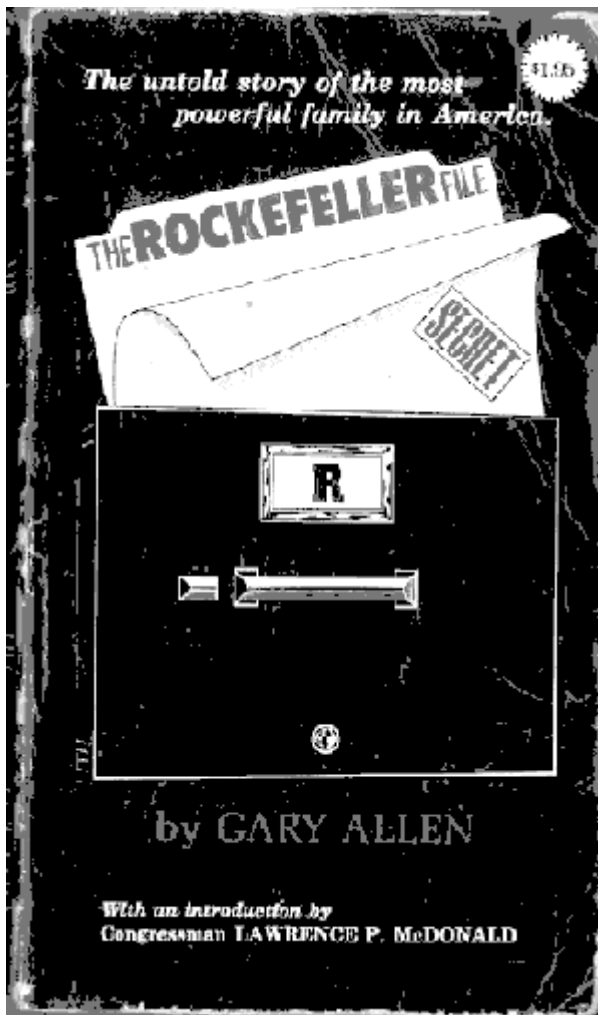


# The Rockefeller File

by Gary Allen



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Congress of the United States  
House of Representatives  
Washington D.C. 20515

# Introduction

Dear Reader:

The super rich in America enjoy power and prerogatives un-imaginable to most of us. Who can conceive of owning a private empire that includes 100 homes, 2,500 servants, untold thousands of luxuries, and untold millions of dollars? America has a royal family of finance that has known such riches for generations. It is, of course, the Rockefellers.

But if the Rockefellers were content with their wealth, if their riches had satisfied their desires, this book would not have been written. And I would not be urging you to read it. Money alone is not enough to quench the thirst and lusts of the super-rich. Instead, many of them use their vast wealth, and the influence such riches give them, to achieve even more power. Power of a magnitude never dreamed of

by the tyrants and despots of earlier ages. Power on a world wide scale. Power over people, not just products.

The Rockefeller File is not fiction. It is a compact, powerful and frightening presentation of what may be the most important story of our lifetime, the drive of the Rockefellers and their allies to create a one-world government, combining super-capitalism and Communism under the same tent, all under their control.

For more than one hundred years, since the days when John D. Rockefeller Sr. used every devious strategy he could devise to create a gigantic oil monopoly, enough books have been written about the Rockefellers to fill a library. I have read many of them. And to my knowledge, not one has dared reveal the most vital part of the Rockefeller story: that the Rockefellers and their allies have, for at least fifty years, been carefully following a plan to use their economic power to gain political control of first America, and then the rest of the world.

Do I mean conspiracy? Yes, I do.

I am convinced there is such a plot, international in scope, generations old in planning, and incredibly evil in intent. You will find the truth-often surprising, sometimes unpleasant, always vital-in the pages that follow. Gary Allen has done a masterful job of combining the hundreds of scattered facts and hidden clues of the Rockefeller puzzle until one unmistakable pattern emerges.

The picture that is revealed when *The Rockefeller File* is finally opened may shock you. In this book, you will learn why the Rockefellers follow the policies they do, what their goals are, where they intend to take America ... and why it is essential they be stopped.

I urge you to read The Rockefeller File and to encourage your friends to do the same.

November 1975  
LAWRENCE P. Mc DONALD  
Member of Congress

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*Dedication:* to : Floyd Paxton - Freedom never had a truer champion - I never had a better friend.

# The Rockefeller File

## *by Gary Allen*

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# Chapter One

## The Multi-Billion Dollar Myth

*“If you're thinking of colossal economic power, it doesn't exist. We have investments, but not control.”*

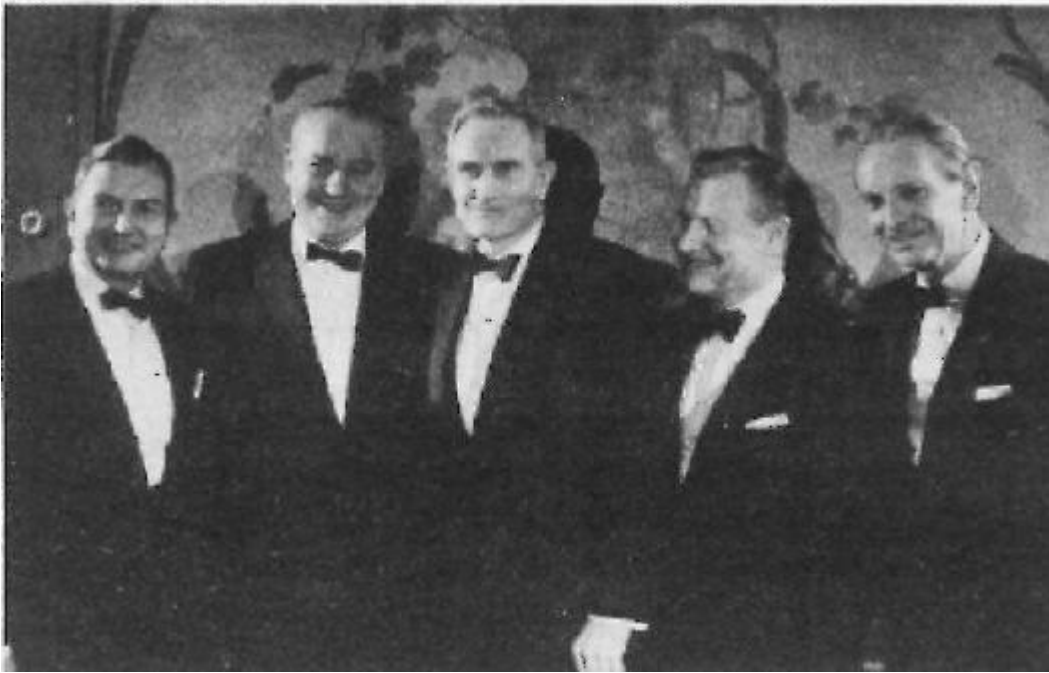
-Nelson Rockefeller

At his Vice Presidential confirmation hearings, Nelson A. Rockefeller was as solemn and serious as P. T. Barnum swearing his freak show denizens were the real Mc Coy when he told the assembled solons:

*I hope that the myth or misconception about the extent of the family's control over the economy of this country will be totally brought out and exposed and dissipated ...There is not this network of control which is popularly conceived.*

The Senators could not have been more polite. Nobody guffawed. The transcript does not indicate that they even tittered. After all, fools seldom get elected to the Senate these days. Nelson and David, as leaders of the Rockefeller Clan, are the nation's undisputed economic kings. No politician with enough savvy to be elected dog catcher laughs at a king.

Guessing the magnitude of the Rockefeller financial empire has been a favorite indoor sport since the turn of the century. In a front-page story on September 29, 1916, the *New York Times* reported that family patriarch John D. Rockefeller's oil holdings alone were worth **\$500 million**, and that he was America's first billionaire. Eight hours after the story appeared his oil shares had increased in value by a tidy **\$8 million**. Not a bad return for a single day's labor, even for a Rockefeller.



