An Associate of Laurance S. Rockefeller" was how they indicated their affiliation) more likely than not meant that the company was young, that it had just had an infusion of Rockefeller capital, and that its new managerial team was hustling for government contracts while the directors were looking in a more leisurely way for an attractive merger with a larger company. Laurance's associates were different⁷⁰⁷ from the employees the other Brothers had brought into Room 5600. They did not concern themselves with family policy or even with the personal career of their employer. They were money men, technicians who looked after Laurance's investments (as well as other family holdings) as his eyes and ears, bringing proposals for involvement in what they called "new horizons products" — the new technology ranging from optics to the...

Note:

Yellow highlight | Location: 8,071

Yet in Laurance's project, the crusading aspect was subordinated. Randolph Marston, one of his aides, wrote an executive of the Chase Bank: "This is just to give you an idea of the fields of investment currently of interest to the Rockefeller Brothers Company.

The primary interest is in matters of aeronautical or air transport industries; other items of interest [include] industrial developments in foreign countries close to raw materials sources, particularly where there is an opportunity to produce something of real social benefit.”⁷¹² For Laurance, the company never distinguished itself from his other venture capital projects. One of its biggest projects came after Laurance sent a consultant to the Belgian Congo, the most fabled raw materials source and most notorious colony in Africa, “to make a study of the factors which relate to the establishment of a cotton textile mill...”⁷¹³ When the consultant was finished with his investigation, he reported back that labor was cheap⁷¹⁴ (between 5 and 7 cents an hour) and that cotton could be obtained at half the U.S. price. Laurance then founded Filatures et Tissages Africains together with Belgian entrepreneurs (who controlled 60 percent of the stock) and family friend C. Douglas Dillon. A prefabricated mill was shipped from South Carolina, native labor was hired, and the company began production in 1955. It soon was making profits and having an impact on the consumption patterns of a select few Congolese who were in the money economy. “It was interesting to watch the changes as the women became style conscious,” remarked one Rockefeller associate. “It seemed just like Fifth Avenue.”⁷¹⁵ Other personal investments⁷¹⁶ in the Congo followed: in Cegeac (an automobile distributor) in which Dillon also had a small share, Cobega (a metal can company), Anacongo (a pineapple processor), and Cico (a cement firm). But the investments — unlike the IBEC projects in Latin America — were never “political” in the sense that they would have been if Nelson had been involved; most of the holdings were sold in the first tumultuous days of Congolese independence.

Note:

Yellow highlight | Location: 8,354

The Newsome study concluded that Jackson Hole Preserve, Inc., should change its name and attempt to move into a leadership position to give coherence to the developing conservation movement, because it “brings to the field a specific and positive experience... [and] has a record of known and valued achievement.” More important, it reflected the personality “of the man who in his time has done more than any other individual to help. There is little likelihood that he will have an individual counterpart in the future.” Laurance was not inclined to reject a flattery that so coincided with his desire to play a public role as a “citizen-conservationist.” Out of deference to the historical role Jackson Hole Preserve had played, he did not change its name. Instead, he created a new organization, the American Conservation Association.⁷⁴⁰ By 1958, his curriculum vitae was weighted toward his new career. He was a commissioner of the Palisades Park, a director of the Hudson River Conservation Society, and a trustee of the Conservation Foundation and the New York Zoological Society, as well as a director of Resources for the Future. His baptism into the world of official studies and commissions came this same year, when President Eisenhower selected him for his first important government post, head of the Outdoor Recreation

Resources and Review Commission, which was to determine the nation's recreation needs to the year 2000. With this, the Rockefeller brother who had once humorously referred to his lack of a public voice by calling himself "the Harpo Marx of the family,"⁷⁴¹ was in a position to make a serious bid for fame.

Note:

Yellow highlight | Location: 8,569

As he sat in his vice-chairman's office in the soon to be vacated Chase headquarters at 18 Pine, David could contemplate a grand future for the bank, and the financial community and nation of which it was part. The Chase was an overarching presence in the economic life of the United States — indeed, of the world. Alongside David on the board sat directors of Indiana Standard and Gulf Oil; International Nickel and International Paper; American Sugar and United Fruit; Time, Inc., and AT&T; in fact, of more than one hundred of the largest corporations and financial institutions of the country. Within the family, David's leadership of the Chase made the offices he maintained in Room 5600 and at the bank the hub of the Rockefellers' economic power and influence. The network of the family's interests and those of the Chase were intertwined through trusts on deposit, through the Standard Oil companies it serviced, and, outside the bank, through the offices of Milbank, Tweed (which shared the talents of figures like partner John J. McCloy with the bank). The resources of the Chase,⁷⁶¹ including its army of analysts, were always available to the financial men in the Family Office, and when Laurance sent his associates into the aerospace companies he invested in, they could usually count on a generous line of credit from the big bank to help in their efforts to turn the companies around. It was, in fact, often hard to draw the line between bank business and family business, so persistently did they involve the same community of interest. Sometimes this overlapping became elaborate enough to draw the attention of regulatory agencies, as when the Civil Aeronautics Board ruled against the merger of Eastern and American Airlines.⁷⁶² But such action was rare. Like its great rival, the First National City Bank, the Chase was an international bank, intensely concerned with the direction of government policy and its implications for business abroad. David's internationalism had been ingrained early (Junior's oft-repeated motto of concern for the "well-being of mankind" having been as much a part of his growing up as vacation retreats and governesses), and it was natural that he should be most drawn to this aspect of the bank's activity.

Note:

Yellow highlight | Location: 8,604

Directors and officials of the Chase (and other big New York banks) shuttled regularly between Wall Street and Washington to advise and counsel the government and convey the interest of the financial community in the complex matters of state, particularly its international affairs.⁷⁶⁴ One place where they gathered to discuss

foreign policy and hammer out their consensus was at the Council on Foreign Relations,⁷⁶⁵ whose meetings were held in the old Pratt mansion Junior had bought and donated⁷⁶⁶ to the organization for its headquarters some years earlier. David had been elected to membership in the council in 1947, joining John and Nelson (and such family and business associates as John Lockwood, Debevoise, Raymond Fosdick, Donald McLean, Frederick Osborn, Beardsley Ruml, C. Douglas Dillon, and John J. McCloy). But while his brothers attended only those meetings they could easily fit into their schedule, David characteristically became committed to the organization itself. He would later remark that the council represented his most important activity⁷⁶⁷ outside of the bank itself. He became involved in the council at all levels — as administrator, sponsor, and participant. In 1953 he gave \$23,000⁷⁶⁸ to help support a special council study on tariffs; the following year he participated in a panel on nuclear weapons and foreign policy led by a rising young Harvard professor and former intelligence officer named Henry Kissinger. Once David decided to commit himself to the council, his rise to its leadership was as inevitable as it had been at the Chase. He would not become chairman of the council board until 1972, but that was only because McCloy would hold the position for the preceding two decades. During the interim, David contented himself with a vice-presidency and with the fact that his closest friend and cousin George S. Franklin (“Benjy” to his intimates) was its executive director, heading the council staff, arranging the panels and study groups, and organizing the discussions and lecturers that made up the council activities.

Note:

Yellow highlight | Location: 8,638

When the African continent began to be the focus of increasing U.S. attention following the Suez affair, the council organized a study group under David’s friend Harold K. Hochschild, head of the largest copper-mining interests in southern Africa, to discuss the situation and its options. In September 1958, David and other members of Hochschild’s group⁷⁷⁰ traveled for two weeks in Africa on a \$45,000 grant provided by the Carnegie Corporation to facilitate an on-the-spot study of the situation there. That same year, at the insistence of Nelson⁷⁷¹ (anxious to have a cold war listening post on the Dark Continent), the Rockefeller Brothers Fund opened a branch office in Lagos, Nigeria. It was the only foreign office the Fund would ever have, and its budget of \$250,000 was to finance feasibility studies for investment opportunities in Ghana and Nigeria. Functioning both as a channel of information and as a presence for the rest of Africa, the office was headed by Robert Fleming,⁷⁷² a former U.S. information officer and Mobil Oil executive in Africa.⁷⁷³ In 1959, when the Aga Khan arranged to meet him during a visit to America, David had already achieved a record of dealing with the underdeveloped world in a way that combined bank business with larger geopolitical issues. In his frequent travels, he paid courtesy calls on heads of state in whatever countries he visited. Yet, as the Aga Khan knew, he had a special interest in Africa, where whole territories with great mineral wealth were in the process of freeing

themselves from European colonial rule, thereby creating new opportunities for U.S. investors.

Note:

Yellow highlight | Location: 8,676

About the same time the Aga Khan was writing him, in fact, David was sending a note to his friend Sir Ernest Vesey, a British colonial officer, in which he pledged a personal contribution of \$10,000 toward the construction of the United Kenya Club, a Nairobi meeting place for business executives of all colors. Formerly Finance Minister of Kenya, Vesey had recently accepted a similar post in Tanganyika, in the government of Julius Nyerere. David, who had already made friendly contact with Tom Mboya through a student exchange program administered by Harold Hochschild's African-American Institute,⁷⁷⁷ and had hosted Nyerere at his Pocantico estate, wrote Vesey: "I am very pleased that you have decided [to join the Nyerere government] — all the more so because I was greatly impressed by him on his recent visit to the United States. Perhaps by this time he may have told you that he lunched with us at my house in Tarrytown during his visit... If Africa can develop more men of his caliber, I feel very hopeful of the future."⁷⁷⁸

Note:

Yellow highlight | Location: 8,770

Chairman of the panel on foreign policy was Rockefeller Foundation President Dean Rusk,⁷⁸⁹ shortly to become Secretary of State in the Kennedy administration. Heading the panel on education was Carnegie Corporation President John Gardner, shortly to join Rusk in the Kennedy-Johnson administration as Secretary of Health, Education and Welfare. There was a panel on foreign economic policy for the twentieth century (on which David sat) and one on the domestic economy. But the panel that was to have the greatest impact by far on the whole fabric of American society in the ensuing years was the panel on international security headed by the director of the Special Studies Project, Henry Kissinger.⁷⁹⁰ Panel II (as it was called) was in many ways an elaboration of the Council of Foreign Relations study group on nuclear weapons Kissinger had headed. Six of its members were alumni of the study group, including its chairman, Gordon Dean, a former AEC commissioner who was presently vice-president for nuclear energy of one of the big defense contractors, General Dynamics. They were joined by nuclear physicist Edward Teller, who, with Lewis Strauss and Dean⁷⁹¹ and air force brass, had won the 1950 battle to overrule the AEC majority and forge ahead with the development of the H-bomb in a fight that split the scientific-military establishment for more than a decade. Teller's views on nuclear weapons and the necessity of achieving absolute supremacy in the arms race closely paralleled Nelson's, and the two were to support each other in varying capacities in future political campaigns. The entire Special Studies Project reflected Nelson's apocalyptic vision of the cold war. ("At

issue is nothing less than the future of America and the freedom of the world,"⁷⁹² he announced in the preamble to the final report.) But international security was the object of his keenest interest.⁷⁹³ The Panel II report could be easily interpreted as a point-by-point rejection of the Eisenhower defense policies and, particularly, of the administration's efforts to impose budgetary limits on military spending. "When the security of the United States and of the free world is at stake,"⁷⁹⁴ Panel II declared in one of its most memorable passages, "cost cannot be the basic consideration." In a direct challenge to the President's military prestige, Panel II charged that present defense spending was "insufficient to maintain even our current force levels" and recommended "successive additions on the order of \$3 billion each year for the next several fiscal years." Pressing priorities included missile development and antimissiles, the expansion of conventional mobile units "essential for limited war," and the initiation of a national civil defense program of fallout shelters to prepare the country for all-out nuclear war. Nuclear weapons were a special preoccupation of Panel II, and the only source of internal dissension⁷⁹⁵ came when some members questioned the efficacy of "tactical atomic...