*The Brothers Rockefeller, inheritors of a colossal fortune, are using their massive wealth, power, and prestige to create what they call the "New World Order." Shown above (from left to right) are David, Chairman of the Board of both the Council on Foreign Relations and the Chase Manhattan Bank; Winthrop (now deceased); John D. an advocate of people control; Nelson, the "political" Rockefeller; and Laurance. After years of planning and campaigning, a brilliant coup d'etat has finally installed Nelson in the White House, without the risk of an election.*

About this period, however, the picture of the family's growing financial might becomes more murky. The Rockefellers began hiding their wealth from the public and the tax collector **-in trusts and foundations**. As reported in the Washington Post:

For two generations, the great fortune passed down by John D. has been fractionated and made more complex by increasing layers of trusts and closely held companies, where no public reports are required, none volunteered, and all inquiries politely rebuffed.

The Rockefellers invented a scheme, used by the super rich today, whereby the more money you appear to give away, the richer and more powerful you become. Through the help of captive politicians, guided by some bright boys in the family law offices, legislation was written and passed which would protect the Rockefellers and other elite super-rich from the repressive taxation they have foisted on everyone else.

The key to this system is giving up ownership but retaining control. For example, most people don't believe they really own something unless they retain title to it in their own name. The Rockefellers know this is a big mistake. Often it is better to have your assets owned by a trust or a foundation-which you control-than to have them in your own name.

For example, when Judge Kenesaw Mountain Landis ordered Standard Oil broken up back in 1911, sly old John D. simply created some new foundations and gave his stock to them. The net effect was the same as if you took your wallet out of your right-hand pocket and put it in the left. In this case, however, Rockefeller not only managed to avoid income taxes, but also escaped the probate, estate and inheritance taxes which have ravaged the wealth of those not in the know.

So three generations of Rockefellers have been - giving away millions of dollars - giving much of it to themselves. For example, if a Rockefeller gives a million dollars worth of stock in the Titanic Oil Corporation to the Dogood Foundation, which the family controls, he is not really out one million bucks. All he has done is transfer title of the securities to an alter ego. Of course, the foundation may then give away some of the money, or, more likely, donate some of the stock's future earnings to some allegedly worthwhile cause. But, as the few investigations by Congress into this devious field have shown, in the case of the Rockefellers such bequests somehow end up increasing the Rockefeller financial or political power.

The upshot is that, through the past six decades, the public has had no way 'even to estimate Rockefeller wealth, let alone accurately measure the family's power and influence. But we can make some logical extrapolations from the few facts that are available. We know that through the magic of compound interest (as they say down at your friendly savings and loan branch), one dollar invested at the modest rate of five % per annum will double in thirteen years. This means that if the Rockefellers were earning only five % per year (a return they would find laughable), that modest \$1 billion fortune in 1916 would have grown to over billion today.

The late Stewart Alsop, a reporter who had excellent sources in the Eastern Liberal Establishment (a euphemism for the financial, political, academic and media Mafia controlled by the Rockefellers), used to scoff at the usually "accepted " Fortune magazine estimate of the family's fortune at between \$1 and \$2 billion.

"It would not be at all surprising " Alsop concluded in his book:" Nixon and Rockefeller (published in 1960),"if all the Rockefeller family assets -all the Rockefeller - controlled money as well as the Rockefeller "owned money came to something like 10 billion dollars.

If Alsop is correct, the Rockefeller holdings would now be a rather comfortable nest egg of some \$25 billion.

In view of the fact that the past fifteen years have produced much economic growth (as well, as much inflation), it could well be that \$25 billion is a reasonable, even a conservative figure.

Of course the family has never admitted being worth even a sizable fraction of this amount. When originally queried by the Senate Committee, good old' Nelson estimated his personal fortune at a paltry \$33 million. After some very mild prodding by the Committee, this modest estimate was increased by 660 %.

The Vice Presidential hopeful eventually admitted to being worth a more respectable \$218 million-a sum, incidentally, that is greater than the *combined* wealth of all 37 Presidents in this country's history.

So great was public suspicion of the Rockefeller wealth that the family's financial adviser, J. Richardson Dilworth, was invited to testify before the House judiciary Committee. Dilworth became the Rockefeller family's key money manipulator in 1958. Prior to joining the Rockefellers he had been a partner in Kuhn, Loeb & Co., perhaps the most politically powerful international banking firm in the world. Kuhn, Loeb was, and still may be, a satellite of the immensely rich and powerful Rothschild family of Europe. Historically, the Kuhn, Loeb name has been synonymous with financial success and political intrigue, dating back to participation through senior partner Jacob Schiff in bankrolling the Bolshevik revolution in Russia.\* (see None dare call it conspiracy)

In the past, the Rockefellers have both competed with and cooperated with the Rothschilds. Dilworth's

leaving Kuhn, Loeb & Co. to take control of the Rockefeller family purse strings was considered significant by students of the international financial and political machinations of the super-rich.

Dilworth maintains an office designated as Rockefeller Family and Associates, occupying three entire floors at 30 Rockefeller Plaza. Rockefeller Family and Associates is not a legal entity or corporation; it is simply a name to describe the organization which coordinates and manages the investments of the 84 descendants of John D. Rockefeller, Jr.

With the well-oiled assurance of a successful mortician the urbane, sophisticated Dilworth laid to rest the committee's concern over the family's financial muscle. He used five charts, crammed with statistics, to dispel the notion that the family exercises inordinate power over the nation's economy. Rocky's critics found it difficult to dispute Dilworth's bewildering collection of figures; at times they could hardly keep up with them. The whole performance was as confusing as an Eisenhower press conference, and probably as deliberate. As one observer commented:

*.... the talk of convertible stocks, coupons and fiduciary obligations and the fact the vast holdings of The Rockefeller Foundation and other family-collected funds were not included in Dilworth's presentation left most members little more enlightened than they had been.*

According to Dilworth, the 84 living Rockefellers are worth a mere \$1,033,988,000. (Presumably he rounded off the figures to the nearest thousand dollars.) The bulk of the assets disclosed by Dilworth were held in two trusts, one established by John D. Jr. in 1934 for his children and one set up in 1952 for his grandchildren.

But according to many sources, the Rockefellers have as many as 200 trusts and foundations, and it is possible they have hundreds, even thousands more. Why bother with so many? For one very simple reason: So that assets can be moved, merged, and manipulated so smoothly and so quickly that the public-and just as important, the tax experts from the Treasury Department-have no way of knowing just how much money is where.

Suppose you had three buckets, one empty, two filled with water. Is there any way you could pour water from one bucket to another so quickly an observer could not tell how much water you had?

But suppose, instead, you had five thousand buckets. And a hundred persons to help pour. And you were allowed to keep all but a few buckets and a few pourers hidden behind a high wall. Would your chances be better to keep your -liquid assets - secret? So it is with the Rockefellers. All trusts are not equal. Only a handful of attorneys in the country know how to establish the type of trusts the Rockefellers have. These specialized trusts are most emphatically not the sort your friendly local solicitor can create for you. They not only can eliminate probate, cut inheritance taxes, and reduce income taxes; unlike corporations, they can achieve almost total privacy. Theoretically, trustees can, within the privacy of their directors' meetings, create more and more trusts ad infinitum. With a little effort, taxes disappear. With more effort, even the value of the holdings can be completely hidden.

This explains why the Rockefellers use so many trusts. The fact is that we really don't know how many trusts the family has established. It may be thousands, or tens of thousands. Remember Nelson's explanation for the embarrassing fact that he did not pay any income tax in 1970-his trust fund managers had done a lot of shifting of investments in 1969. You can bet they moved their assets to accomplish this!