Note:

Yellow highlight | Location: 8,830

One external reason for the far-reaching impact of the Special Studies Project report was undoubtedly its timing. Dissatisfaction with Eisenhower's efforts to hold the line on military spending and with his search for some accommodation with the Russians was growing within the Pentagon and from all sides of what the President in his Farewell Address would describe as the "military-industrial complex." On October 4, 1957, the Russians had startled strategists in the West by launching the first earth satellite and thereby demonstrating a small, but unexpected, lead in one aspect of the arms race. Amid the uproar following the launching of Sputnik, when every Pentagon general seemed to be clamoring for funds to make up another military gap, Nelson rushed⁷⁹⁸ the Panel II report to completion. Galvanized by the national excitement surrounding the launching of the Russian spacecraft, Rockefeller arranged to take a preliminary memorandum of Panel II's findings (especially prepared by Kissinger⁷⁹⁹) to the President. He called on General Lucius Clay (a panel member and Eisenhower's old comrade-in-arms) to run interference for him at the White House. He also called on his former colleague and fellow Dartmouth Trustee Sherman Adams in a vain effort to get the panel's recommendations on defense reorganization inserted into the 1958 State of the Union message.

Note:

Yellow highlight | Location: 9,190

Meeting Rockefeller, the Soviet Premier proposed a toast to "peaceful coexistence," but Nelson refused to join him, stipulating that he would drink only to "cooperation" and

allowing himself to be photographed with Khrushchev only with reluctance. Later he explained to journalist Chalmers Roberts that he did this because he was convinced that the Russian's entourage included psychologists sizing up possible future Presidents, and he hadn't wanted to appear weak in front of them.

Note:

Yellow highlight | Location: 9,277

His series of carefully calculated moves began with Barry Goldwater, who was then the leader of the conservative wing of the party. Nelson invited the Arizona senator to intimate lunches at the Foxhall Road mansion in Washington he still maintained from OIAA days, to explain his political philosophy and views. By the beginning of 1962 (according to Washington reporter Robert Evans) Goldwater was telling his conservative friends, "Rocky's really not such a bad fellow. He's more conservative than you would imagine. You ought to talk to him someday."⁸⁴² Less than a year later he was ready to fade out of the presidential picture because of his newfound faith in the New York governor. Publicly Nelson paid his dues to the Republican right wing in a fierce attack on Kennedy when the President proposed the creation of a new Urban Affairs Department, which as a big-state "liberal" he was expected to support. Nelson denounced it in a speech in Des Moines as a threat to the Constitution and condemned the proposed appointment of Robert Weaver to head the department (who would thereby become the first black cabinet member in U.S. history) as "political fakery."⁸⁴³ By 1963 he was sniping at Kennedy's foreign policy for its "soft" attitude toward the Communists and for making "concessions" to the Russians on atomic testing, which, he said, "endangered national security." Half-heartedly endorsing the proposed Test Ban Treaty, he was quick to indicate reservations: "The administration should take every step to preserve the ability of our military establishment to deter and defeat Communist aggression against free peoples everywhere. Specifically there should be a national commitment that... we must at all times be prepared, able and willing to use nuclear weapons to repel aggression, alone or with our allies." Then, in a move that pleased his new allies on the right and disturbed the liberal press, he lashed out against what he called Kennedy's "failure" on Cuba: "It is very hard for me to understand why we are supporting in Vietnam freedom fighters and why we are holding them back and preventing them from operating on Cuba... I hope it is not to placate or appease the Soviets."⁸⁴⁴

Note:

Yellow highlight | Location: 9,392

Although failing to achieve the million-vote margin he had expected, or even to equal the margin by which he had won in 1958, Nelson was reelected by more than 500,000 votes. Coupled with Nixon's loss in California's gubernatorial race and his vituperative withdrawal from politics, Nelson's triumph in the midst of personal problems that

might have sunk another politician gave him an aura of invincibility. Walter Lippmann⁸⁵⁵ looked ahead to 1964 and wrote that he was “in the position of a man so certain to be nominated that he could not prevent it if he wanted to.” Yet even before the assassination of Kennedy altered America’s political course forever, Nelson made what hindsight would prove to be the most disastrous decision in his life: to marry the woman he had loved secretly for more than five years. The last step on the path that began with his separation from Tod, this decision might have had the portentous quality of a trope from classical tragedy if Nelson had possessed the self-recognition necessary for heroic stature. Even though he didn’t, the act would come in time to seem as though it contained an element of fate. The family took the news as a severe blow. Winthrop flew up from Arkansas to argue against it. David was devastated. His daughter Abby recalls: “The remarriage was the most distressing thing to him that ever happened in the world. Nelson was supposed to be the pivot around which the family would build its identity. That was why they all saw it as such a disaster.”⁸⁵⁶

Note:

Yellow highlight | Location: 9,960

At first, Nelson had considered awarding the citations for “public service and the maintenance of democratic ideals” to men and women throughout all of Asia. But then he had decided that it would be better to limit the effort to the Philippines, where it appeared that Magsaysay’s death might lead to renewed political instability. After writing Allen Dulles and Deputy Undersecretary of State Robert Murphy to get clearance, Nelson decided on a course of leaving the mechanics in the hands of his older brother, or, as he chose to formulate it, “letting Johnny run with the ball.” Johnny’s growing reputation as a philanthropist in Asia was perfectly suited to the job, and Nelson put him in touch with Colonel Edward G. Landsdale for background.⁹⁰⁵ On April 12, 1957, Landsdale sent JDR³ his reactions in respect to the Magsaysay Foundation: “Any organized means to further strengthen freedom, this cherished ideal of man, would be truly reflecting the real heritage of Magsaysay in Asia.”⁹⁰⁶ JDR³ traveled to Manila, came back, and dispatched two aides to do the groundwork in setting up the foundation. Then he returned to the Philippines once again to make the first presentation of the awards. It seemed odd that a man who saw himself as an international philanthropist should become a partner of the real-life prototype for *The Ugly American*. Yet it was a natural alliance, given the fact that the mission of American power in Asia and what Junior might have called “the well-being of mankind” had been welded into a single purpose during the postwar expansion, and all the authority figures in JDR³’s life — the Dulles brothers and his own brother Nelson — pushed him in that direction. If

Note:

Yellow highlight | Location: 9,985

the special study group on Southeast Asia that the Council on Foreign Relations formed in 1954 in the wake of the French disaster at Dien Bien Phu, but though the question of American involvement in Vietnam soon became a burning issue for it and for policy makers generally, JDR3 attended few of the group's meetings over the years, even after the initial intervention had escalated into a major commitment of U.S. forces. On the other hand, when Ngo Dinh Diem made his first trip to the United States as President of South Vietnam in 1957, JDR3 gave a luncheon in his honor which was attended by men like John J. McCloy (then chairman of the Chase Bank), and he later joined with his brother David to host a reception for Diem at Pocantico at which members of the Asia Society mingled with assorted bankers and businessmen.⁹⁰⁸

Note:

Yellow highlight | Location: 10,016

the war in Vietnam became increasingly unpopular, especially on the nation's campuses, SEADAG inevitably became a target of protest. Its Council of Vietnamese Studies was headed by Samuel P. Huntington,⁹¹³ a Harvard colleague of Henry Kissinger who developed a theory rationalizing the terror bombing of the South Vietnamese countryside as "forced urbanization." In 1969 a SEADAG meeting chaired by Huntington in Boston's Sheraton Hotel was broken up by a demonstration of Concerned Asian Scholars.⁹¹⁴ Inside the Asia Society itself, the demonstration fanned the fires of a smoldering rebellion on the part of cultural experts and scholars connected with its activities, and spurred perhaps by the irony of their complicity in a war that was destroying the art and culture of Indochina along with everything else. The rebellion focused on Kenneth Young, and was deep enough to force his replacement and to pressure SEADAG into moving its headquarters out of Asia House. Through all the controversy and furor that rocked an organization which he had created and to which his identity was intimately bound, JDR3, who had inherited his father's ability to touch pitch and not be defiled, remained steadfastly aloof. Joe Fischer, an Indonesian expert who had once convinced JDR3 to help restore the Burmese Temple of Pagan, later complained: "Rockefeller's style does not include staying on top of things. The irony was that the Asia Society didn't need AID money, didn't need SEADAG. In fact, SEADAG had absolutely nothing to do with the society's work. What always bothered me was that when things got serious as a result of his having brought Young in and making him president of the society and the crisis came, Rockefeller was nowhere to be found."⁹¹⁵

Note:

Yellow highlight | Location: 10,052

The Lincoln Center project had first been broached in 1957 at a Council on Foreign Relations meeting in the Pocono Mountains, when Charles Spofford⁹¹⁸ (Wall Street lawyer and board member of the Metropolitan Opera Company) took JDR3 aside and

described what he called “three coincidences.” One was the Met’s plan to build a new home to replace the 39th Street opera house; another was the fact that the Philharmonic was being evicted from Carnegie Hall; third was the fact that Robert Moses had recently undertaken a project to clear a few blocks of urban “blight” at Lincoln Square. (Another, not mentioned by Spofford, was the fact that it represented a chance to finish old family business, begun with the early plans for Rockefeller Center, which had been linked to the opera house and never realized.) It was, JDR3 later said, “a fascinating set of circumstances,” and when Spofford asked him if he would be interested in heading an exploratory committee made up of like-minded figures (Devereux Josephs, an eminent figure in the Council on Foreign Relations and in Wall Street circles, and C. D. Jackson, whom Nelson had earlier replaced in the Eisenhower administration, were among the names Spofford mentioned) to look into the prospects, JDR3 said he would.

Note:

Yellow highlight | Location: 10,144

After the 1964 elections, JDR3 tried to get an appointment to discuss the population issue with President Johnson. When LBJ declined, JDR3 lunched with Secretary of State Dean Rusk⁹³¹ and asked him to urge the establishment of a presidential commission to study the question. Replying that this was premature, Rusk did promise to try to get some mention of population in the forthcoming State of the Union address. As it came out of the typewriter of speech writer Richard Goodwin, it was not more than a mention — one brief sentence, alloyed by emphasis on resources: “I will seek new ways to use our knowledge to help deal with the explosion in world population and the growing scarcity in world resources.” But it was a beginning, the first time an American President had included population in the official agenda of problems with which the country had to deal. Toward the very end of his administration, partly as result of his friendship with Laurance Rockefeller, LBJ finally agreed to appoint an Advisory Committee on Population and Family Planning. JDR3 was made cochairman along with former Secretary of Labor Wilbur Cohen. After meeting for several months, the committee made its recommendations, and most prominent among them was the suggestion that the President appoint a special commission on population. Johnson did not have an opportunity to act on this matter before leaving office, but after Nixon’s inauguration,⁹³² JDR3 brought the subject up again. After a period of uncertainty and an unexpected assist from presidential adviser Daniel P. Moynihan, the President set up the Commission on Population, Growth and the American Future in the spring of 1970, with JDR3 as its chairman.

Note:

Yellow highlight | Location: 10,360

Laurance was quick to recognize that the Outdoor Recreation Resources and Review Commission, to which President Eisenhower appointed him in 1958, could be the bridge leading him from his entrepreneurial past to his conservationist future, and poured more of himself into it than he had previously into any other activity. He spent time in Washington getting to know the congressional leaders and private conservationists serving with him on the commission, the Interior Department sachems, and key businessmen. He smoothed the interfacing between the commission's work and his own private efforts, augmenting the commission staff with aides from his two conservation organizations, Jackson Hole Preserve, Inc., and the American Conservation Association. In 1962, after three years of hard work, he delivered a thick report and twenty-nine supplementary studies to President Kennedy.