In testifying before the Judiciary Committee, Dilworth did not discuss the family's holdings by

individuals, but presented them as a single package. Dilworth said he had received "unanimous permission" from the Rockefeller family to make public the total figures of their holdings. "This in itself has been a unique experience, since it runs so completely against the grain of what we in the office consider to be one of our major responsibilities- the preservation of the separate identity and highly personal treatment of each account," he said. "Like other Americans, they value highly their right of personal privacy."

More importantly, the privacy within the trusts can conceal whatever assets the Rockefellers decided not to make public. If the family had chosen to open up the minutes of its trustees' meetings to Congressional investigators, we might have some idea of the true financial status of the family. No such suggestion was even whispered. We really have only the Rockefellers' word for the amount of wealth they control, and they obviously have a vested interest in minimizing its size.

How about assets hidden in foreign countries? Are there Swiss bank accounts? Rocky says no, but he could be telling the literal truth, yet have foreign accounts held by trusts or other nominees, or securities "in street name (that is, in the name of a brokerage firm such as Merrill Lynch). Or assets can be held in a custodial account of a bank, such as (for example) Chase Manhattan.

All that we know for sure is the first time Rocky was asked about his wealth he swore it was a paltry \$33 million; later he admitted the figure was six (6) times higher. **A slight miscalculation which anyone might make.**

We are supposed to swallow the propaganda that the Rockefellers are merely middle-class millionaires, not even in the same financial ball park as Howard Hughes or those Texas wheeler-dealers. But, "Hideout Howard" and the Dallas money crowd are relative Johnny-Come-Latelys to the world of high finance. The Rockefellers have been refining oil for over a century and running banks for 75 -years. Although it cannot be proven because the evidence is hidden, few sophisticates swallow Dilworth's \$1 billion figure-which does not even include any personal residential property, jewelry or other personal belongings; nor does it include Nelson's art collection, which he has valued (conservatively, we must assume) at \$35 million.

Nor are the Rockefeller homesteads your basic tract bungalows. The main homes of the clan are located at Pocantico Hills in New York. Established 45 years ago by old John D., the land alone was worth \$50 million in 1930. Their value today defies estimate. When opened to the press for the first time in 1959, at the time of the marriage of Nelson's son Steven, the estate, with its 70 miles of private roads, was said to be 4,180 acres in size. Earlier reports claimed 7,500 acres. In 1929 there were 75 buildings occupied by the Rockefellers and their attendants; over 100 families lived on the estate. One addition has been a \$4.5 million underground archives to store family records. One wag has described the palatial Pocantico Hills as the kind of place God would have built if he had had the money.

No expense was spared by the family to remove minor blemishes on their pastoral paradise.

The senior Rockefeller gave the New York Central Railroad \$700,000 to move its tracks, and \$1.5 million to a small college to shove off.

Among the other chateaux owned by Nelson is the enormous Monte Sacro Ranch in Venezuela, his coffee plantation in Ecuador (the one where Juan Valdez waits for the perfect day to pick the beans), his several farms in Brazil, his 32-room Fifth Avenue duplex in New York City, the mansion in Washington, D. C., the little hideaway at Seal Harbor, Maine, etc., etc., etc.\*



In addition, at last count the Rockefellers owned seven huge ranches. Earlier this year 1975, Nelson bought 18,000 empty Texas acres for -outdoor recreation.

It is doubtful if any of the Rockefeller women will ever have to spend the night at the YWCA. The four of them have about 100 residences to choose from, including John D. III's spacious Beekman Place apartment in Manhattan, Laurance's sumptuous resorts in Hawaii and Puerto Rico, Nelson's Venezuela Finca, (large enough to swallow the entire city of New York), and David's Caribbean home.

Needless to say, it takes an army of underlings to operate these elegant pads. There are 500 full-time domestics, gardeners, guards and chauffeurs at Pocantico Hills alone, 45 at the family's Seal Harbor, Maine, retreat, and 15 in Nelson's Fifth Avenue apartment. All told, it has been estimated the Rockefeller women have at their beck and call about 2,500 servants.

Because the Rockefellers are forever on the wing-in their private jet fleets-each residence is permanently staffed, and nightly the sheets are turned down. One never knows when the boss might pop in.

Of the corporate holdings described by Dilworth, the largest, of course, is Exxon, the new name for Standard Oil of New Jersey, one of the companies formed when John D. Rockefeller, Sr. was ordered to de-monopolize the Standard Oil Company. The stock directly owned by the family (not counting that held by such family controlled entities as banks and foundations ) amounts to \$156,7 millions. Number two on Dilworth's list is Rockefeller mere \$98 million. Anyone who accepts this estimate of the Center's worth is probably negotiating to swap his life time savings for sole proprietorship in the Brooklyn Bridge. The Los Angeles Times observed on September 30, 1974 :

\* The Congressional hearings revealed that two houses in Washington "ostensibly owned by a Rockefeller attorney" actually belong to Nelson.

Nobody but the stockholders (the four surviving Rockefeller brothers-Nelson, John D.III, David and Laurance - their sister, Abby, and the heirs of their brother Winthrop, who died in 1973, and a handful of Wall Street bankers) know its true value, but the educated guess of New York's real estate crowd is that Rockefeller Center, land and buildings, is worth \$1 billion.

Next in line in the family portfolio is \$85-million worth of stock in Standard of California, followed by \$72.6 million worth of IBM. Companies in which the family holds \$10 million or more in stock include Chase Manhattan Bank, Mobil Oil Corp., Eastman Kodak, General Electric, Texas Instruments, and Minnesota Mining and Manufacturing. Altogether the Rockefellers own a significant portion of some 50 major American companies.

So extensive are the family's holdings in securities that the Dilworth operation spreads over three entire floors at Rockefeller Center, and requires 154 full-time employees to manage the security portfolios. Working under Dilworth's supervision are fifteen top financial experts, who also double and triple in brass by serving on the boards of directors of nearly 100 corporations with combined assets of some \$70 billion.

When testifying before the judiciary Committee, Dilworth's main objective was to fortify Nelson's statement that his family's reputed financial power was a - myth - concocted by evildoers. "If you're thinking of colossal economic power, it doesn't exist. We have investments, but not control," claimed Rocky.

"It should be stressed that both the family members and their investment advisers are totally uninterested

in controlling anything," parroted Dilworth. "The family members are simply investors. The aim and hope of the advisers is over time to achieve a reasonable total return for our clients. "So seriously was the whole performance taken that not even a wink could be, detected in the hearing room, much less a discreet nudge under the table.

Dilworth maintained that members of the family do not coordinate their investments. Their sharply differing views on investments, social and environmental policies, Dilworth claimed, have prevented them from ever voting their stock in unison. "There is no grand design or overall pattern," the Rockefeller hireling assured the committee.

Dilworth went on to say that the last time the family interfered in the management of a company was in 1928 when John D. Sr. and Jr. forced Standard Oil Company (Indiana) to remove a chief executive. Such intervention now, purred Dilworth, is -totally foreign to this family. In the 17 years I've been on this job, I've never seen this family try to push people around."

The Wall Street Journal sprang to the defense of the family on September 25, 1974:

*... "while Mr. Rockefeller is a bit modest about his economic clout, it is true that there are no individuals left in this society who are wealthy enough to alone substantially influence economic events. The wealth accumulated by John D. and the other tycoons of his era is diffused through a vast economy, controlled by foundations, trusts and the managers of large broadly based corporations.*

*Power is diffused along with it"*

In April 1958, when it was reported that J. Richardson Dilworth, the man with the most snobbish "sounding name since Junius Pierpont Morgan or Jackie Gleason's immortal Reginald van Gleason, was appointed to his present position, the *New York Times* explained that the organization "manages and supervises" the Rockefeller family investments. The phrase "manages and supervises" suggests a coordinated effort at directing family finances. If the Rockefellers were not interested in maximizing their economic leverage, it would seem logical that each would pursue his own interests separately and retain his or her own battery of experts.