Note:

Yellow highlight | Location: 10,418

During the months that followed the ORRRC report and his appointment to the President's Advisory Council on Recreation, Laurance made similar speeches to other groups of business executives. In a movement characterized by what many industrial leaders feared was anticorporate hysteria, he seemed almost too good to be true: a Rockefeller and yet a legitimate spokesman for the "public interest" in matters of conservation. One of those impressed with his performance was the new President, Lyndon Johnson, who had announced his own intention to take conservation seriously in the Great Society speech he made in the spring of 1964. When, the following fall, the President appointed a series of task forces to chart the course of his administration, one of them was on natural beauty, and he named Laurance a member. While this task force was meeting, Lady Bird Johnson became interested in beautification and indicated it would be her own special area of concern as First Lady.⁹⁵⁵ She sought out Laurence's advice. He enthusiastically supported Mrs. Johnson's ideas and helped launch the campaign, traveling with her in her "beautification bus" and later inviting her to become a trustee of Jackson Hole Preserve, Inc. Soon Mrs. Johnson was introduced to the Rockefeller family and allowed to enter the charmed circle within which they conducted their private lives. She became an intimate, witnessing the minutiae of their daily life, which came out vividly in the diary she kept during her White House years. She remembered staying with Laurence's family at the Mansion, his home in Woodstock, Vermont. Coming down early one morning, she found the pious and withdrawn Mary French Rockefeller alone in the prayer room, head bowed and Bible on her lap. She was flattered when Laurance invited her and daughter Lynda Bird to be his guests at his JY Ranch in the Grand Tetons. (After accepting the invitation, Lady Bird noted with maternal cunning that "it would be very pleasant for [Lynda] to meet some young Rockefellers." Yet, while Jay and Laurance, Jr., most eligible of the young men of the fourth Rockefeller generation, were all there during the visit, no romantic attachment came of it.)

Note:

Yellow highlight | Location: 10,448

Lady Bird became one of Laurance's greatest boosters, speaking glowingly of his contributions to beautification and calling him "that number-one conservationist"⁹⁵⁷ and "America's leading citizen-conservationist." Early in 1965, after the Task Force on Natural Beauty had delivered its report, which was largely a rehash of ORRRC's recommendations, and while Laurance was working with Lady Bird on her campaign, LBJ sent Congress a strong message making it clear that conservation would have a high priority in his administration and announcing a White House Conference on Natural Beauty, to be headed by Laurance. One of the conference's results was the creation of a Citizens' Advisory Committee on Recreation and Natural Beauty, with Laurance serving as chairman and charged with advising the White House on environmental matters. His ascent into the upper reaches of public policy as the President's privy counselor on the environment was remarkably rapid, even for a

Rockefeller. He had penetrated officialdom deeply enough to be mentioned as a possible future Secretary of the Interior. But even as he was reaching this pinnacle, his name had ceased to inspire confidence among rank-and-file conservationists, who had turned out to be far more stubborn and independent than was ever contemplated. The grass-roots movement that emerged during the social turmoil of the sixties had a systemic view of the crisis (and a new concept — “ecology” — to describe it), which was not quite what Laurance, “Fair” Osborn, and the others had in mind when they helped christen and launch the bandwagon for environmental quality. Yet when they realized that the movement that had once been made up of weekend hikers and bird watchers was out of their control, it was too late to do anything about it. The genie was out of the bottle.

Note:

Yellow highlight | Location: 10,702

“Laurance had close ties with the people at Weyerhaeuser [Timber Company] and prided himself on the fact that he could talk to them as one businessman to another. He prided himself on being able to go up on the Hill and reason with conservatives like Congressman Aspinall. He prided himself on his ability to get everybody to agree. Having this kind of power was very important to him, more important than aiming for what was right. It was all done with great delicacy, of course. Laurance doesn’t like controversy. Now that I think of it, I don’t believe that he’s ever gotten blood on him in any of these fights. It’s almost instinctive with him: never to get bloodied.” By the late sixties, conservationists were beginning to wonder if Laurance might not be one of those friends who make enemies superfluous. He had sponsored growth at the expense of the environment; he had been part of deals undercutting the bargaining power of groups working in the public interest. Moreover, even as he was giving money to create parks — and this seemed the biggest contradiction of all — he was carving luxury resorts out of the wilderness. In his mind there was no inconsistency. Conservation was just one side of the equation; the other was jobs, growth, development, and profit. He saw his task as balancing the scales. He had gotten involved in the ORRRC study not only because of his conservation background, but also because he was interested in the leisure revolution and the new possibilities that it implied. If increased leisure promised to put new pressures on the nation’s recreation lands, it also meant new investment opportunities in the tourist and hotel business.

Note:

Yellow highlight | Location: 10,852

Yet, the memo was already behind the times. Though it might be difficult to see with the naked eye, Laurance’s stock as a conservationist, which had risen precipitously in the go-go years of the Johnson administration, had begun a slow decline. After Earth Day, 1970, brought ecology to the foreground of the public conscience and stimulated

the growth of environmental action groups all across the country, Laurance's dilemma became clear. He may have privately abhorred the oil spills that blackened the beaches of Santa Barbara and San Francisco, but he could not publicly align himself with people picketing the oil companies and making antibusiness statements. He found himself involved in negotiations for a Golden Gateway National Recreation Area to preserve San Francisco Bay at the same time that his brother David was involved in Westbay Associates, a joint venture with Lazard Frères and the Crocker Land Company that proposed to fill in 4,800 acres of the bay to provide a foundation for a \$3 billion real estate project. (When, after holding hearings, the San Francisco Bay Conservation and Development Commission sidetracked the Westbay project, Warren Lindquist, David's chief aide, charged that a good plan had been sabotaged by "articulate and rabid conservationists."¹⁰⁰²) While environmental organizations like Friends of the Earth¹⁰⁰³ (which he purported to admire) were fighting to make the public aware of the potential disasters inherent in plans for the commercial use of nuclear power, Laurance continued to put venture capital into nuclear technology,¹⁰⁰⁴ and, along with Nelson and David, fully backed the efforts of Con Ed and other utility companies in their deployment of nuclear reactors.