Dilworth makes it sound as if the family has widely divergent views on social, economic and political questions. Yet we have not been able to find a single significant occasion when the four sons and daughter of John D. Rockefeller, Jr. differed.\*

And is it not curious that no member of the Judiciary Committee chose to grill Mr. Dilworth about the alleged disagreements which prevent the family from acting in financial unison? The *New Yorker* of January 16, 1965, tells us that the brothers and sister Abby "get together two or three times a year to discuss matters of interest to all of them." The purpose of the conferences is to "collide and coalesce," as one of their senior advisers described it.

Charles B. Smith, a top Dilworth, lieutenant, was a bit more forthright than his boss: "Our goal, like everybody else's, is to make wads and wads of money for the Rockefeller family." The Rockefeller family likes money. But, once you have achieved the ultimate of opulence in your standard of living (and the Rockefellers reached that plateau decades ago), making money for its own sake becomes a fairly academic exercise.

Most people relax after they have reached the point of economic comfort and security. But, for some individuals, the ultimate ego trip has been the pursuit of power. In bygone days the rare individual with

a manic desire for power seized a throne, or led conquering armies. Now that is all passé. Today, more worlds are conquered in board rooms than on battle fields. And, as we shall see, what happens on battle fields is often the result of decisions made in board rooms.

All of us can name plenty of tyrants and despots from the past. Genghis Khan, Alexander the Great, Napoleon, Hitler, Stalin - these men brought misery and death to millions of people in the course of realizing their own perverted ambitions. But because the overwhelming majority of people do not possess such a psychotic thirst for power, they find it all but impossible to recognize its presence in others.

\* One subject on which the family is unanimous is furthering Nelson's political ambitions; the Rockefellers have contributed a staggering \$25 million to various campaigns promoting Nelson for the Presidency.

Most Americans just want to provide decent lives and comfortable futures for themselves and their families. They are willing to work hard to achieve the necessities of life and even many luxuries. But they could no more conceive of scheming, -plotting and conniving to become economic commissars or kings than they would be interested in abandoning civilization for life as headhunters along the Amazon.

It is Mr. Average American and his family, however, who pay the price for the megalomania of the empire builders. Especially since our domestic would-be tyrants learned long ago that a political-economic conspiracy can become far more powerful than a criminal one-and is far, far safer for the participants.

Whether or not such megalomania is carried by genes we do not know. What can be shown is that it has existed for at least three generations in the Rockefeller family. Despite the protests of the Rockefellers and their hirelings that they are totally uninterested in controlling anything, a survey of the evidence will reveal an all-consuming passion for control over everything and everybody.

The House of Rockefeller is not just a wealthy and successful family. Instead, it is an Empire. No other family has deliberately sought control over so many institutions which affect every facet of American life. Whether it is government, business, energy, banking, the media, religion or education, at the apex of the power structure you will find Rockefeller money and Rockefeller front men and agents. Such total persuasiveness, influencing every important aspect of American life, cannot be happenstance.

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# Chapter Two

## The Saintly Sinner

*“Competition is a sin.”*

-John D. Rockefeller

Enough books have been written to fill a fair-sized library, detailing the incredible story of how Daddy

Oilbucks started Standard Oil and built the Rockefeller fortune. Some of them even tell the truth! We will tiptoe through these shady tulips only long enough to understand the traits and tactics of the Rockefeller founding father, so we may recognize them as they bloom again in modern clan members.

Everything about the Rockefellers seems to be controversial, even their family background. One story goes that the family descends from French Protestants, who changed their name from Roquefeuille to Rockefeller when they were driven from France into Germany. However, a genealogy compiled by the distinguished scholar, Dr. Malcolm Stern, entitled *Americans of Jewish Descent*, convincingly established the claims of many American Jews that the Rockefeller clan originally was one of their own.\*

\* Birmingham, Stephen, *The Grandees: America's Sephardic Elite*, Harper & Row, N.Y., 1971, p. 3.

The controversy about the Rockefeller antecedents is probably not important. But it does highlight an accomplishment more difficult than threading a needle after six martinis (and one that is reported about as often).

The family controls oil holdings worth hundreds of millions in Arab lands, yet Nelson has remained the darling of organized Jewry in New York City. Without such support he could never have been elected Governor of New York State four times. Just how the family manages this bit of wizardry boggles the mind.

William Rockefeller, the father of John D., first became involved in the petroleum business when he peddled the oily stuff at \$2.5 a pint as a cure for warts, snake bite, cancer and impotency. The wandering medicine man called himself "Doctor," even though he couldn't have entered medical school with a search warrant. In addition to being a quack, "Doc" Bill was a bigamist, horse thief and child molester. The good "Doctor" avoided prosecution in New York for raping a 15-year old girl by hightailing it for Cleveland. Once there, he deserted his wife and six children to marry a 20-year old. (At least when Nelson abandoned his wife of 31 years to marry Happy Fitler Murphy, he did not abandon his children. She abandoned hers.)

Although no one ever nominated him for the father-of-the-year award, the "Doc" did take the time to instruct his children in his own unique business ethics. Author William Hoffman reports: "The thing the children most remembered about their father was the delight he took in getting the better of them in business deals. He would con them out of something they considered important, then lecture them on the necessity of always being alert."

The family's friendly biographer, Professor Allan Nevins, quotes "Old Bill" as boasting to a crony:

*I cheat my boys every chance I get. want to make 'em sharp. I trade with the boys and skin 'em and I just beat em every time I can. I want to make 'em sharp.*

### **He did.**

The sharpest of the "Doc's" progeny was John D. Any psychiatrist worth a couch would trade several neuroses to have had a chance to learn what made him tick. He was full of more contradictions and paradoxes than a Charlie Chan flick. The main feature of his Jekyll-Hyde personality is that he was straighter than an arrow in his private life and deeply (some say fanatically) religious. At the same time he was totally and utterly ruthless in his grasping for money and power. Many of the old boy's victims were sure that his religion was a pretense, an act. But actually there is no evidence that his claims to

piety were deliberately faked.

Unlike his father, John D. was a nose-to-the-grindstone type who, before he was out of his teens, was a shrewd and successful commission broker in Cleveland. In 1859, his partners sent him over to Titusville, Pennsylvania to see if there was as much financial potential in the gushing black liquid as was rumored. Young Rockefeller liked what he saw. He decided that of the three phases of the burgeoning oil industry-production, transportation and refining-the last promised the greatest profits.

John D. returned to Cleveland and launched what became the mighty Standard Oil Company. From the start of his business career, one thing that Rockefeller hated more than sin was competition. For John D the only efficient way to run anything was by a monopoly. Provided, of course, that the most qualified, most capable, and most deserving person-meaning himself-ran it.

When John D. founded Standard Oil, it was just one of the 27 other refineries in the Cleveland area, and by no means the biggest. But the ambitious businessman-who once declared that -competition is a sin"-soon devised a plan to take on or destroy his competitors. The simplicity. Audacity, and ruthlessness of his scheme is breathtaking.

He bribed and coerced the railroads serving the oil producing region (the Pennsylvania, Erie, and New York Central), to give him a kickback, or rebate, not only on his own shipments, but also on every barrel his competitors sent by rail. The more they shipped, the more he made!

Rockefeller's rebate formula enabled him to reduce his own prices and drive the other oil refiners out of business *using their own money!*

Within a year, his competitors had capitulated.

Lewis Corey, in his book *The House of Morgan*, comments on the ploys that provided the coups *de grace* to Rockefeller's competitors:

... the battle of competition was waged by means of intrigues, discriminatory railroad rates, business blackmail and expropriating competitors' property ....

In spite of public condemnation, Standard Oil persisted in extorting discriminatory rates from railroads, afterward secured by John D. Rockefeller becoming a power himself in the railroads, particularly New York Central, Erie and Pennsylvania. Rate discrimination was general and infuriated small businessmen to revolt ...

John D. did not get his bag of tricks from his daily reading of Matthew, Mark, Luke and John. The rebate game was powerful, but it was only one of his cunning schemes. In the early days, "lucky-competitors were offered cash or stock in Standard Oil, in return for selling their firms to Rockefeller at the rock-bottom prices he offered. The smart ones took stock. Later, things got rougher. Matthew Josephson describes in *The Robber Barons* what happened to one stubbornly independent company:

.... where the Standard Oil could not carry on its expansion by peaceful means, it was ready with violence; its faithful servants knew even how to apply the modern weapon of dynamite. In Buffalo, the Vacuum Oil Co., one of the "dummy-creatures of the Standard Oil system. became disturbed one day by the advent of a vigorous competitor who built a sizable refinery and located it favorably upon the waterfront. The offices of Vacuum conducted at first a furtive campaign of intimidation. Then emboldened or more desperate, they approached the chief mechanic of the enemy refinery, holding

whispered conferences with him in a rowboat on Lake Erie.

He was asked to "do something." He was urged to "go back to Buffalo and construct the machinery so it would bust up ... or smash up, to fix the pipes and stills so they cannot make a good oil ... And then if you would give them a little scare, they not knowing anything about the business. You know how . . . - In return the foreman would have a life annuity which he might enjoy in another part of the country. So in due time a small explosion took place in the independent plant.

Ferdinand Lundberg, in his study *The Rich and Super-Rich*, has observed:

*"As the history of Standard Oil by any author, pro or con, clearly shows, Rockefeller was of a deeply conspiratorial, scheming nature, always planning years ahead with a clarity of vision that went far beyond anything any of his associates had to offer."*

John D. specialized in operating through others, just as the family does today. He hired agents everywhere; among competitors', politicians and in the media. He found plenty of people who could be bought. "The ability to deal with people is as purchasable a commodity as sugar or coffee .... I pay more for that ability' than for any under the sun the Standard Oil founder once admitted. Rockefeller's industrial espionage system was by far the most elaborate, most sophisticated and most successful that had ever been established. William. Manchester tells us in *Rockefeller Family Portrait*:

The trouble with fighting John D. was that you never knew where he was. He ran his company as though it were a branch of the CIA All important messages were in code-Baltimore was "Droplet," Philadelphia "Drugget", refiners were "Douters," the Standard itself "Doxy." Shadowy men came and went by his front door, shadowy companies used his back door as a mailing address. For a long time the public didn't realize how powerful he was because he kept insisting he was battling firms that he secretly owned outright. His real rivals were forever discovering that their most trusted officers were in his pocket.

## **The tentacles of the octopus were everywhere.**

One Cleveland oil refiner made a last ditch effort to save his company from a Rockefeller takeover by going to Peru for oil. He found it had all been bought by a company which was a subsidiary of a corporation owned by the Anglo-American Company of England-which belonged to Standard. Soon, his firm was just another satellite in the Rockefeller oil empire.

It was not for nothing that newly impoverished former competitors referred to the Standard Oil biggie as John D. Reckafellow. A lot of bitter, broken men would have liked to have had a piece of that Rock.

In later years the Wizard of Oil tried to disguise his piratical business operations with the protective coloration, of his religious practices.-" God gave me my money," he piously proclaimed. Many wryly mused that if true, God had a very strange code of ethics.

By 1890, Standard was refining 90 % of all crude oil in the United States and its worldwide operations were expanding rapidly. Many have been led to believe that the federal government finally broke up Standard's near monopoly. The truth is that when oil was discovered in, Louisiana, Oklahoma and California, Standard Oil, big as it was, was unable to seize complete control of the mushrooming oil business. In the big oil boom that followed, too many small producers and refiners prospered for John D. to bribe, blackmail, or bomb all of them. In a sense, it was God, - not Uncle Sam, who blocked John D.'s Monopolistic plans.

# Chapter Three

## The Family That Preys Together

*“Nelson Rockefeller becomes Vice President or events make him President someday, he will bump into his family's wealth on practically every major public issue.  
..”*

-Thomas O'Toole  
Washington Post

Although international banking is probably the Rockefellers' most important business, Standard Oil remains the keystone in the arch of the Rockefeller Empire. The family is still better known to the public for its oil properties than for its bank shares.

Petroleum is now the single most important commodity in world trade. It supplies the fuel, of course, for almost every motor vehicle in the world, it powers most electric generating plants, and it is the most vital raw material for the manufacturing of plastics, chemicals and drugs. All of this has brought huge benefits to the Rockefellers. As *Time* magazine reported in its issue of February 18, 1974:

*For 111 years, the business that has been variously known as the Standard Oil Trust, Standard Oil Co. (New Jersey), Esso and now Exxon has survived wars, expropriations, brutalizing competition, muckraking attacks and even dismemberment by the US Supreme Court (in 1911). It has not only survived but has also grown-from a refinery in Cleveland to a global behemoth that sells petroleum in more than 100 countries through some 300 subsidiaries and affiliates that make up a -United Nations of oil." Not only grown but also prospered-so much so that last month it reported the largest annual profit ever earned by any industrial company: \$2.4 billion after taxes.*

The explosive growth of Exxon, the tiger of the oil industry, is revealed in the following UPI release fifteen months after the *Time* article:

Fortune magazine has just issued its list of the nation's 500 biggest corporations, and never in the 20 years that it has tracked their performance have the rankings been so changed. The reason, the May issue of the magazine reports, is oil.

Fortune's new list of the biggest publicly held industrial corporations for 1974 introduces a new No. 1: the Exxon Corporation. It displaced the General Motors Corporation, which had been America's biggest industrial company for 40 years. Exxon was No. 2 in 1973.

Propelled by soaring prices for oil, Exxon's sales-the gauge by which Fortune determines size-surged from \$25.7 billion in 1973 to \$35.8 billion last year.

To get some idea of the mammoth size of Exxon, consider the following: If Exxon were shorn of all its foreign operations, it would still be the ninth or tenth largest industry in the United States. Yet it gets

only 16% of its oil production and 32% of its sales from this country. If Exxon merely transported oil, it would be the world's biggest shipping firm. It has 155 tankers of its own and varying numbers under charter at sea. It is a substantial international banker, holding fortunes in marks, yen, francs, pounds and dollars all over the world. And on and on it goes.

In order to determine actual Rockefeller family control over Exxon and the other offshoots of the original Standard Oil Trust (Mobil, Standard of Indiana, Standard of California, Chevron, Sohio, Phillips 66, Marathon, et al) we must gather all of the pieces of the puzzle we can find and carefully fit them together. In his testimony before Congress, Dilworth revealed that the Rockefeller family has approximately \$324,600,000 worth of oil stock. This represents an average of about 2 % in each of the four giant oil companies. But, in 1966, testimony before the Patman Committee indicated that the nine Rockefeller family foundations also controlled an average of about 3 % in the Standard Oil Trust descendants. This known total of 5% would give the Rockefellers effective working control over the four giant corporations:

In addition, there are shares held in trust by the Rockefeller banks, insurance companies, universities and other groups whose boards of directors and trustees are interlocked with the Rockefellers.

And yet, incredibly, oil is not even the Rockefellers' biggest business. That honor is reserved for international banking. The Rockefeller family banks are the First National City Bank and the Chase Manhattan Bank. The Chase Manhattan is the third largest banking establishment in the world; and while only number three, it is by far the most influential.

The largest bank in the world is Bank of America in California, inventor of the bank credit card, Bank Americard, which now has 39 million cardholders worldwide. Bank of America became a giant through branch banking in California, where it has over 1,000 offices. Until recently, however, when it linked its overseas operations with the Rothschilds of Europe, the Bank of America lacked international horsepower. Now it too has joined the internationalists' crusade for World Government.