Note:

Yellow highlight | Location: 10,937

It was early February 1974, and David Rockefeller was off on another of his globe-trotting journeys. This time it was to the Middle East, where the highlight of his trip would be a visit to Cairo to confer with Egyptian President Anwar Sadat and the completion of negotiations for the opening of a new office of the Chase, making it the first U.S. bank in Egypt since the 1956 invasion of Suez. The trip would include conferences with oil company personnel about the dramatic rise in prices initiated by the producing countries in the aftermath of the October War with Israel, and about its effect on the international economy. Midway through his visit, David got a telephone call¹⁰¹² from the White House chief of staff, General Alexander Haig. The President had just received the resignation of Treasury Secretary George Shultz, effective as soon as a replacement could be found. Haig's voice quavered over the connection; could David fly back immediately to talk about taking the job? Speaking in the precise manner that made his ordinary conversation sound as if he were dictating a business letter, David replied that he would come to Washington as soon as he could, but thought that it would be in the best interests of the country if he remained a few more days in the Middle East and finished his work there.

Note:

Yellow highlight | Location: 10,999

David realized that while he had been making his way up the executive ladder of the Chase, a crucial drama was taking place in the postwar American economy. It was the

growing dominance¹⁰¹⁵ of financial over industrial institutions, and of large institutional investors over shareholding individuals as the legal owners of the country's leading corporations. These trends intersected in the emergence of banks as the epicenter of the economy. Controlling huge trusts and even larger pension funds, they had become the great powers of the economic order. Among the powerful, the Chase Manhattan ranked very near the top. At the time David was deciding to turn down Nixon's offer of the Treasury post, he chaired a board of directors interlocked with the boards of Allied Chemical, Exxon, Standard of Indiana, Shell Oil, AT&T, Honeywell, General Foods, and dozens of other corporate giants. The Chase was a leading stockholder in CBS, Jersey Standard, Atlantic Richfield, United Airlines, and a galaxy of other corporations — from AT&T and IBM to Motorola and Safeway. The power this stockholding position conferred was immense.¹⁰¹⁶ The fruits of this brave new world of banking were still before him in 1960, when at the age of forty-five David Rockefeller was appointed president of the Chase¹⁰¹⁷ and given a one-half share of the chief executive officer's job. The other half went to the man who had succeeded John J. McCloy as chairman of the board, George Champion. Tall, graying, distinguished, Champion had gained a solid reputation over the years as a commercial banker. He was more than ten years Rockefeller's senior, and in many ways his intellectual opposite. Yet the two men agreed on the basic issues confronting the bank. Almost immediately their new regime surprised the business world by acts that were out of keeping with the Chase's patrician image: giving away bayberry candles to lure new accounts, flooding the media with a multimillion-dollar ad campaign centered around the slogan, "You have a friend at Chase Manhattan." Their amiable relationship was based on the understanding that there were things about which they must simply agree to disagree, notably Champion's religious fundamentalism and David's penchant for modern art. When Billy Graham came to New York, David's contribution¹⁰¹⁸ to his campaign was generous enough not to seem perfunctory; when Rockefeller and his art acquisition¹⁰¹⁹ committee (which included Alfred Barr of the Museum of Modern Art, Robert Hale of the Met, and other family advisers on aesthetics) began filling the bank with abstract expressionism, the traditional-minded Champion insisted only that the avant-garde sculpture constructed of auto fenders and other materials he considered unseemly be kept out of view of his office. (Aside from Champion's cavil, which was aesthetic, there were stockholder concerns that were financial. When the question was raised at one of the annual meetings whether the money might not better be...

Note:

Yellow highlight | Location: 11,145

Like his friend C. Douglas Dillon (whom Kennedy had appointed Treasury Secretary after David made it clear he wasn't interested), David urged the President to keep the federal budget in check and even reduce government spending in nonmilitary areas. (Both David and Dillon were prepared to accept the New Frontier's massive increase in military spending in connection with Vietnam, however.) It was, in fact, with "concern

and dismay”¹⁰²⁶ — the strongest expressions David allowed himself — that he viewed the increase in government spending relative to private investment in the previous five years. “Of course, I recognize,” he said, “that we cannot reduce government expenditures and reduce the tax burden in one easy stroke. But the very difficulty of the task requires that we undertake it at once.” By this time, however, the chief exponent of the spending policies that in David’s view would weaken the dollar was safely appointed to an ambassadorship in India. “I am not sure,” John Kenneth Galbraith said of the tax cut Kennedy subsequently enacted, “what the advantage is in having a few more dollars to spend if the air is too dirty to breathe, the water too polluted to drink, the commuters are losing out on the struggle to get in and out of the cities, the streets are filthy, and the schools so bad that the young, perhaps wisely, stay away, and hoodlums roll citizens for some of the dollars they saved in taxes.”¹⁰²⁷ He had no hesitation in assigning motives for those, like David, who favored lightening the tax burden of the wealthy while opposing a government-funded effort to redress the social balance: “That is because public services, though extremely important for people of moderate incomes, are not nearly so essential for the rich. And the rich pay more [in taxes]. The rich and articulate accordingly oppose public spending. That this policy encounters resistance means only that it is painful to the selfish.” David Rockefeller would have been pained to be thought of as a selfish man. It was not part of his sense of himself and his function; nor was it the way others in his circle thought of him. His friend André Meyer, head of Lazard Frères and Company and a colleague on the Chase board, had been quoted in the *New Yorker* saying how different David was in precisely that respect. “There’s nothing on earth I wouldn’t do for David. It’s not because he’s a Rockefeller but because he’s the kind of human being you want to do something for. I’ve never seen him mean. I’ve always seen him acting with poise and class, and greatness. In this financial jungle, you have all kinds of animals. He’s the best.”¹⁰²⁸ Walter Heller, who was liberal chairman of Kennedy’s Council of Economic Advisers, adds: “He’s just a helluva nice guy, easy to deal with, easy to communicate with.”¹⁰²⁹ Yet the measures David helped convince Kennedy to adopt (a 1962 investment credit and accelerated depreciation allowance, along with a tax cut¹⁰³⁰ two years later) represented a massive...