Chase Manhattan was created by the union of the Rockefeller-owned Chase Bank with the Kuhn, Loeb controlled Manhattan Bank. The marriage has been a huge success for both families; in 1971 Chase Manhattan claimed \$36 billion in assets. This is impressive enough, but the New York Times has pointed out that it is not the whole story: . . . a major portion of their [Chase Manhattan's] business carried on through affiliated banks overseas is not consolidated on the balance sheet."

*Time* also emphasizes the immense power of the Chase Manhattan, noting that "The Chase has 28 foreign branches of its own, but more important, it has a globe encircling string of 50,000 correspondent banking offices." Fifty thousand correspondent banks around the world! if each correspondent bank were worth only a paltry \$10 million, it would give Chase potential world wide clout of five hundred billion dollars ! Such a figure is simply incomprehensible. Unfortunately, it is probably, conservative estimate of Chase's power and influence.

Such financial clout would give the Rockefellers the ability to create an international monetary crisis over, night. Could it be that it is they who have been yo-yoing the price of gold, dollars and foreign currencies during the past few years-creating panics for most investors, but profits for themselves?

Every time an international monetary storm blows up hundreds of millions of dollars flow into European banks' When the storm subsides, those who were "in the know": at the beginning have made enormous sums of money, That the Rockefellers have been very profitably involved through the Chase Manhattan Bank and its overseas facilities, seems more than reasonable.



By almost any standard, Chase Manhattan has become virtually a sovereign state. Except it has more money, than most. It even employs a full-time envoy to the United Nations.

As just one illuminating statistic, during 1973 Chase board chairman David Rockefeller met with 27 heads of state, including the rulers of Russia and Red China, plus scores of lesser dignitaries. Not even Henry Kissinger, he of the - shuttle diplomacy - and much- publicized state dinners, can match Rockefeller's influence with the men at the top.

Chase Manhattan's annual reports contain much information detailing the worldwide expansion of the bank. It has gone international on the grand scale. And it shows no signs of slowing down. In fact, Chase Manhattan is the undisputed world heavyweight champion when it comes to international banking.

During the Senate hearing on Nelson's confirmation, he claimed, "I do not own any shares in the Chase Manhattan Bank." However, he neglected to mention that his family owns 623,000 shares, or 2.54 % of the Chase Manhattan stock. And he also conveniently overlooked the fact that the Rockefeller Brothers Fund owns another 148 000 Chase shares and Rockefeller University holds 81,296.

Myer Kutz tells us in the *New York Times* of April 28, 1974: "The Rockefellers and Rockefeller institutions own a major, essentially controlling interest, estimated at more than 4%, in The Chase Manhattan Bank.-

The Chase Annual *Report* for 1974 reports that the total assets of The Chase Manhattan Corporation stood at **\$42,532,003,302**. That's over forty-two billion dollars. From this, reports Chase, they had a net income of \$180,801,382 for the year 1974 That's over \$180 million profit in just one year-or \$3.5 million in profit a week-of which the Rockefeller family pockets over four %, or roughly 7.2 million dollars. That's not bad, considering Chase is mainly a device for holding and boosting many of the family's other financial interests.

Once again we must note that actual ownership by the family in Chase Manhattan may be much greater than is admitted. Professor James Knowles in his highly detailed study, " The Rockefeller Financial Group" states:

It is impossible to establish conclusively that the wealthy families represented on the boards of the banks in the Rockefeller Group own a controlling share of the stock. The ownership of large banks is a carefully guarded secret. Even when banks are required to disclose their largest stockholders, as was the case in the 1962 Patman investigation of chain banking, they have used what are called "street names" in referring to stockholding in trust.

These "street names- are wholly fictitious and bear no resemblance to the actual beneficiary or trustees. In the case of Chase Manhattan Bank, for example, its reported twenty largest stockholders in 1962 included fifteen "street names," (e.g., Dudd & Co., Don & Co., Atwell & Co.) .... \*

If fifteen of the twenty largest blocs of stocks are held in fictitious names designed to hide the identities of the real owners, it is impossible to doubt that some, if not most, of the actual owners are part of the Rockefeller Empire.

\* Knowles, James, "The Rockefeller Financial Group,- MSS Modular Publications, NY, 1973, p. 8.

When the few facts that are available to the public are considered-that the Rockefellers control by far the largest amount of stock in Chase Manhattan, that other families closely connected with the Standard Oil

fortune from its beginning also own substantial blocks of stock, that the board of directors of Chase Manhattan reads like a who's who of Rockefeller lieutenants, and that David Rockefeller is chairman of the board of the bank-no one can dispute Rockefeller control of the Chase Manhattan Bank.

But Chase Manhattan is not the only mega-bank in the Rockefeller financial empire. The first bank with which the Rockefeller family became directly involved was the National City Bank of New York, which actually ranks number two in the international standings. Its former president, James Stillman, became a close associate of John D.'s brother, William, who was at the time managing the huge Standard Oil Trust. William Rockefeller tilted the Standard Oil banking business in Stillman's direction and thus National City became the largest bank in New York City. The financial marriage was cemented by the marriage of two of William Rockefeller's sons to two of Stillman's daughters.

Until his retirement in 1967, James Stillman Rockefeller, a product of the Stillman-Rockefeller merger, was chairman of the board of First National City Bank. Previously, James had strengthened the Rockefeller family and financial ties by marrying Nancy Carnegie of the fabulously wealthy Carnegie family.

City Bank has enjoyed such phenomenal growth that it now surpasses the mighty Chase in total assets. While it does not have the prestige or political muscle of the Chase, it really matters very little since both are Rockefeller family banks.

Yet a third large New York bank in the Rockefeller orbit is the Chemical Bank, which is controlled by the Harkness family. Edward Harkness was one of John D.'s closest business associates in the Standard Oil Trust, and as late as 1939 the Harkness family was the largest non Rockefeller owner of Standard Oil stock.

Closely related to the Rockebanks are the gigantic insurance companies, with their investment funds worth hundreds of millions of dollars. Life insurance companies play a critical role in financing because they are the principal suppliers of long-term credit, whereas banks are mainly involved with short-term and medium-term credit. In turn the solvency (or bankruptcy) of other corporations is often dependent on their ability to obtain loans from the Rockefeller-controlled financial giants.

The Rockefeller Group of banks is heavily interlocked with the board of directors of three of the four biggest life insurance companies: Metropolitan Life, Equitable Life and New York Life. The total assets of these three insurance giants amounted to over \$113 billion in 1969. According to Professor Knowles, the Rockefeller Group controlled banks account for about 25 % of all the assets of the fifty largest commercial banks in the country and for about 30 % of, all the assets of the fifty largest life insurance companies.

Buddy, can you spare a dime?

The Rockefeller family control over these banks and insurance companies gives them **leverage** over the economy that goes far beyond their direct ownership.

There are several ways in which the Rockefeller Clan controls vast segments of the economy. The first is through the stockholding of the families in the group. Five % ownership of a widely-held public corporation, according to a 1974 report by the Senate Banking Committee, is considered tantamount to control, especially if your name is Rockefeller. But if we consider only those firms where the Rockefellers own twice that much stock, or have five % of the stock plus two or more toplevel management positions, we can put the following companies in the column controlled by the

Rockefellers. (The 1975 asset-size rating by Fortune magazine is indicated in parenthesis.)

Exxon (1), Mobil Oil (5), Standard of California (6), Standard of Indiana (13), International Harvester (26),

Inland Steel (78), Marathon Oil (60), Quaker Oats (163), Wheeling-Pittsburgh Steel (194), Freeport Sulphur, and International Basic Economy Corporation.

Another means by which the Rockefeller Group has potential influence or control over major segments of the economy is through the trust departments of the Rockebanks. Nearly a decade ago, the assets of commercial bank trust departments were \$253 billion, almost \$100 billion more than those of all mutual savings banks and savings and loan companies. Usually a commercial bank trust department exercises sole voting rights over the stock it holds. But anyone who believes this is the case for the enormously large trusts established for the Rockefeller family probably also hopes to find a real diamond in the bottom of his Cracker Jacks box.

While Dilworth was bending over backwards trying to convince the assembled Senators at the hearings that the family never, but never, interferes with management, Fortune magazine has reported that the Rockebanks often throw their weight into proxy battles, and the very knowledgeable Professor Knowles adds, "No company is secure from possible domination by bank trust departments.-

In 1967, the Rockebanks had a total of \$35 billion in trust department assets -nearly 14 % of the national total! These included \$22.5 billion in stocks. Knowles notes:

Obviously, such stockholdings, most of which are either under the direct control of the families whose representatives sit on the boards of these [Rockefeller] banks or are indirectly under their control through voting rights exercised by the bank trust departments, provide a basis for the effective control of a large share of the American economy.

Chase's trust department, with the bank's companion investment management corporation, controls the single largest block of stock in 21 major American corporations. This means that United Air Lines, Northwest Airlines, Long Island Lighting, Atlantic Richfield Oil, National Air lines and 16 other multimillion dollar firms are also under the Rockefeller thumb. The Los Angeles Times reports:

Control of the bank and of its trust department has the effect of multiplying the family's economic leverage. Every major bank in New York holds millions of shares in trust for other owners-most of whom give the banks the power to vote the shares and, thus influence corporate management.

Corporations which are probably under the control of the Rockefellers~ through financial institutions, trust departments or foundation ownership of stock, include the following (with the 1975 Fortune rating in parenthesis):

IBM (9), Mobil (5), Texaco (4), IT & T (10), Westinghouse (19), Boeing (39), International Paper (56), Minnesota Mining & Manufacturing (59), Sperry Rand (70), Xerox (41), National Cash Register (97), National Steel (64), American Home Products (92), Pfizer (130), Avon (159), and Merck (1.52).

But wait, there's more! Still wonder if the Rockefellers have amassed a dangerous amount of power? Consider that just the transportation companies under Rockefeller influence (with 1975 Fortune ranking for transportation corporations noted in parenthesis) are as follows:

Perm Central (T3), TWA (T1), Eastern Airlines (T8), United Airlines (T2), National Airlines (T26), Delta (T13), Braniff (T19), Northwest Airlines (T18), and Consolidated Freightways (T17).

Other major corporations in which the Rockefellers have significant influence, either director indirect, but not enough to prove working control, are:

AT & T (U1), Motorola (149), Safeway (R-2), Honeywell (68), General Foods (58), Hewlett-Packard (225), and Burlington Industries (86).

Yet another manner in which the Rockefellers can exert significant control over corporations is through loans.

More and more in recent years companies have had to finance modernization and expansion through bank borrowing. Old John D., biographer Allan Nevins tells us, never allowed any finance capitalist to obtain large shares- of his properties. While Big Daddy did not want to be eaten by the Wall Street loan sharks, he didn't mind becoming one. Roughly 80 % of Chase's loan portfolio, the U.S.'s largest, represents major nationwide corporations. Bank of America, the nation's largest, specializes in making installment loans to millions of individual customers. The Rockefeller banks make fewer loans, but they make them to the giants of industry. According to Professor Knowles, the Rockefeller Group's position in the capital market is even greater than its share of banking and insurance assets would indicate. When a bank makes a large loan to a company, it is in a position to demand that it have a voice in the decision-making machinery of that company. Often this comes in the form of having somebody appointed to the borrower's board of directors.

This relates to yet another method for economic control, interlocking directorates. An interlocking directorate exists between two companies when a member of the board of directors of one company also sits on the board of directors of the other company. This was theoretically outlawed by Section 8 of the Clayton Act, which says that no person shall be a director at one time in any two or more competing companies. This law is enforced almost as strictly as the one against jaywalking in New York City. Tracing all of the interlocks among the Rockefeller Group's representatives on various boards of directors is a challenge that would reduce an Einstein to a babbling idiot. Just a few of the major corporations not previously mentioned that have interlocking-directorate ties with the Rockefeller Groups include:

Allied (Chemical) (8,5), Anaconda Copper (118), DuPont (17), Monsanto (43), Olin Mathison (161), Borden (47), National Distillers (185), Shell (14), Gulf (7), Union Oil (34), Dow (27), Celanese (101), Pittsburgh Plate Glass (113), Cities Service (61), Stauffer Chemical (233), Continental Oil (16), Union Carbide (22), American Cyanamid (107), American Motors (93), Bendix (77), Chrysler (11), S. Kresge (R5), and R. H. Macy, C.I.T. Financial (F9.), S. (R27).

In case you were not able to keep a running total of the firms enmeshed in the various strands of the Rockefeller web, let us summarize the known results: 37 of the nation's top 100 industrials, 9 of the top 20 transportation firms, the nation's number one utility, 3 of the 4 largest insurance companies, plus scores of smaller companies engaged in manufacturing, distribution, retail sales, loans, or investments, are controlled by the Rockefellers.

Staggering, isn't it? Put it all together and it does not spell MOTHER. It spells POWER.

"The power of the family fortune is beyond measure," the Washington Post has reported. And this time the paper was telling the truth. "[It is] a nexus of ownership and leverage that is greater than the sum of

its parts. "But, say Rocky, it's all a myth! Sure, Rocky. And Raquel Welch is skinny, and Mark Spitz can't swim.,

One or two Doubting Thomases have even wondered about whether it might be a conflict of interest to merge all of this monetary muscle with the political power of the Vice Presidency, and potentially the Presidency.

Wealth should not be an obstacle to high office, of course, providing that government stays out of business and business stays out of government. But, it is obvious that business and government have been getting closer and cozier for many decades. Today it is virtually impossible to tell who is seducing whom. Those on the ideological Left call it Corporate Fascism and those on the right call it State Socialism. Both are correct.

The point is that the Rockefeller family interests are so closely intertwined with matters of public policy, both foreign and domestic, that virtually every major governmental decision in some way affects the Rockefeller Empire. As Thomas O'Toole observes in the Washington Post (a paper that strongly supported Rocky's confirmation as Vice President):

If Nelson Rockefeller becomes Vice President or events make him President someday, he will bump into his family's wealth on practically every major public issue....

" Taxes, the environment, government regulation of business, prices, interest rates, overseas diplomacy, war and peace - Rockefeller interests are enhanced or hurt by government policy-making in practically every major area of American life....

.... As Vice President or President, he couldn't very well disqualify himself every time a policy decision potentially affected Chase Manhattan Bank. He would be out of work if he did. Even if Rockefeller took a vow of poverty, this empire would remain intact, still dominated by his family.

But the Rockefeller wealth goes beyond this conflict - of - interest question.

What would a middle-level bureaucrat do, for instance, if he knew he was regulating the President's family fortune? Would a senator or congressman be able to resist the combined might of the White House and Wall Street's second-largest bank, not to mention all the corporations which do business there?

Rocky buried the entire issue, as far as Congress was concerned, when he asked:"Am I the kind of man who would use his wealth improperly in public office?" He knew that the question would satisfy the politicians on Capitol Hill, many of whom have received campaign donations from the Rockefeller Empire. Not one member of the judiciary Committee had the nerve to answer his rhetorical question with the resounding -Yes!- it so richly deserved.

As we shall see, the Rockefeller family wants more money and more power. It will use its private fortune, its public position, and anything else it can to acquire it. The senior Rockefeller was a master Machiavellian who began by scheming against local competitors and wound up scheming with cartelists for economic control of: the world. His heirs make his ploys look like the friendly bargaining of a Saturday afternoon garage sale.

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# Chapter Four

## Profit x Philanthropy = Power

*“Philanthropy is the essential element in the making of Rockefeller power. It gives the Rockefellers a priceless reputation as public benefactors which the public values so highly that power over public affairs is placed in the Rockefellers' hands. Philanthropy generates more power than wealth alone can provide.”*

-Myer Kutz  
*Rockefeller Power*

The foundation ploy was one of the cleverest moves shrewd old John D. ever made-and he was responsible for some lusus. By the turn of the century the tactics he had used to create the Standard Oil monopoly made his name synonymous with ruthless exploitation. He was known as John D. Reckafellow, with a worse reputation than Scrooge. He may have been the most hated man in America.

In order to scrub up his image (and possibly assuage his alleged conscience), John D. hired Ivy Lee, the nation's most prestigious ad man of the day. Lee suggested that the aging gentleman offset his skinflint image by starting to give away money. Scrooge was to be turned into an instant Santa Claus. To begin with, Lee (the original Madison Avenue truth-twister) had Mr. Standard Oily carry around a pocketful of dimes which he would strew before deliriously happy and grateful kiddies whenever he made one of his infrequent public appearances. Cynics observed that St. John ripped off money by the millions and doled it back a dime at a time.

Well, not quite. He had an even more Machiavellian scheme in mind. He would "give-money away to foundations under his control and then have those foundations spend the money in ways which brought even more Power and profits to the Rockefeller Empire. The money "given away " would be bread cast upon the waters. But bread that almost always had a hook in it. John D. Jr. was to refer to this as the - principle of scientific giving.

The original Rockefeller foundation was established in 1901 and was called The Rockefeller Institute for Medical Research. It was set up as part of Lee's PR program to clean up the Rockefeller image. Doubtless the Rockefeller money has done much good in the field of public health and scientific research-although there are some who will give you a heated argument even here.\*

\*Those who believe that Rockefeller even in the health field is phony, point out the fact that Rockefeller monies have been used to degrade natural prevention of sickness and disease through vitamins and health foods and promote the use of drugs. Drugs are manufactured mainly from coal tar derivatives and, besides being in the oil business, the family has for decades been heavily invested in the giant drug manufacturing concerns.

For more information on Rockefeller control of medicine, see G. Edward Griffin's *World Without Cancer*,

By 1910, state after state was approving the 16th Amendment, which provided for a graduated income tax, John D. read the handwriting on the Congressional wall and, using his "deeply conspiratorial nature," began making plans to avoid the consequences of the tax by hiding his wealth in the Rockefeller Foundation.

One quite naturally assumes that the graduated income tax, the second plank of the Communist Manifesto, would be opposed by the wealthy. The fact is that many of the wealthiest Americans supported it. At first the taxes were to be very small, and some of the superrich may have promoted them out of altruism. But others backed the scheme because they already had a plan for permanently avoiding both the income-tax and the subsequent inheritance tax. John D. had figured out how to turn the lemon of the graduated income tax into lemonade for the House of Rockefeller. It is the most classic case of what accountants call "pretax planning" on record.

Chapter XVI, Part II of a two-volume set.

The best way for the Rockefeller-Morgan Insiders to eliminate growing competition was to impose a progressive income tax on their competitors while making sure the law contained built-in escape hatches for **themselves**. Actually, very few of the proponents of the graduated income tax realized they were playing into the hands of those they were seeking to control. As Ferdinand Lundberg notes in *The Rich And The Super rich*:

What it [the income tax] became, finally, was a siphon gradually inserted into the pocketbooks of the general public. Imposed to popular huzzahs as a class tax, the income tax was gradually turned into a mass tax in a jujitsu turnaround ....

The Insiders' principal mouthpiece in the Senate during this period was Nelson Aldrich of Rhode Island, the maternal grandfather of Nelson Aldrich Rockefeller. Lundberg says that "when Aldrich spoke, newsmen understood that although the words were his, the dramatic line was surely approved by 'Big John' [D. Rockefeller] . . . .- In earlier years Aldrich had denounced the income tax as -communist and socialistic,- but in 1909 he pulled a dramatic and stunning reversal. The American Biographical-Dictionary comments:

just when the opposition had become formidable he (Aldrich) took the wind out of its sails by bringing forward, with the support of the President (Taft) a proposed amendment to the Constitution empowering Congress to lay income taxes.

The escape hatch was ready. By the time the Amendment had been approved by the states, the Rockefeller Foundation was in full operation. The careful orchestration of both parts of the campaign represents one of the most successful financial coups in history. The money the Rockefellers have made by it is incalculable.

By exempting themselves from the burden they forced on their competitors, the Rockefellers were able to operate in a world of near laissez-faire capitalism while foisting the weight of more and more socialism on their competitors. It is the equivalent of a sprinter forcing every other runner in a race to carry a sixteen-pound shot.

Backing the graduated income tax had another timely advantage for old John. It was about the same time that Judge Kenesaw Landis was ordering the breakup of the Standard Oil monopoly. Wily John D. was able to kill several flying feathered creatures with a single hard object. He not only avoided taxes by creating four great tax exempt foundations; he used them as repositories for his -divested- interests in the

various Standard Oil entities. In the switch, Rockefeller had made his assets non-taxable so that they might be passed down through generations without being ravaged by the estate and gift taxes which everyone else had to pay. As Lundberg observed, old John D. planned ahead.

Each year the Rockefellers can dump up to half their incomes into their pet foundations and deduct the "donations" from their income tax. Nelson admitted at the confirmation hearings: ". . . the foundation pays no capital gains tax and no income tax so those funds can continue to multiply. They not only can, they do.

Having the foundations as a tax-free piggy bank is only one of the advantages they provide the family. As *Business Week* has observed: "The real motive behind most private foundations is keeping control of wealth. "In the foundation world, where - not for profit- really means not-for- taxation,- one exchanges ownership for control.

The Rockefellers have further advantages with their foundations. They can buy, sell or hold real estate, stocks and other securities. Congressman Wright Patman, chairman of the House Banking Committee, has charged that the Rockefellers and other foundations act in concert, using their enormous portfolios to perform maneuvers which used to be known indelicately as -rigging the market.-

So powerful have the major foundations become that the Patman Committee concluded: "Unquestionably, the economic life of our Nation has become so intertwined with foundations that unless something is done about it they will hold a dominant position in every phase of American life."

Since this report was issued by the Patman Committee in the early 1950s, absolutely nothing has been done about the power of the Rockefeller-controlled foundations - except to assist them to become even more powerful. And as this knowledgeable study warned over twenty years ago, these foundations now do hold "adominant position in every phase of American life", as we shall see.

It is the Rockefeller family which sits comfortably astride this foundation colossus. Collectively, the Rockefeller foundations have in excess of \$1.5 billion in assets but they also have interlocking control over the other most powerful foundations, the Carnegie Group and the giant Ford Foundation.

When you hear of "Carnegie Foundation" think Rockefeller. For many years the five Carnegie foundations have been mere appendages of the Rockefeller octopus. The chief operators of the Carnegie foundations have for decades been members of the Rockefeller coordinating committee, the Council on Foreign Relations, the glue which holds the Rockefeller Establishment together. (The Council on Foreign Relations, or CFR, is the subject of the next chapter.) In addition, two of the six men on the Carnegie Corporation's finance committee are also directors of Rockefeller financial institutions.

The baby giant of the foundation world is the \$3 billion-in-assets Ford Foundation. From 1953 to 1965, John J. Mc Cloy was chairman of the Ford Foundation, during most of which time he was also chairman of the Chase Manhattan Bank. Mc Cloy was succeeded by another Rockefeller minion, Eugene Black, a director of Chase Manhattan and former head of the World Bank. Currently running the show at the Ford Foundation is Mc George Bundy, formerly on the payroll of the Rockefellers' Council on Foreign Relations. As with the Carnegie foundations, most of the trustees of the Ford Foundation are members of the Rockefellers' Council on Foreign Relations.

It is not too hard to see how, as the Patman Committee has charged, these foundations can collude to act as a single entity.



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