Note:

Yellow highlight | Location: 11,207

Rockefeller himself was a director of the Punta Alegre Sugar Corporation, second-largest of the U.S.-owned companies that produced Cuba’s most important export. A. A. Berle, Jr., the family’s adviser (shortly to be appointed by Kennedy to head a task force developing policy guidelines on Latin America), was chairman of the board of SuCrest Corporation, the largest sugar refiner on the East Coast and a Chase customer. When the National Security Council made its decision to invade Cuba, five of those present were David’s close friends or associates (Secretary of State Rusk, Secretary of

the Treasury Dillon, CIA chief Allen Dulles, Presidential Assistant McGeorge Bundy, and Berle).

Note:

Yellow highlight | Location: 11,213

Even before the Kennedy administration had launched its ill-fated invasion, a long-range program had begun to contain the Cuban heresy by making an "Alliance for Progress" with the other Latin countries. Announced by the President in March 1961, the idea for the Alliance had been generated¹⁰³¹ by Berle's White House task force and formalized at the elegant beach resort of Punta del Este¹⁰³² on August 17, 1961. There Douglas Dillon had pledged \$10 billion in U.S. aid to Latin countries promising to undertake social reforms that would make possible a 2.5 percent annual growth rate over the next decade. Despite the presence of Dillon, the U.S. business community was uneasy about social reformers of the Kennedy administration like Deputy Assistant Secretary of State Richard Goodwin, who saw economic development and social change as twin commitments. Moreover, they felt the New Frontier had not shown the proper eagerness to bring business into the initial planning of the Alliance. It was not, for example, until about three days before the Punta del Este Conference that a White House aide called David's cousin Richard Aldrich¹⁰³³ (a director of IBEC) to organize a business delegation to the meeting, and then they were invited only as observers.

Note:

Yellow highlight | Location: 11,264

By 1965 the Alliance in its original concept was a dead letter. Especially after the appointment of Thomas Mann¹⁰³⁸ as Assistant Secretary of State for Inter-American Affairs, official policy stressed the primacy of protecting U.S. private investments and disclaimed any responsibility for promoting democratic government in the hemisphere. Two weeks after Mann announced these policies, a military coup toppled the democratically elected reform government of Brazil in what Secretary of State Rusk hailed as a "move to ensure the continuity of Constitutional government."¹⁰³⁹ If the new military regimes that began appearing on the already bleak political landscape of Latin America dealt harshly with their opposition, they also brought a certain stability. It was for this reason that David welcomed the new conservatism of Washington's alliance with the Latin republics. Writing in *Foreign Affairs*, the house organ of the Council on Foreign Relations, in 1966, David observed that the revised and scaled-down version of the Alliance for Progress was better than "the overly ambitious concepts of revolutionary change of the program's early years, because it created a climate more attractive to U.S. business."¹⁰⁴⁰ David himself had never ceased to work on behalf of that climate. A year earlier, he had been to Peru to talk with officials about the Peruvian government's dispute over back taxes and royalties with the International Petroleum Company, a subsidiary of Standard Oil. A week after this visit, Bobby Kennedy, then a

U.S. senator, arrived in Lima. With him was former Alliance Administrator Richard Goodwin. At an intimate gathering of Peruvian intellectuals, Kennedy was asked about the conflict with the oil company. "This is your country," he answered, "and how you handle the dispute is your business."¹⁰⁴¹ One

Note:

Yellow highlight | Location: 11,495

Although he did not take the pleasure in erecting buildings that Nelson and Laurance did, never lingering over the aesthetics of plans or landscaping, his personal real estate holdings were greater than those of either of his brothers.¹⁰⁶⁷ In addition to residences in Manhattan and Pocantico, he had vacation homes at Seal Harbor and on the island of Saint Barthélemy in the Caribbean; he had a 15,000-acre sheep ranch in Australia, part interest in a French vineyard, and several thousand acres for future development on Saint Croix in the Virgin Islands and in the Brazilian interior. Real estate, in fact, was the focus of his private investments. Forming a syndicate with André Meyer's Lazard Frères and Company and George Garrett, a Washington businessman, in 1965 he had acquired a one-third interest in the \$100 million L'Enfant Plaza development in Washington, D.C.¹⁰⁶⁸ It was a venture in which all that was required of David was his participation, including a third of the capital and his ability to commit the Chase to a line of credit. William Zeckendorf's firm of Webb and Knapp had already invested a dozen years in planning and negotiation to bring the project to the threshold of completion, and had then gone bankrupt on the edge of success. (At the 1969 ground breaking ceremonies, a Washington Star reporter asked Zeckendorf how it felt to watch others take the honors and the profits of a project he had worked so hard developing. The old tycoon glanced over at David's associates and shrugged. "Well, I'm the guy who got the girl pregnant. Those fellows you see around here are merely the obstetricians."¹⁰⁶⁹)

Note:

Yellow highlight | Location: 12,451

President Nixon¹¹⁶⁸ did not cold-shoulder The Rockefeller Report on the Americas the way he would JDR3's population report. He simply did not act on it. He did not reorganize the Latin American bureaucracy in the State Department, or embark on any grand hemispheric security schemes as Nelson had recommended. He just followed the drift of U.S. support for the hemispheric status quo and concentrated his presidential energies on the war in Southeast Asia. Since the 1964 primary campaign, Nelson had seemed to develop a persecution complex and a tendency to see himself as the symbol of an embattled establishment. In a fundamental way, this had always been his operating assumption; but now he began increasingly to confuse the political corner in which he found himself with the dilemma of established social order. He was order;¹¹⁶⁹ those opposing him were representatives of anarchy. (This binary code of

morality would lie at the heart of the Attica tragedy later on.) His strength had never come from reflection but from the raw energy with which he assaulted his environment, and, no sooner had he completed one thing — a program, a building, or a tour — than he immediately began looking toward the next. Even before delivering his report on the Americas, he was already pointing toward what he knew would be a hard reelection campaign against Arthur Goldberg. Nelson's name and wealth provided him with a nimbus of gentility that never dimmed. Yet the fact was that he had long since developed beyond that neophyte "citizen politician" who took office in 1959. By 1970 he was an extraordinarily savvy operator, wielding the powers of the governorship with a flair and cunning no predecessor since Al Smith had managed. (Kissinger had once observed, Nelson may have had a "second rate mind" but he made up for it with a "first rate intuition about people."¹¹⁷⁰) Over the years he had mastered the resources in and out of Albany and had developed the most crushing political style in the nation. He had taken over the machinery of state government and made it his machinery, forcing his personality into every crevice of state government and using to advantage the nearly forty thousand jobs said to be affected by his patronage. The fact that he did not have to beg for contributions made him even more powerful.¹¹⁷¹

Note:

Yellow highlight | Location: 13,210

Even had they been more anxious to retain their Standard shares than they in fact were, their economic hold on the Standard companies would have eroded as a result of the large underlying trend in the control of the American economy, which passed from individual to institutional investors in the postwar years. (The Rockefeller trust funds were themselves no exception, being voted not by the family but by the Chase.) In 1974 the top three shareholders in Mobil Oil — the second-largest of the Standard companies — were three New York banks (Bankers Trust, 6.1 percent; Chase Manhattan, 5.2 percent; and Morgan Guaranty, 2.9 percent). New York's "Big Seven" banks¹²⁴³ controlled a total of 17 percent of the shares of Mobil, or more than the Rockefeller family and its foundations held in 1937.

Note:

Yellow highlight | Location: 13,575

In his testimony, Dilworth also sought to pare down the number of interlocking directorates generated by the economic power of the family. He picked Nelson's aide George Hinman¹²⁷³ as an illustrative case, since Hinman's directorship of IBM accounted for several billion of the \$70 billion aggregate of corporations listed by Domhoff and Schwartz. It was true that Hinman had worked for Nelson for years and was still a consultant to the Office and even designated to inform the Office of the situation of the company. Yet, as Dilworth explained, Hinman was a director of IBM not

because of his Rockefeller relationship, but because his father-in-law was Thomas Watson, the founder of IBM.

Note:

Yellow highlight | Location: 13,587

the son-in-law of the founder of IBM and one of its biggest stockholders considered working as a Rockefeller aide a worthy career, what did that suggest about the reach of Rockefeller power? This power was certainly based on the primary place the family had long occupied in international banking and oil. But clearly it did not end there.

Note:

Yellow highlight | Location: 14,600

seemed natural that the female Cousins should take the lead, running interference for their more cautious and in some ways more burdened brothers. They were more numerous and had grown up knowing they would someday lose the name by marriage. If they felt less pressure, they also were less firmly anchored. They sensed that little was expected of them, which increased their unexplored outrage. Many of them were attracted by the political consciousness ushered in by the New Frontier, and even to its more radical fringes. The idea they picked up from activist students — that what their fathers had taught them was a social harmony was actually a violent union of the powerful and the powerless — appealed to realities they had perceived from their own status in the family and smoothly meshed with their own inner turmoil. Their dilemma also expressed itself in polarities: liking the privilege and possessions that Rockefeller money bought, yet feeling somehow tainted by them; respecting the family's "good" accomplishments in philanthropy, yet fearing that this was only one side of a coin whose obverse was not altruistic. One Harvard SDS friend recalls how David's daughter Peggy, an early supporter of the Cambridge antiwar movement, came to his room, tears streaming down her face. It was 1966, at the time of the Vietnam teach-ins. He asked her what was wrong. "My father just asked me to go abroad with him to attend an opening of a branch of the bank," she replied. "What's so bad about that? You've done it before," he comforted her. Peggy answered, "The branch is in Saigon."¹³⁰⁵ Peggy's older sister Abby was the only Cousin whose life would ultimately be profoundly changed through her involvement in the new politics. For many of the others, however, such involvement would be an important step in their struggle to locate themselves in the context of the family and to win freedom from its oppressive expectations. Like Abby and Peggy, Laura became an early sponsor of SDS during its participatory democracy stages (and remains a funder of the Cambridge Institute, which specializes in designing decentralized alternatives to capitalist forms of business and social organization); nearly a decade later, Alida, one of the last of the fourth generation to reach college age, stood sympathetically on the periphery of the Third World movement that swept over the Stanford campus. In between, Rockefeller

women poured hundreds of thousands of dollars into movement causes ranging from Ramparts magazine and the film Milhouse to the Venceremos Brigade and Vietnam Veterans Against the War.

Note:

Yellow highlight | Location: 16,328

Abby Rockefeller could be relied on for a few thousand. Her money found its way into everything from SNCC to the anti-Nixon satire Milhouse. Although she avoided open confrontations with her family and its institutions, which might be exploited by the press, there were inevitably times when her radical philanthropy would obliquely touch the Rockefeller edifice. Some years later, for example, when James Forman read his Black Manifesto from the pulpit of Riverside Church and demanded \$400 million in reparations for 400 years of servitude, few in attendance realized that the chief financial support for Forman's organization came from one of the granddaughters of the man who had built this pillar of the Christian establishment. Although Abby sometimes adjusted

Note:
